

MINUTES

Oakdale, California
January 23, 2007

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: Steven A. Webb, President
Jack D. Alpers, Vice President
Tony Taro (Arrived at 9:05 a.m.)
Al Bairos, Jr.

Absent: Frank B. Clark

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, Support Services Manager
Kevin King, Water Operations Manager
Kathy Cook, Chief Financial Officer

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of Agenda Items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to move Action Item No. 19 and Discussion Item No. 23 to follow the Consent Calendar, respectively.

At the hour of 9:01 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

Javier Montoya who resides within the City of Riverbank at 6261 Snedigar Road, was present to discuss the letter that he received stating that the Oakdale Irrigation District would no longer provide out-of-district water to his property. He stated that he would hate to see all of the properties go dry and he wanted to know if there was something that could be done so that they could receive water until the construction starts.

Mike Curtoni who leases about 25 acres from the Federal Government (Ammo Plant land) on Claus Road next to the ammo plant was also present to discuss the letter that he received from the Oakdale Irrigation District. He was interested in knowing if something could be worked out so that he could continue receiving water. He expressed concern about the 25 acres becoming a fire hazard if it were allowed to dry out.

There being no further Public Comment; Public Comment closed at 9:08 a.m. and the Board Meeting continued.

Director Bairos requested that Item No. 3 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 4, 5, 6, 7, 8, 9, 10

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF JANUARY 9, 2007
AND RESOLUTIONS 2007-01 AND 2007-02

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of January 9, 2007, and Resolution Nos. 2007-01 and 2007-02.

ITEM NO. 4
APPROVE IMPROVEMENT DISTRICT
STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE THE TREASURER AND CHIEF
FINANCIAL OFFICER'S REPORT FOR THE
MONTH ENDING DECEMBER 31, 2006

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending December 31, 2006.

ITEM NO. 6
APPROVE REVISED RATES FOR GENERAL
SERVICES AGREEMENT 2006-04 WITH RTC, INC.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the revised rates for General Services Agreement 2006-04 with RTC, Inc.

ITEM NO. 7
APPROVE ONE-YEAR EXTENSION OF JANITORIAL
SERVICES FOR SPRAY & SONS JANITORIAL AND CARPET

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the one-year extension of janitorial services for Spray & Sons Janitorial and Carpet.

ITEM NO. 8
APPROVE CHANGE ORDER TO MOZINGO
CONSTRUCTION FOR THE GRIDER PIPELINE PROJECT

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Change Order to Mozingo Construction for the Grider Pipeline Project.

ITEM NO. 9
APPROVE THE NOTICE OF COMPLETION FOR THE
UNION LATERAL TO CUNNINGHAM & SONS, INC.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Notice of Completion for the Union Lateral to Cunningham & Sons, Inc.

ITEM NO. 10
APPROVE THE NOTICE OF COMPLETION FOR THE NORTH
DUDLEY PIPELINE PROJECT TO PRESTON PIPELINE, INC.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Notice of Completion for the North Dudley Pipeline Project to Preston Pipeline, Inc.

ACTION CALENDAR
ITEMS NOS. 3, 19

ITEM NO. 3
APPROVE THE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

Director Bairos had a question regarding trench box rentals and asked what these were used for. General Manager, Steve Knell, stated that when a pipeline trench is dug and there are shoring requirements for the trench that you cannot meet, the trench box protects the workers in the trench. It is a steel box that is pulled along the pipeline to protect workers from cave-ins.

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

ITEM NO. 19
REVIEW AND TAKE POSSIBLE ACTION ON CANCELLATION
OF LATE PAYMENT PENALTIES (APN: 062-005-028)

Mrs. Banducci is requesting that the first installment penalties on APN 062-005-028 be cancelled as she feels that her payment, on behalf of Diane Hendrix, was received by the District on-time. She states that this payment was included in the same envelope as three other payments for her properties which were received by the District.

The Finance Department reviewed its records and can find no evidence of the aforementioned payment. The District did receive the other three payments mentioned by Mrs. Banducci.

In accordance with Board Policy and California Water Code section 26000, the Board shall order the Treasurer, to cancel or modify an assessment when it finds that any property has been either:

- (a) Assessed in any year more than once.
- (b) Assessed by reason of a clerical error for more than its cash value.
- (c) Computed for assessment on an excessive acreage.
- (d) Assessed while not in district.

Any other cancellation or modification to charges not mentioned in Section 26000 or in this resolution shall be submitted to the Board of Directors for consideration.

Mr. and Mrs. Banducci were present at the hearing.

After a brief discussion, a motion was made by Director Alpers, seconded By Director Webb, and unanimously supported to cancel the late payment penalty in the sum of \$9.96.

DISCUSSION

ITEM NO. 23 DISCUSSION/PRESENTATION BY HIGHMARK CAPITAL MANAGEMENT, INC.

Cori Farwell was present to give Highmark Capital Management, Inc.'s review of the District's 2006 year-end investment portfolio.

ACTION CALENDAR ITEMS 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21

ITEM NO. 11 REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF BID ON PURCHASE OF BUDGETED 2007 VEHICLES

Staff solicited bids from six (6) vendors for one (1) dump truck and one (1) truck tractor. Two (2) vendors were responsive. Central California Kenworth Trucks was the low bidder for both of the vehicles. The bid price for each vehicle did not include the cost for tool boxes, emergency lighting and the tarp apparatus on the dump truck. The additional costs are shown on the bid spreadsheet.

Staff recommends purchasing one (1) dump truck and one (1) truck tractor from Central California Kenworth Trucks.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the purchase of one (1) dump truck and one (1) truck tractor from Central California Kenworth Trucks.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION
BOARD AND STAFF ATTENDANCE AT ACWA
SPRING CONFERENCE IN SACRAMENTO

The ACWA Conference is scheduled for May 8-11 in Sacramento. This year's theme is *Water and Politics*.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve Board and Staff attendance at ACWA Spring Conference in Sacramento.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
ANNUAL REVIEW OF ASSIGNED VEHICLES

The Oakdale Irrigation District Vehicle Policy, Section 2.01, states that assigned vehicles may be authorized for use by specific employees on a full-time basis when it is determined to be in the best interest of the District. The General Manager must approve each assigned vehicle and such assignment shall be reviewed annually by the General Manager and the Board of Directors.

<u>Position</u>	<u>2007</u>
General Manager	Yes
Chief Financial Officer	Yes
Support Services Manager	Yes
Water Operations Manager	Yes
Assistant, Support Services Manager/Assistant Engineer	Yes
Supervisor Water-Operations	Yes
Supervisor Water-Operations/Pest Control Coordinator	Yes
Supervisor Water-Operations-Utilities	Yes
Supervisor of Field Operations	Yes (Vacant)
Water Utilities Technician	Yes
Water Utilities Serviceman	Yes

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve each assigned vehicle.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON
APPOINTMENTS TO BOARD COMMITTEES FOR 2006-2007

Per OID Policy;

The Chairman shall preside over all meetings of the Board, shall appoint the members of all standing committees, subject to Board approval, and shall have such other powers to perform such other duties as may be prescribed from time-to-time by the Board.

Special committees may be appointed by the Chairman/President of the Board with approval of the Board for such special tasks as circumstances warrant. A special or ad hoc committee shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except such as specifically conferred by action of the Board.

The following are the Committee assignments as submitted by President Steve Webb.

Standing Committees

Finance Committee	Bairos and Clark w/alternate Webb
Water/Engineering Committee	Webb and Bairos w/alternate Alpers
Water Conservation Committee	Bairos and Taro w/alternate Clark
Personnel Committee	Clark and Alpers w/alternate Webb
Community Relations Committee	Clark and Alpers w/alternate Taro
Tri-Dam Proj/Auth Committee	Webb and Alpers w/alternate Clark

Special/Ad Hoc Committees

Domestic Water Committee	Clark and Alpers w/alternate Webb
Strategic Plan Committee	Clark and Alpers w/alternate Webb
Water Resources Plan Committee	Clark and Alpers w/alternate Webb
San Joaquin Flood Control Representative	Taro w/alternate Alpers
San Joaquin River Commission Representative	Alpers w/alternate Clark

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the appointments to Board Committees for 2006-2007.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON A
RESOLUTION ADOPTING THE 2007 OAKDALE
IRRIGATION DISTRICT'S INVESTMENT POLICY

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security 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 2007 Investment Policy presented today.

However, Cori Farwell with Highmark requested that the District change its investment policy to mirror the government code regarding commercial paper. The Government Code

section 53601(g)(1)(c) provides that a local agency may invest no more than 25% of their money in eligible commercial paper and no more than 10% in any one issuer. The District current policy section G (2) (i), page 8, provides purchases of commercial paper may not exceed 15% of the portfolio. The Finance Committee reviewed this request and does not recommend the change.

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the Resolution Adopting the 2007 Oakdale Irrigation District's Investment Policy.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION ON AWARD
OF BID FOR THE NORTH MAIN CROSSING AT SONORA ROAD

Staff has solicited bids for the North Main Crossing at Sonora Road from four (4) contractors. The contractors were RTC, Mozingo Construction, Cunningham & Sons and Preston Pipelines. Bids will be opened at 1:00 pm on Thursday, January 18th, 2007. Additional material will be available for the Board at the meeting with the award recommendation.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION ON AWARD
OF BID FOR THE UNION DRAIN CROSSING AT CROW ROAD

Staff has solicited bids for the Union Drain Crossing at Crow Road from four (4) contractors. The contractors were RTC, Mozingo Construction, Cunningham & Sons and Preston Pipelines. Bids will be opened at 1:00 pm on Thursday, January 18th, 2007. Additional material will be available for the Board at the meeting with the award recommendation.

ITEM NO. 18
REVIEW AND TAKE POSSIBLE ACTION ON AWARD
OF BID FOR THE LAMBUTH PIPELINE REPLACEMENT PROJECT

Staff has solicited bids for the Lambuth Pipeline Replacement Projects from four (4) contractors. The contractors were RTC, Mozingo Construction, Cunningham & Sons and Preston Pipelines. Bids will be opened at 1:00 pm on Thursday, January 18th, 2007. Additional material will be available for the Board at the meeting with the award recommendation.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve and award of bids to the lowest bidders; North Main Crossing at Sonora Road to Cunningham & Sons, Inc. in the sum of \$267,050.00; Union Drain Crossing at Crow Road to Cunningham & Sons, Inc. in the sum of \$209,030.00; and Lambuth Pipeline Replacement Project to Preston Pipelines in the sum of \$77,911.00.

ITEM NO. 20
REVIEW AND TAKE POSSIBLE ACTION ON
PURCHASE OF KOBELCO SK330LC
EXCAVATOR AND A KOBELCO 50S4-3 MINI EXCAVATOR

The District purchased a Kobelco 250 in Early 2000. The equipment was modified to accommodate using the District owned Caterpillar accessories. Also, the boom was extended to be more adaptable to cleaning laterals and drains. Since 2003, the District has expended approximately \$30,000 on repairs to the hydraulic cylinders and system. The District has had the Kobelco representatives and engineers examine and review the equipment to determine what was causing the hydraulics to over pressurize. The only possible cause was the pressure relief valves were not functioning properly and these were changed out however, the problem remained. Each time the system fails, the hydraulic ram is bent to failure and must be replaced. The Kobelco 250 has been used on a very limited basis since the last repairs were completed in late 2005. During the down time, a Kobelco SK330 has been leased to replace the Kobelco 250. The Kobelco 330 is better suited for the District needs. The vendor, Tri-West Tractor, has offered to apply all of the OID rental payments and offered to take the Kobelco 250, as is, as a trade-in toward the purchase of the Kobelco SK330. The government discounted price for this equipment is \$249,834; Tri-West is offering this to the District for \$59,274, plus the accessories which cost \$36,480, for a total cost of \$95,754.

In addition, the District has had a Kobelco 50SR-3 Mini Excavator on rent for nine months and Tri-West has again offered to apply 100% of the rentals to the purchase of this equipment. The Mini Excavator is a piece of equipment which increases productivity due to the fact it can access many places other equipment cannot operate. The government discount list price for the Kobelco 50SR-3 is \$57,028; Tri-West is offering this to the District for \$27,328, plus the accessories at a cost of \$8,765, for a total price of \$36,093.

Each of these purchases is included in the 2007 budget. The budget for the Kobelco SK 330LC, not including the applied rental and trade in, is \$284,000; while the budget for the Kobelco 50SR-3, not including the applied rental, is \$57,600. Staff recommends applying the rental at 100% to the purchase of these two pieces of equipment.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the purchase of a Kobelco SK330LC Excavator and a Kobelco 50SR-3 Mini Excavator.

ITEM NO. 21
REVIEW AND TAKE POSSIBLE ACTION TO APPROVE THE
CHANGE ORDER TO CONDOR EARTH TECHNOLOGIES,
INC. TO PERFORM THE CEQA SERVICES RELATED
TO THE SOUTH MAIN CANAL IMPROVEMENT PROJECT

Condor Earth Technologies have been involved with the design for the Long Term Improvements to the South Main Canal. This work is scheduled for the winter of 2008-2009. In order for construction to take place as scheduled, the CEQA process must be completed before the start of construction. Staff recommends beginning this process sooner rather than later in case there is a challenge to these activities.

The process consists of three phases: Phase I – Preliminary Action will consist of two tasks, Project Baseline Review and the Project Initiation Meeting. The cost for this is estimated to be \$10,730. After the completion of Phase I, the scope of work will be determined and the direction of the CEQA process will be firmed up. It is envisioned, two additional phases could be required for this process.

Cost for the additional phases will be submitted for Board approval before commencement of those phases.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Change Order to Condor Earth Technologies, Inc. to perform the CEQA services related to the South Main Canal Improvement Project.

DISCUSSION

ITEM NO. 22

DISCUSSION ON BUSINESS ITEMS **AS THEY APPEAR ON THE TRI-DAM BOARD AGENDA**

General Manager, Steve Knell, stated on the Agendas for the Special Meeting on January 23, 2007, there is a Resolution to bring money down from the Project. The other item of interest is trying to open up the road to Donnell's after the rock slide. He stated that this is going to take some major work.

ITEM NO. 24

COMMUNICATIONS

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID has gone 244 days without a lost time injury accident.

Administration Activities

1. As directed by Resolution No. 96-01 and pursuant to California Government Code Section 53065.5, the written statements of Disclosures of Reimbursement of Amounts to employees and directors paid by the District in 2006 of at least \$100 for an individual charges for service or product received are available for public review at the office of the District's Chief Financial Officer, Kathy Cook.
2. OID's 100th Year Anniversary will be here November 2009. Planning for this event should start NOW.
3. The 2006/2007 Statements of Economic Interests (Form 700) will be coming shortly to each director. It is the responsibility of each director to file this out and return to OID no later than April 2, 2007.
4. Our workers attended the Stockton Ag Show last Thursday.

Accounting Activities

1. Preparing I-Bank's preliminary application for funding ID52's connection to OID's rural water system.
2. Reviewing OID's rural water system rates.
3. Closing the books on 2006 in preparation for the 2006 audit.
4. Preparation of year-end state mandated reporting (W-2, 1099, Fuel Excise Tax, Sales Tax)
5. Assist in preparation of the draft MOU between OID and the Operations Unit.
6. LaSalle Bank called and made the pitch that there is mid to upper 4% monies available for project work.

Water Operations Activities

1. Guy Williams received his T2 License from the State of California

Construction & Maintenance

1. Work continued on the Campbell Pipeline Project with a January 19th completion.
2. Construction continued on the Claribel/Stowell Bifurcation project with the foundation being poured on January 12th.
3. A 275 Cubic Yard concrete pour was completed on the South Main Canal Rehab project on January 16th.
4. Bids for the Lambuth Pipeline, South Main Sonora Road crossing and the Union Drain Crow Road crossing received on January 18th with a recommendation to the Board on January 25th.
5. The Kearney Lateral Rehab continued to repair the lining and eliminate the leaks downstream of Warnerville Road.
6. Six (6) Turn-out gates were removed and replaced with new gates.
7. The Young's Lateral Turn-out replacement on 26-Mile Road started.
8. Twenty (20) Job Set-up Forms were completed.
9. Various structures were cleaned and painted around the District.
10. Dirt pile has increased to 85,000 cy of stockpiled dirt.

Engineering Activities

1. Riverbank City expansion plans received for north side of Van Dusen, west of Claus, excepting the corner lot.
2. OID reviewing County plans for the improvements and widening of Albers Road between Claribel and Milnes Roads.
3. Keith Fraser is processing a 14 parcel split from 620.9 acres between Ellenwood and Tim Bell Roads through LAFCO.
4. Banducci Trust is doing a 2 parcel split on the eastside of Rodden Road and west of Arbin Road. The zoning limit is for 40 acre minimum and the trust is requesting a variance for a 22 and 27 acre split.
5. Reviewed with Condor the South Main Long Term Improvement Projects for the CEQA Process and Contingency determinations.
6. Continued to provide site monitoring on the South Main and Claribel Bifurcation Projects.
7. Continued to provide engineering support to the C&M ongoing projects.
8. Had Pre-Bid meetings with contractors on the Lambuth Pipeline, South Main Sonora Road Crossing and the Union Drain Crow Road Crossing.

9. Coordinated Engineering Efforts on the Union Pipeline Relocation/Replacement and the Merrihew Pipeline Replacement Projects with Consultants.
10. Developing terms for an Agreement between OID and the City of Riverbank as it pertains to drainage as per a meeting held on January 10th.
11. Construction oversight – North Main Canal at Sonora Road, Union Drain at Crow Road and Lambuth Pipeline between Cleveland and Valley Home.

B. COMMITTEE REPORTS

Finance Committee – Director Alpers stated that the Finance Committee Meeting agenda items were all discussed during this Board Meeting.

Water Committee – Directors Alpers stated that the Water Committee is working with South San Joaquin Irrigation District to try and resolve the issue of providing water to Lake Alpine Water District for Bear Valley which is a basic water right of ours in the Sierras. There will be no Board action until we get all of the facts and figures. Attorneys Tim O'Laughlin and Steve Emrick are working on finalizing the agreement.

The Water committee decided to not do anything, at this point, concerning the Riverbank property.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers stated that he was proud of OID being nominated in the top three of the Chamber's Community Service award for the last two years. He stated that he thought that was quite an achievement and speaks well for our staff whose accomplishments are the reason why the District has achieved this goal.

Director Alpers also stated that we are a third of the way through our winter and there has been no rain. He stated that Melones has plenty of water. He further stated that if the weather has not shaped up the Board needs to have a serious drought discussion. General Manager, Steve Knell, stated that we could place this on the next agenda as a discussion item.

Director Bairos

Director Bairos had no comments.

Director Taro

Director Taro had no comment.

Director Webb

Director Webb stated that he would like to express his thanks to staff. The District over the last four years has come a long way. It is very impressive to go to an awards dinner and realize that the District was once again nominated for an award. There was a good representation of staff at the awards dinner and we have turned the District into a professional organization. He stated that we should all be proud of that fact.

OTHER ACTION
ITEM NO. 25

At the hour of 10:45 a.m. a motion was made by Director Alpers and seconded by Director Bairos, and unanimously supported to adjourn to the next **Board of Director's Meeting on Tuesday, February 6, 2007, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **regular Joint Board Meeting for the Tri-Dam Project** has been re scheduled for **Tuesday, January 23, 2007, at 2:00 pm.** in the Board Room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, California.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary