

MINUTES

Oakdale, California
May 16, 2006

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
Louis Brichetto
Tony Taro
Frank B. Clark

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

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of Agenda items.

General Manager, Steve Knell, corrected the location of the Tri-Dam Project Meeting from Oakdale to Strawberry on Thursday, June 18, 2006.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

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

PUBLIC COMMENT ITEM NO. 1

Lorens Foard complimented an employee of the District, Gary Jernigan, for a job well done in completing the cleaning of the East Thalheim Lateral within the two week period as promised.

Sean Broderick who is working with the Setliff family commented on the out-of-district agreement that the OID has with properties that are being annexed into the cities such as Riverbank and/or Oakdale. The Setliff Family request along with the other landowners is scheduled for the Board Meeting on June 6, 2006.

Public Comment was closed at 9:08 a.m. and the Board Meeting continued.

Director Brichetto requested that Consent Item No. 4 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 3, 5, 6, 7, 8

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING OF MAY 2, 2006

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of May 2, 2006.

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE SPECIAL MEETING OF MAY 4, 2006

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the Board of Directors' Minutes of the Special Meeting of May 4, 2006.

ITEM NO. 5
APPROVE IMPROVEMENT DISTRICT
STATEMENT OF OBLIGATIONS

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

ITEM NO. 6
APPROVE TREASURER AND CHIEF FINANCIAL
OFFICER'S REPORT FOR THE MONTH ENDING APRIL 30, 2006

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending April 30, 2006.

ITEM NO. 7
APPROVE GENERAL SERVICES CONTRACTS FOR
VARIOUS VENDORS AND CONTRACTORS

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the general services contracts for various vendors and contractors.

ITEM NO. 8
APPROVE ENCROACHMENT AGREEMENT ON
THE SWEET LATERAL (APN: 229-008-075 – MOFFIT)

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the Encroachment Agreement on the Sweet Lateral (APN: 229-008-075 – Moffit).

ACTION ITEMS
ITEM NOS. 4, 9, 10, 11, 12, 13

ITEM NO. 4
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

Director Brichetto asked if the \$122,427.90 was the total price for the new truck/tractor, to which the General Manager responded yes.

A motion was made by Director Clark, seconded by Director Alpers, and was voted as follows:

Ayes:	Directors Alpers, Clark, Webb
Noes:	Directors Brichetto, Taro

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON AVAILABILITY
OF ADEQUATE SURPLUS SURFACE IRRIGATION WATER
FOR OUT-OF-DISTRICT LANDS FOR JAVIER MONTOYA

As provided by policy, a determination by the District on the availability of surplus surface irrigation water for the purposes of allowing “out-of-District water” under annual agreements shall be made by the Board of Directors at the first board meeting in March. The Board approved surplus water for those parcels submitted in March. However, Mr. Montoya’s parcel was omitted in *error* from the *tentative list* of out-of-district land applicants that was submitted to the Board. Mr. Montoya has recently applied for out-of-district water as he did not receive the letter in February from the District notifying him that he had to submit his application for irrigation of lands outside district boundaries to receive water in 2006. Therefore, this application is being submitted to the Board for determination of additional surplus water of approximately 14 – 15 acre feet.

A motion was made by Director Brichetto, seconded by Director Taro, and unanimously supported to approve the availability of adequate surplus surface irrigation water for out-of-district lands for Javier Montoya.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION TO EXTEND VACATE
NOTICE ON BMX TRACK LOCATED ADJACENT TO THE
LANGSTROTH POND (APN: 084-001-006 – OID PROPERTY)

On March 7, 2006 the Board took action to not grant a revocable license agreement to the BMX Bicycle Track residing on OID lands located on APN 084-001-006 and adjacent to the Langstroth Pond. Since then there have been additional discussions that may allow some re-consideration to this decision. It is being requested by Mr. Egleston, who operates the track, that the Board extend the vacate date of June 16, 2006 for 90 days to see if the district and he can reach an amicable agreement.

Director Clark reported that the Community Relations Committee met with Mr. Egleston on May 4, 2006. It was decided after meeting with Mr. Egleston and hearing comments from staff that there was no benefit to the District in continuing the use of the track by a private party. Further, the District was informed by its insurance carrier that they would not insure the District on the track. It was the Community Relations Committee's decision to concur with the original decision of the Board to remove the track from District property and put up a fence.

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to reaffirm the Board's prior decision requesting Mr. Egleston to remove the track from the District's property and for OID to place a fence on District property once the track has been relocated.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON REQUEST FOR IRRIGATION
WATER (APN: 064-025-019 – OAKDALE CEMETERY ASSOCIATION)

Oakdale Irrigation District (OID) was recently approached by the Oakdale Cemetery as it pertains to the delivery of irrigation water on the aforementioned parcel. A committee meeting was held to discuss the issue and a brief recap supporting the above noted recommendation has been provided herein.

Prior to the start of the 2005 Irrigation Season the Oakdale Irrigation District (OID) Board of Directors voted to discontinue irrigation service to the City of Oakdale based on Title 17 cross contamination issues. As a result, irrigation water was not delivered to residents within the City of Oakdale and thus many of the Districts facilities were not utilized. One such facility was the Bentley Pipeline. The Bentley Pipeline is the facility by which irrigation water could be conveyed to the Oakdale Cemetery, however, doing so would obligate OID to maintaining approximately five-thousand (5,000) feet of otherwise unused pipeline. In addition to the annual maintenance costs associated with supplying irrigation water to the cemetery, there would need to be new infrastructure installed at the Cemetery's point of delivery.

Director Clark stated that the Community Relations Committee met on May 4, 2006, and it was decided that this would be too much of an impact on the Bentley Pipeline because there have now been houses built on the pipeline, a swimming pool built on the pipeline

and this pipeline is something that the District no longer uses. It would not be beneficial to the District to provide water to the Oakdale Cemetery Association.

Thereafter, a motion was made by Director Alpers, seconded by Director Brichetto, and unanimously supported to deny the Oakdale Cemetery Association's request for irrigation water.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF BID
FOR THE FAIRBANKS PIPELINE REHABILITATION PROJECT

The Fairbanks pipeline between Steinegull Road and the "Corn Box" is 36" Cast In Place Concrete Pipe. This pipeline is in very poor condition and continuously leaks in numerous locations. The pipe has been patched on many occasions but still leaks. The wall sections are extremely thin and the natural earth is exposed through the walls in the pipe. For ease of installation and to benefit the land owner grading plans, the relocation and replacement of this line is necessary to eliminate the leaks thus benefiting the District and the Landowner.

The District Consultant has engineered a new system which can be installed during the Water Season with the Tie-ins being completed after the Water Season ends in October. The new line will consist of replacing approximately 2,800 linear feet of 36" CIPCP with 36" RCP pipe. The installation will require two new control structures, one being a "cast in place" structure and the other being a "pre-cast" structure.

The bid package was sent to five (5) contractors which were, Mazingo Construction, RTC, Syblon-Reid Construction, Clyde Wheeler Pipeline Construction and Cunningham and Sons. The Bid was due Friday, May 12, 2006 at 9:00 AM in the District Office for public opening. Staff will recommend the contract be awarded to the lowest qualified bidder.

A motion was made by Director Brichetto, seconded by Director Clark, and unanimously supported to approve the award of bid to RTC for the Fairbanks Pipeline Rehabilitation Project.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON AWARD
OF BID FOR THE REPLACEMENT OF TWO (2) TURNOUT
STRUCTURES ON THE ERLANGER PIPELINE TO CUNNINGHAM & SONS, INC.

Mazingo Construction is replacing approximately 1900 feet of the Erlanger Pipeline. Due to the existing structures being too small, in poor condition, and will not accommodate the larger pipe and gates, two (2) new structures are required. Originally, staff had planned to replace the boxes with prefab structures and have Mazingo Construction install the prefab structures. However, due to the amount of time to receive the prefab structures, the time frame in which to complete the construction, and the active farming at the site, staff has decided that cast-in-place structures would be preferred. The District has in place a General Services Agreement with Cunningham & Sons, Inc. A bid was solicited from

Cunningham and Sons which amounts to \$24,200 for both structures. Staff recommends approval of the award to Cunningham & Sons, Inc. This purchase is not budgeted for 2006.

A motion was made by Director Brichetto, seconded by Director Taro, and unanimously supported to approve the award of bid for the two (2) structures on the Erlanger Pipeline to Cunningham & Sons, Inc.

DISCUSSION ITEMS
NO. 14

DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR ON
THE TRI-DAM BOARD AGENDA FOR THURSDAY, MAY 18, 2006.

This item is placed on the agenda to allow Board members an opportunity to openly discuss issues related to the upcoming Tri-Dam Board meeting.

There were no items that the Board members wanted to discuss.

Director Alpers requested that we place on the Agenda for June 6, 2006 as a discussion item the way that Oakdale Irrigation District and South San Joaquin Irrigation District receive their disbursements from Tri-Dam.

COMMUNICATIONS
ITEM NO. 15

A. **GENERAL MANAGER'S REPORT**

The General Manager reported on the following:

1. May Water Report – snow pack as of April 1, 2006 was 187% of normal. We need to get rid of nearly one million acre feet of our water shed between now and October. The river will stay about 5,000 feet and if the temperatures stay relatively normal it should take care of it.
2. Annexations – Vergburg has paid her annexation charges in full. Final approval will be on the June 6, 2006 agenda. Golden West is having second thoughts about going through with the annexation. They were surprised by the cost of the annexation. Hadyn Meyer thinks we should waive his annexation fees because when we run our deep wells at the reservoir it impacts him. He is reconsidering his position on annexation.
3. Knights Ferry Community Services District would like to meet with the District regarding their long term plans, operations, etc. We will schedule a time with the Community Relations Committee to meet with them.
4. Mr. Rossini will be on the agenda on June 6, 2006 regarding his bill for damage to the Palmer Pump.

5. Article in the Oakdale Leader regarding the audit. When you read the article the tone of the article is disappointing which states that the district shows an operational loss of \$2M. This District has nearly always shown an operations loss. You have an operational loss when your operations expenses exceed your operations revenues. The joint venture investments that we have in Tri-Dam are investments not revenues. This District will always have operational loss revenues until the District raises the water rates or the property taxes sufficient enough to cover the District's operational expenses. What John Barnhart, CPA, was explaining is that you should have your water rate cover your operational expenses.
6. The draft newsletter has been prepared by Panagraph. Please read and let me know of any edits that you would like made to the newsletter by Wednesday.
7. The General Manager gave his Report on ACWA Conference. He stated that it was much better this year than it has been in the past.
8. The General Manager attended two Bureau meetings.
 - a. One was the Friant decision which was a closed door decision. This is a Federal decision to solve the Friant issues and no third parties are invited. Friant is going to release more water and this could be upwards to 500,000 acre feet. This could cost upwards of \$1 billion dollars for the sole purpose of producing 50 spring run salmon, as a minimum, at the confluence of the Merced and San Joaquin River.
 - b. Also met with the bureau on our proposed plan of operations for New Melones. We showed them all of the studies that we have done, we showed the runs that we have made, we showed the Bureau how, with the revised plan of operations, we could get more water to the fish, we could in most years fulfill contract entitlements that were not previously filled, and allow the irrigation districts to maintain their rights on the Stanislaus at the current levels. The local staff has been briefed and they like what they see and we are going to present this at the next revised plan of operations meeting with the bureau and get it over to the fish group.

B. COMMITTEE REPORTS

All committee reports were previously given in these Board Minutes.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers commented on the ACWA Conference in Monterey which he felt was probably the best one that they have ever had. The first thing he talked about was that they formed an agreement with Hewell Houser who produces California Gold and there is a series of eight. They watched one which explained California water to the general public which was really well presented. The second item Director Alpers commented on was the

State required ethics training. Four of our five Directors have taken the three hour class. Director Alpers discussed this with the attorney who taught the class which was very comprehensive and somewhat complicated. Director Alpers felt that our Board on a couple of occasions violated the conflict of interest. He felt that after taking this class there should be zero tolerance of anyone who has a conflict of interest. Whether they are serving themselves, serving a friend, or whatever; ignorance in thinking they are above the law should not be tolerated in this Board room. He stated that it is time for everyone to follow the rules of good government procedure.

Director Alpers further stated that the best meeting he attended along with the CFO of the District was on reserve policies. He stated that reserves are what you do with the extra money that is being held for something. The District puts it in a reserve fund. This meeting said reserve policies are a guideline for the future. It should provide direction for OID. They really emphasize that the reserve should not be one big pot, they should be designated for specific purposes which should try to mitigate problems in the future whether it is a catastrophic repair, whether it is a lack of income from Tri-dam, or a fund to build a project. How much you decide goes into which reserve is really based on how much risk you are willing to take in each area which will require a great deal of discussion. He said that some examples of needs are, (1) do we need six months of operating expense money, (2) replacement costs, (3) stabilize our income in case Tri-Dam funds drop we can cover it, (4) new facilities (reservoirs, tunnel, etc.), and/or (5) drought. Once the reserve funds have been established a lot of these can be flexible, but some of the needs should be etched in stone, i.e. operating money and the like. Director Alpers stated that ACWA has a reserve policy booklet which was recommended that we get it if we don't have it, and implement our own policy to use as a guideline.

Director Brichetto

Director Brichetto stated that he saw a sticker on the back of John Davids' vehicle which states, "Where water flows, food grows" and I hope that the District promotes this idea. When people have a use for water locally he would like to find all of the reasons how we can help them rather than reasons why we cannot. Director Brichetto would like the District to continue to promote agriculture in the area - it is the economic base of the community.

Director Taro

Director Taro stated that there were 1800 people in attendance and almost every district has the same problem too much growth around their cities which keeps spreading into the farming area and there is more demand on water.

Director Webb

Director Webb stated that he also found the ACWA Conference very interesting for all of the same reasons that Director Alpers did. Director Webb spoke with the JPIA about the BMX Track and was told anything which includes the word "race" in it will not be insured by JPIA. He said that they normally insure tennis courts, swimming pools, etc., but racing is not going to be covered. Director Webb also attended the ethics course and thought it was a good course as well.

Director Clark

Director Clark had nothing further to comment on other than what was already stated.

OTHER ACTION
ITEM NO. 1

At the hour of 10:05 a.m. a motion was made by Director Brichetto, and seconded by Director Alpers, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, June 6, 2006, 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** is scheduled for **Thursday, May 18, 2006, at 9:00 a.m.** in the Board Room of the Tri-Dam Power Authority, 31885 Old Strawberry Road, Strawberry, CA.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary