

MINUTES

Oakdale, California
December 16, 2008

The Board of Directors of the Oakdale Irrigation District invited all to recite the Pledge of Allegiance and then met in Regular Session at the hour of 9:00 a.m. Upon roll call, there were present:

Directors: Jack D. Alpers, President
Al Bairos, Jr., Vice President
Steve Webb
Frank B. Clark
Tony Taro

Staff Present: Steve Knell, General Manager/Secretary
Kathy Cook, Chief Financial Officer/Treasurer
Kevin King, Water Operations Manager
Gary Jernigan, Contracts/Special Projects Manager
John Davids, District Engineer
Jason Jones, Support Services Manager

Also Present: Tim O'Laughlin, Water Counsel

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

At the hour of 9:00 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

Jerry Bray who resides at 8031 Rice Road was present at the hearing. Mr. Bray stated that he received an invoice for putting water down the District's drain and damaging a District construction job. He would like to meet with the Water Committee regarding this bill; however, he will not be available through the Christmas Holiday and wanted to be sure that he was not assessed a ten percent penalty if the Committee Meeting was not held until January. Director Alpers stated that the ten percent penalty would be waived if it is not resolved prior to January.

There being no further public comment, public comment closed at the hour of 9:03 a.m. and the Board Meeting continued.

CONSENT ITEMS

ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

ITEM NO. 2

**APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING OF DECEMBER 2, 2008
AND RESOLUTION NOS. 2008-62 AND 2008-63**

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of December 2, 2008 and Resolution Nos. 2008-62 and 2008-63.

ITEM NO. 3

**APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS**

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Oakdale Irrigation District Statement of Obligations.

ITEM NO. 4

**APPROVE IMPROVEMENT DISTRICT
STATEMENT OF OBLIGATIONS**

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Improvement District Statement of Obligations.

ITEM NO. 5

**APPROVE TREASURER'S REPORT FOR
THE MONTH ENDING NOVEMBER 30, 2008**

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Treasurer's Report for the month ending November 30, 2008.

ITEM NO. 6

**APPROVE RENEWAL OF MEMBERSHIP
DUES AND/OR CONTRIBUTIONS FOR
VARIOUS ORGANIZATIONS FOR 2009**

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve renewal of membership dues for California Special Districts Association in the sum of \$4,088 and for California Farm Water Coalition in the sum of \$4,125.

ITEM NO. 7
APPROVE PURCHASE OF ERGONOMIC
WORK LIFTING AND POSITIONING TABLES
FOR WELDING SHOP AND AUTOMOTIVE SHOP

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the purchase of ergonomic work lifting and positioning table for the Welding Shop and Automotive Shop.

ITEM NO. 8
APPROVE CONSTRUCTION AGREEMENT TO R & S
ERECTION, TRI-COUNTY, INC. FOR THE INSTALLATION
OF AUTOMATIC OPERATORS FOR YARD GATES

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Construction Agreement to R & S Erection, Tri-County, Inc. for the installation of automatic operators for yard gates in the sum of \$15,675.

ITEM NO. 9
APPROVE CONSTRUCTION AGREEMENT TO
PACIFIC SOUTHWEST IRRIGATION FOR THE
NORTH SIDE RESERVOIR IRRIGATION
SYSTEM RECONFIGURATION AND REMOVAL

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Construction Agreement to Pacific SouthWest Irrigation for the North Side Reservoir irrigation system reconfiguration and removal in the sum of \$10,160.

ITEM NO. 10
APPROVE CHANGE ORDER NO. 1 TO
2008-CA-012 FOR AL WAGGONER
CONSTRUCTION FOR REPAIR TO PRIVATE DRAIN LINE

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve Change Order No. 1 to 2008-CA-012 for Al Waggoner Construction for repair to private drain line.

ITEM NO. 11
APPROVE AWARD OF BID FOR THE 2009 FURNISHING
AND DELIVERY OF GASOLINE AND DIESEL FUEL

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the award of bid for the 2009 furnishing and delivery of gasoline and diesel fuel to Paul Oil Company.

ITEM NO. 12
APPROVE THOMPSON ACCESS AGREEMENT
(APN: 002-023-015/016 – THE VIRGIL L. AND
JOANNE S. THOMPSON LIVING TRUST)

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Access Agreement (APN: 002-023-015/016 – The Virgil L. and Joanne S. Thompson Living Trust).

ACTION CALENDAR
ITEM NO. 13, 14, 15, 16, 17, 18, 19

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION
ON A REQUEST FOR ENCROACHMENT
AGREEMENT ON THE WELLER PIPELINE
(APN: 229-013-042 – BRYAN AND MICHELLE TOWNSEND)

A portion of the Oakdale Irrigation District (OID) Weller Pipeline is located within a sixty (60) foot wide easement along the east property line of the above-noted parcel owned by the Townsends, as shown on the attached Exhibit "C". The Townsends have applied for an Encroachment Agreement, application attached, to install a fence within the Weller Pipeline easement. OID staff has reviewed the request and the project site and recommends that the fence encroachment be denied. The Townsend parcel is located in the Escalon Ranch Colony, which is crossed by both the Weller and the Huffman Pipelines. OID has sixty (60) foot easements in the subdivision for both facilities. The OID easements were marked with yellow bollards throughout the subdivision before residential construction began. OID staff has monitored all residential improvements and worked with all the landowners to maintain clear and unencroached easements for the past five (5) years of development, and all the fences that have been installed within the subdivision to date have been properly installed along the edges of the OID easements. OID staff has diligently maintained access during the development of the Escalon Ranch Colony as a model of what should be done throughout the District to preserve and protect OID facilities. Approving this requested encroachment would be granting the Townsends an unnecessary special privilege not enjoyed by any of their neighbors, who have always complied with OID to keep the Weller and Huffman Pipeline easements clear throughout the rest of the subdivision.

This issue was addressed in the December 8, 2008 Water Committee meeting. Staff was present to answer any questions from the Board.

Michelle Townsend was present at the hearing and discussed their request with the Board.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to deny the request for Encroachment Agreement on the Weller Pipeline (APN: 229-013-042 – Bryan and Michelle Townsend).

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON AGREEMENT
WITH V. A. RODDEN (APN: 015-081-001/002,
015-081-044/045/046, AND 015-003-004 – V. A. RODDEN)

Discussions with V.A. Rodden concerning this project have been ongoing for several years and the Agreement as attached has been reviewed in detail by Oakdale Irrigation District (OID) Staff, Water Committee Members and V.A. Rodden Representatives.

Staff supports this project for a number of reasons;

1. The project provides for a significant amount of water conservation at the end of the South Lateral through lateral spill capture and reuse.
2. The project collects upstream drain water for reuse that would normally leave the district and be lost. This capture and reuse improves water quality downstream and benefits both the discharging landowners and OID in meeting water quality compliance.
3. The project is water neutral, in that it expands agriculture in our district with no increase in water demand.

The benefits derived by the project are significant and the project in its entirety should be a model of future cooperative agreements. Staff recommends that the Board approve the Agreement as attached. Staff was available to answer any questions of the Board.

Bill Jackson and Mike Burden were present at the hearing.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Agreement with V. A. Rodden (APN: 015-081-001/002, 015-081-044/045/046/, and 015-003-004 – V.A. Rodden) once the language stating that those lands annexed as part of the Agreement shall have a water use not to exceed four acre feet per acre as determined by District has been added.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION TO
RECONSIDER THE BOARD'S ACTION ON THE
FUNDING OF THE 100TH ANNIVERSARY CELEBRATION

On September 2, 2008, the Board of Directors authorized the General Manager to execute an amendment to Work Release No. 1 to PSA-2008-03 for Astone to assist in the planning of the 100-Year Celebration and approved a budget of \$100,000. Attached to that Board Agenda Report was a copy of Astone's Anniversary Outreach and Activities Plan.

On September 16, 2008, the Board of Directors discussed the activities outlined on the Astone Outreach and Activities Plan and eliminated some of the items from that list and a revised Anniversary Outreach and Activities Plan was prepared.

At the November 18, 2008 Board Meeting Director Bairos, in Director Comments, requested that this item be placed on the Agenda as an Action Item.

On December 2, 2008, the Board of Directors referred this matter back to the Planning and Public Relations Committee. The Planning and Public Relations Committee met on December 12, 2008. This matter is brought back to the Board of Directors for further action. Staff requests that the Board authorize the General Manager to execute a revised work release for the 100-Year Celebration and a work release for the outreach activities, as required.

Staff handed out a revised OID 100th Anniversary Outreach and Activities Plan with a revised budget of \$62,600. Director Clark stated that he would like to remove the Memento Gift from the revised budget thereby making the budget \$56,600.

A motion was made by Director Clark and seconded by Director Alpers to approve the revised budget and to authorize the General Manager to execute a revised work release for the 100-Year Celebration in the sum of \$56,600 and a work release for the outreach activities, and was voted as follows:

Ayes: Directors, Webb, Clark, Alpers, Taro
Noes: Director Bairos

ITEM NO. 16
REVIEW AND TAKE POSSIBLE
ACTION TO ADOPT THE 2009 BUDGET

Staff presented the draft 2009 Budget at the Board's December 2, 2008 meeting as a Discussion Item. The draft budget presented today has one change as a result of the recommendation made by the Water Committee to increase the budget \$300,000 for a Union & South Lateral Water Quality Reclamation Project.

Budget Overview

- No irrigation water rate increase for Service Area customers
- Implementation of the Water Resources Plan
- Reflects wage and benefit increases associated with operations bargaining agreement
- No increase in manpower
- Funding \$1.9 million of capital projects from the capital replacement and improvement reserve fund
- Projects cash in general and reserve funds of \$24 million at the end of 2009

A motion was made by Director Bairos, seconded by Director Webb, and unanimously supported to adopt the 2009 Budget.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION
TO APPROVE RESOLUTION ADOPTING THE 2009
OAKDALE IRRIGATION DISTRICT'S INVESTMENT POLICY

It is the policy of the District to invest public funds in a manner which will provide the maximum security with the highest return and to conform to all state and local statutes governing the investment of public funds. In accordance with California Government Code Section 53646 (a)(1), the Treasurer or Chief Financial Officer shall annually render to the legislative body of the local agency a statement of investment policy. There are no changes to the draft 2009 Investment Policy presented today.

The draft 2009 Investment Policy was reviewed by the Finance Committee on December 8, 2008.

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Resolution Adopting the 2009 Oakdale Irrigation District's Investment Policy.

ITEM NO. 18
REVIEW AND TAKE POSSIBLE ACTION TO
APPROVE WORK RELEASE NO. 20 TO 2006-PSA-003 TO
PROVOST AND PRICHARD FOR PREPARATION OF GRANT APPLICATION

The Water for America Initiative is focused on addressing 21st Century water challenges, including decreasing water supplies caused by climate change and population growth and securing water resources for future generations. The Water for America Initiative offers four (4) challenge grant opportunities. Oakdale Irrigation District (OID) Staff has requested the assistance of Provost and Prichard, Inc. in preparing an application to receive grant funding under the Water Marketing and Efficiency Grant program.

Staff recommends that the Board of Directors take action to approve Work Release No. 20 thereby authorizing Provost and Prichard, Inc. to move forward with preparation of the Grant Application. Staff was available to answer any questions of the Board.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Work Release No. 20 to 2006-PSA-003 to Provost and Prichard for Preparation of the Grant Application.

ITEM NO. 19
REVIEW AND TAKE POSSIBLE ACTION ON
BOARD ATTENDANCE AT THE MID PACIFIC REGION
WATER USERS CONFERENCE AND CALIFORNIA
IRRIGATION INSTITUTE CONFERENCE

The Mid Pacific Region Water Users Conference is scheduled for January 21–23, 2009 in Reno, Nevada and the California Irrigation Institute Conference is scheduled for February 3-4, 2009 in Sacramento.

A motion was made by Director Webb and seconded by Director Alpers to approve Board attendance at the Mid Pacific Region Water Users Conference and the California Irrigation Institute Conference and was voted as follows:

Ayes: Directors, Webb, Alpers, Bairos, Taro
Noes: Director Clark

**DISCUSSION ITEMS
ITEM NOS. 20**

**ITEM NO. 20
DISCUSSION ON BUSINESS ITEMS AS THEY
APPEAR ON THE TRI-DAM BOARD AGENDA
FOR THURSDAY, DECEMBER 18, 2008**

This item is placed here for the Board to discuss Tri-Dam agenda items.

**ITEM NO. 21
COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 201 days without a lost time injury accident.

Administration Activities

1. City of Modesto meeting on regional water treatment was attended on December 12th.
2. Staff was in San Francisco on the 15th doing Bond Presentations to Moody's and Standard and Poore's rating agencies. A rating should be forthcoming in 7 days after the presentation.
3. Working on negotiations for management, supervisors and confidential employee groups.
4. Continue to work on Knights Ferry issues.
5. Goad signed the settlement agreement and it is being executed.
6. Made a "Tipping Point" presentation to the Oakdale Rotary Club on the 10th.
7. The GM has been asked by Congressman Radanovich to sit on his Congressional Community Advisory Council for the Oakdale area.

Contract and Special Project Activities

1. OID's General Counsel is reviewing documents transmitted to him on December 2, 2008. Questions are being answered as they are generated by counsel for the RTC back charge recovery from the bonding agency.
2. Cape Horn Tunnel – Drill Tech has completed 2,200 feet of Shotcrete and 1200 feet is 50% complete with the first 2" of Shotcrete. Also Drill Tech has drilled 100% of the Soil Nails at both the Downstream Portal and Upstream Portals. Approximately 90% of the Soil Nails have been installed at the Downstream Portal and 75% at the Upstream Portal. Shotcrete on the Downstream Portal is 90% while the 100% of the Upstream Portal Shotcrete has been completed. Drill Tech has started working on Saturdays at

the direction of OID. Also, Drill Tech will work during the Christmas and New Years holiday week. Substantial Completion of the Tunnel Work is scheduled for January 9, 2009.

3. Little John Creek Dam Project – Teichert Construction completed the Ramp and Flume installation as well as the Rip Rap placement upstream and downstream of the Flume. The new gates have been installed. The electrical work for the gates and controls is in progress and will be completed on December 18, 2008. The structural steel will be placed once the steel has been returned from the galvanizers. The debris boom will be completed as well once the steel has been returned. The coffer dam in the streambed has been removed. Project completion has slipped from December 19, 2008 to January 9, 2009 primarily due to the galvanizing of structural steel.
4. Riverbank/South Main - Sierra Mountain completed the excavation for the Diversion Structures and now are forming the slabs for the structures. Fencing is progressing along the right of way. Project is scheduled for completion on January 23, 2009.
5. Fairbanks/Cometa Control Structure Rehabilitation – Teichert Construction has completed the grading of the canal and excavated for the Diversion structure. Teichert's concrete contractor formed and poured the structure slab. Rebar installation forming of the walls has started. Project is scheduled for completion first week in January, 2009.
6. Fairbanks/SSJID Main – Preston Pipeline/Cunningham completed forming and pouring the headwalls for the box culvert. Started forming the wingwalls with concrete scheduled to pour on December 23, 2008. Also, in process of resolving claim for water released by SSJID which flooded the site on November 24, 2008. The schedule completion is set for February 19, 2009.
7. USFWS issued letter for study of the California Tiger Salamander at the upstream portal of the Cape Horn Tunnel has been implemented and being monitored.
8. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
9. Project coordination with Engineering Consultants.

Construction & Maintenance Activities

1. Review of Job Set Up Forms
2. Review of Request For Work Approvals
3. On-going review for potential dirt sites
4. Various Landowner meetings
5. #0845 Dry Creek/South Structure Rehabilitation-90%complete.
6. #0848 Albers I/II Structure Rehabilitation-80% complete.
7. #0840 Faxon Pipeline-Pipeline replacement-100% complete
8. #0822 Droge Pump-Pipeline replacement- 100% complete
9. #0839 Wills Lateral-Turnout Replacement-50% complete
10. #0841 Lesinini Lateral-Turnout Replacement-100% complete
11. #0849 Paulsell Lateral-Turnout Replacement-100% complete
12. #0851 Consoli Pipeline-Pipeline Replacement-30% complete
13. Gate Replacement Capital Projects #0855, #0856, #0857, #0858, #0859 have been installed and completed.
14. A-Z Bus Sales has installed emissions particulate filter on the Kobelco 330 Excavator

Engineering Activities

1. Ongoing Suspense Forms.
2. Board Agenda Report preparation.
3. Working with various Irrigation Design Companies on new turnout designs for construction this winter.
4. Assisting Mr. Jernigan in compliance with the CEQA phase of the Cape Horn Tunnel Project.
5. Engineering Department Staff assisting Mr. Jernigan with construction inspection activities on this winters contracted projects.
6. Preliminary design underway for 2009/2010 Capital Projects.
7. Preparing early CEQA analysis for 2009/2010 Capital Projects.
8. Escrow docs for North Side Reservoir property acquisition have been signed and funds will transfer 12/16/08. Met with Army Corp in Sacramento on 12/4/08 and met with USFWS on 12/9/08. All in all, the meetings went very well and Staff doesn't anticipate and *major* road blocks at this time. We will have to address LEDPA issues as suggested by EPA and Army Corp. 404 Application submitted last week and project currently on schedule for construction to begin in the early summer of 2009.
9. Conde's CEQA package is complete. Waiting for compliance with three (3) outstanding conditions of approval before the package will be taken to the Board for approval and subsequently sent to LAFCO for their review. Conde's have met our insurance requirements, completed the Turnout Application and have an approved Encroachment Agreement for their rotating screen and thus they are ready for construction.
10. V.A. Rodden Agreement complete and Kathy Cook working on amortization schedule for proposed annexation.
11. Working with Mike Burden and Rod Nydam as it pertains to design and construction of V.A. Rodden Phase I Project.
12. DRAFT Settlement Agreement for the Lubbers complete and sent to their attorney, Carl Combs for review. Mike Ijams coordinating project at this time.
13. Estimate received from W.C. Maloney for Cahoon Project cleanup.
14. Thompson Access Agreement completed and signed by Mr. and Mrs. Thompson on 12/9/08.
15. Met with Water Committee on 12/8/08 to discuss; (1) te Velde Project, (2) Townsend Encroachment Request and (3) V.A. Rodden Agreement.
16. Working on Goad Construction Issues with Jason Jones, Support Services Manager

Finance and Accounting Activities

1. Sent out four rural water 48-hour shut-off notices. Shut-off one rural water customer.
2. Met with Bond team on Wednesday, December 10th to review presentation for meeting with S&P and Moody's on Monday, December 15th.
3. ID52 landowners will receive their first water usage billing on January 1, 2009.
4. Continue with accounting staff cross-training. While crossing training is essential it is causing some back log on work with an already busy time of year.
5. Auditors may begin preliminary work on the 2008 audit year in early January 2009.
6. Routine accounting functions (AP, AR, PR, billing, reconciliation, etc.)

B. COMMITTEE REPORTS

Water/Engineering Committee Meeting, December 8, 2008

- Point of Delivery (APN: 207-012-002 – Te Velde)
- Fence Encroachment (APN: 229-013-042 – Townsend)
- V. A. Rodden Agreement

Director Bairos stated that no action was taken on the Te Velde matter. All other matters were previously covered in the agenda.

Finance Committee Meeting, December 8, 2008

- Review of Draft 2009 Investment Policy

This matter was covered previously in this agenda.

Planning and Public Relations Committee Meeting, December 12, 2008

- 100-Year Celebration

This matter was covered previously in this agenda.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Taro

Director Taro stated that it should be reflected in the Minutes from December 2, 2008, under Director Clark's comments regarding committee meetings, that Director Taro also attended the Restore the Delta Campaign Platform at UOP.

Director Bairos

Director Bairos had no comments.

Director Alpers

Director Alpers commented on an item he received in the mail regarding groundwater recharge and asked staff to provide all Directors with a copy.

Director Clark

Director Clark had no comments.

Director Webb

Director Webb wished everyone a Merry Christmas.

At the hour of 10:45 a.m. the Board moved to Closed Session.

CLOSED SESSION
ITEM NO. 22

- A. Government Code §54956.9 Existing Litigation**
(1) *Steve Fields v. Oakdale Irrigation District*

B. Government Code §54956.8 Conference with Real Property Negotiator

Negotiating Parties: OID and State Water Bank
Property: Water
Agency Negotiators: General Manager and Counsel
Under Negotiations: Price

At the hour of 11:40 a.m. the Board returned to open session.

General Manager Steve Knell stated that the Board of Directors gave the General Manager direction to settle the Fields Case.

OTHER ACTION
ITEM NO. 23

At the hour of 11:41 a.m. the meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, January 6, 2009 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Regular Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, December 18, 2008 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary