

## **MINUTES**

Oakdale, California  
February 16, 2016

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: Steve Webb, President  
Herman Doornenbal, Vice President  
Gary Osmundson  
Gail Altieri  
Linda Santos

Staff Present: Steve Knell, General Manager/Secretary  
Jason Jones, Support Services Manager  
Eric Thorburn, Water Operations Manager  
Kathy Cook, Chief Financial Officer

Also Present: Jim Oliveira, General Counsel  
Tim O'Laughlin, Water Counsel

Director Webb asked for a moment of silence in recognition of Roger Schrimp's passing.

### **ADDITION OR DELETION OF AGENDA ITEMS**

There were no additions or deletions of agenda items.

### **ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE**

There was no action taken out of sequence.

At the hour of 9:02 a.m. the Board welcomed public comment.

### **PUBLIC COMMENT ITEM NO. 1**

There being no Public Comment; Public Comment closed at 9:02 a.m.

Director Santos requested that Item Nos. 2, 3, 4, 6, 7, 8, and 11 be pulled from the Consent Calendar.

**CONSENT ITEMS**  
**ITEM NOS. 2, 3, 4, 6, 7, 8, 11**

**ITEM NO. 2**  
**APPROVE THE BOARD OF DIRECTORS' MINUTES OF**  
**THE REGULAR MEETING OF FEBRUARY 2, 2016**  
**AND RESOLUTION NOS. 2016-15, 2016-16, AND 2016-17**

Director Santos stated that in the General Manager's Report from the February 2, 2016 Board Meeting item number 8 of the Water Operations Activities indicated that there was a conference call held on January 28, 2016 regarding redistricting. She stated that because she requested that she be informed about the redistricting she was surprised that she found out in the Minutes that this had occurred. She stated that there was no discussion at the February 2, 2016 Board Meeting. She asked who participated, what was the outcome and why was she not notified. General Manager Steve Knell stated that staff will make a presentation to the Water Committee once there is something to be presented. He further stated that Administrative Assistant Lori Presley and Water Operations Manager Eric Thorburn participated in the conference call. Water Operations Manager Eric Thorburn discussed what had transpired in the conference call. Director Santos requested that this item be removed from the Minutes. General Counsel Jim Oliveira stated that this was part of the February 2, 2016 Agenda and should have been discussed at that time; it is not part of this agenda.

A motion was made by Director Osmundson and was seconded by Director Doornenbal to approve the Board of Directors' Minutes of the Regular Meeting of February 2, 2016 and Resolution Nos. 2016-15, 2016-16 and 2016-17, and was voted as follows:

Ayes:	Directors Osmundson, Doornenbal, Webb
Noes:	Directors Santos, Altieri
Absent:	None

The motion passed by a vote of 3-2.

**ITEM NO. 3**  
**APPROVE STATEMENT OF**  
**OBLIGATIONS FOR OAKDALE IRRIGATION DISTRICT**

Director Santos stated that this relates to her prior request for attorney fees and CEQA notices and was told to contact Kathy Cook to obtain the information. She emailed Kathy Cook and requested this information and was told by the General Manager that she had to copy the Board members on her requests. She asked if this was necessary every time that she made a request to staff and if this created a conflict. General Counsel Jim Oliveira stated this agenda item is to either approve the Statement of Obligations or not so this is not a time to comment on the Statement of Obligations. Director Santos asked who Boutin Jones was. General Manager Steve Knell stated that they are the District's personnel attorneys and they provide legal advice related to employment law.

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

The above item passed 5-0 by the following vote:

Ayes: Directors Webb, Doornenbal, Osmundson, Altieri, Santos  
Noes: None  
Absent: None

**ITEM NO. 4**  
**APPROVE ASSIGNMENT OF**  
**CAPITAL WORK ORDER NUMBERS**

Director Santos asked if the Work Orders were being paid by the landowners or if this was a replacement of a Fresno gate by the District. Support Services Manager Jason Jones stated that this was a replacement of the gate by the District.

A motion was made by Director Doornenbal, seconded by Director Santos, and unanimously supported to approve the following assignment of Capital Work Order Numbers:

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Sweet Pipeline	Remove and replace 1-20" x 14.5' Fresno 101C slide gate. (APN: 207-320-15)	\$3,500	2016-017
Laughlin Drain	Remove and replace 60" 16 gauge galvanized Culvert crossing with board slots attached To the headwall. (APNs: 015-003-015/016)	\$16,500	2016-018

The above item passed 5-0 by the following vote:

Ayes: Directors Webb, Doornenbal, Osmundson, Altieri, Santos  
Noes: None  
Absent: None

**ITEM NO. 6**  
**APPROVE RESOLUTION COMMENDING AL BAIROS, JR.**  
**IN APPRECIATION OF NINE YEARS AND FOUR MONTHS OF**  
**CONTINUOUS SERVICE AS A DIRECTOR ON THE BOARD FOR**  
**THE OAKDALE IRRIGATION DISTRICT AND THE TRI-DAM PROJECT**

Director Santos stated that she is not opposed to commemorating Al Bairos, Jr., for his services, but she was told that we would get together to discuss the language. She requested that this item be tabled to discuss the language and have it adjusted.

Public comment was received by Robert Frobose on this item.

A motion was made by Director Doornenbal and seconded by Director Osmundson to approve the Resolution Commending Al Bairos, Jr. in Appreciation of Nine Years and Four

Months of Continuous Service as a Director on the Board for the Oakdale Irrigation District and the Tri-Dam Project and was voted as follows:

Ayes: Directors Doornenbal, Osmundson, Webb  
Noes: Directors Santos, Altieri  
Absent: None

The motion passed by a vote of 3-2.

**ITEM NO. 7**  
**APPROVE RESOLUTION COMMENDING FRANK CLARK**  
**IN APPRECIATION OF FOURTEEN YEARS OF CONTINUOUS**  
**SERVICE AS A DIRECTOR ON THE BOARD FOR THE**  
**OAKDALE IRRIGATION DISTRICT AND THE TRI-DAM PROJECT**

Director Santos stated that she is not opposed to commemorating Frank Clark for his services, but she was told that we would get together to discuss the language. She requested that this item be tabled to discuss the language and have it adjusted.

Public comment was received by Robert Frobose on this item.

A motion was made by Director Doornenbal and seconded by Director Osmundson to approve the Resolution Commending Al Clark in Appreciation of Fourteen Years of Continuous Service as a Director on the board for the Oakdale Irrigation District and the Tri-Dam Project and was voted as follows:

Ayes: Directors Doornenbal, Osmundson, Webb  
Noes: Directors Santos, Altieri  
Absent: None

The motion passed by a vote of 3-2.

**ITEM NO. 8**  
**APPROVE WORK RELEASE NO. 006 TO PROFESSIONAL SERVICES AGREEMENT**  
**2011-PSA-008 WITH DAVIDS ENGINEERING, INC. FOR TECHNICAL SUPPORT FOR**  
**QUANTIFYING ETAW FOR CROPS WITHIN THE OID AND ASSOCIATED WORK**  
**RELEASES AS PART OF THE ON-FARM CONSERVATION FUNDING PROGRAM**

Director Santos stated that this is part of the On-Farm Funding Conservation Program which she is against and we are spending more money for just the first phase and we have no idea of how much more this will cost. We are opening ourselves up to an endless extension without any end amount as has happened on several of the work orders that we have approved. We get bits and pieces of the cost and we do not get a full picture of the total cost. The General Manager Steve Knell stated that these costs will be recouped from the administrative costs OID will receive from the On-Farm Funding Conservation Program. This will not result in a financial cost to OID.

Public comment was made by Robert Longstreth, Robert Frobose, Tom Gookin, and Travis Dovala.

A motion was made by Director Doornenbal and seconded by Director Osmundson to approve the Work Release No. 006 to Professional Services Agreement 2011-PSA-006 to Professional Services Agreement 2011-PSA-008 with Davids Engineering, Inc. for Technical Support for Quantifying ETAW for Crops within the OID and Associated Work Releases as Part of the On-Farm Conservation Funding Program and was voted as follows:

Ayes:	Directors Doornenbal, Osmundson, Webb
Noes:	Directors Santos Altieri
Absent:	None

The motion passed by 3-2 vote.

**ITEM NO. 11**  
**APPROVE WORK RELEASE NO. 003 TO PROFESSIONAL**  
**SERVICES AGREEMENT 2013-PSA-002 WITH CENTRAL VALLEY**  
**SOFTWARE SOLUTIONS FOR ADDITIONAL CUSTOMIZATION SUPPORT**

Director Santos asked what was being done differently that was not done already to implement this program; why are we doing more customization when this should have been taken care of prior to implementing this; shouldn't the software have been in place. Chief Financial Officer Kathy Cook stated that we had the software in place, but after last year and developing the software we are finding out that there is more that is needed to be done with the software. Water Operations Manager Eric Thorburn stated that they customize the software to meet your needs to be more convenient and to run some different reports. Director Altieri stated that she did some research on this company and asked what we know about this company and how we chose this company. Water Operations Manager Eric Thorburn stated that they went to other irrigation districts and looked at several options and looked at the functionality, costs, and applications and came up with this software being the most cost effective solution for the District.

A motion was made by Director Santos, seconded by Director Altieri, and unanimously supported to approve Work Release No. 003 to Professional Services Agreement 2013-PSA-002 with Central Valley Software Solutions for additional customization support.

The above item passed 5-0 by the following vote:

Ayes:	Directors Webb, Doornenbal, Osmundson, Santos, Altieri
Noes:	None
Absent:	None

**CONSENT ITEMS**  
**ITEM NOS. 5, 9, 10, 12, 13, 14**

**ITEM NO. 5**  
**APPROVE PAYMENT OF CLAIM**  
**SUBMITTED BY MIKE HOLLOWAY**

A motion was made by Director Doornenbal, seconded by Director Osmundson, and unanimously supported to approve payment of the claim submitted by Mike Holloway and forward the claim to ACWA/JPIA as a small claims reimbursement request.

**ITEM NO. 9**  
**APPROVE AMENDMENT NO. 03 TO GENERAL**  
**SERVICES AGREEMENT 2013-GSA-007 WITH DONLEE**  
**PUMP COMPANY, INC. FOR REVISED RATE SCHEDULE**

A motion was made by Director Doornenbal, seconded by Director Osmundson, and unanimously supported to approve the Amendment No. 03 to General Services Agreement 2013-GSA-007 with Donlee Pump Company, Inc. for Revised Rate Schedule.

**ITEM NO. 10**  
**APPROVE WORK RELEASE NO. 054 TO PROFESSIONAL SERVICES**  
**AGREEMENT 2009-PSA-015 WITH GIULIANI & KULL, INC. FOR**  
**PROFESSIONAL SERVICES TO PREPARE A COMBINED MAP OF**  
**IMPROVEMENT DISTRICT NOS. 45 AND 49 WATER SYSTEMS**

A motion was made by Director Doornenbal, seconded by Director Osmundson, and unanimously supported to approve the Work Release No. 054 to Professional Services Agreement 2009-PSA-015 with Giuliani & Kull, Inc. for Professional Services to prepare a combined map of Improvement District Nos. 45 and 49 Water Systems.

**ITEM NO. 12**  
**APPROVE PAYMENT TO JM BRUNK FOR AN ADDITIONAL**  
**TWO (2) ACRES OCCUPIED BY THE BORROW MATERIAL AND ACCESS ROAD**

A motion was made by Director Doornenbal, seconded by Director Osmundson, and unanimously supported to approve payment to Jim Brunk for an additional two (2) acres occupied by the borrow material and access road.

**ITEM NO. 13**

**APPROVE AGRICULTURAL DISCHARGE PERMIT ON THE LESNINI LATERAL NO. 1 (APN: 002-022-055 – JAMES W. COX AND BARBARA L. COX, CO-TRUSTEES FOR THE JAMES AND BARBARA COX TRUST DATED MAY 27, 1994 AND CHARLES W. LARGENT AND MARILYN J. LARGENT, TRUSTEES, OR THEIR SUCCESSORS IN TRUST, UNDER THE LARGENT FAMILY TRUST DATED SEPTEMBER 13, 1999)**

A motion was made by Director Doornenbal, seconded by Director Osmundson, and unanimously supported to approve the Agricultural Discharge Permit on the Lesnini Lateral No. 1 (APN: 002-022-055 – James W. Cox and Barbara L. Cox, Co-Trustees for the James and Barbara Cox Trust dated May 27, 1994 and Charles W. Largent and Marilyn J. Largent, Trustees, or their Successors in Trust, under the Largent Family Trust dated September 13, 1999).

**ITEM NO. 14**

**APPROVE ENCROACHMENT PERMIT ON THE LESNINI LATERAL NO. 1 (APN: 002-022-055 – JAMES W. COX AND BARBARA L. COX, CO-TRUSTEES FOR THE JAMES AND BARBARA COX TRUST DATED MAY 27, 1994 AND CHARLES W. LARGENT AND MARILYN J. LARGENT, TRUSTEES, OR THEIR SUCCESSORS IN TRUST, UNDER THE LARGENT FAMILY TRUST DATED SEPTEMBER 13, 1999)**

A motion was made by Director Doornenbal, seconded by Director Osmundson, and unanimously supported to approve the Encroachment Permit on the Lesnini Lateral No. 1 (APN: 002-022-055 – James W. Cox and Barbara L. Cox, Co-Trustees for the James and Barbara Cox Trust dated May 27, 1994 and Charles W. Largent and Marilyn J. Largent, Trustees, or their Successors in Trust, under the Largent Family Trust dated September 13, 1999).

The above Consent Items passed 5-0 by the following vote:

Ayes: Directors Webb, Doornenbal, Osmundson, Santos, Altieri  
Noes: None  
Absent: None

**ACTION CALENDAR  
ITEMS NOS. 15, 16, 17**

**ITEM NO. 15**

**REVIEW AND TAKE POSSIBLE ACTION TO PROVIDE STAFF DIRECTION ON THE SUFFICIENCY OF OID'S AVAILABLE WATER SUPPLY IN REDUCING THE RISK TO ITS WATER RIGHTS**

The OID's Water Resources Plan was adopted in June 2007. It had four principal goals;

- Provide long-term protection to OID water rights
- Address federal, state and local challenges
- Rebuild and modernize OID to meet changing customer needs

- Develop affordable ways to finance improvements to OID's system

The first two bullets are "risk based," the second two bullets are "financial based."

"Financial based" decisions are simple to understand, they involve dollars that are spent or gained. "Risk based" decisions in the water business are a bit more obscure, however in simple terms it involves the gain or loss of water.

When we talk about "protecting water rights" we talk about not losing any quantity or portion of OID's water right. When we talk about "federal, state and local challenges", we talk about legislative, administrative and political processes that attempt to diminish OID's water right as well. To fully understand the current risks to OID's water right or water supply staff and legal counsel have prepared the following:

### **Identification of Risk Areas:**

As was timely asked at the last Board meeting, a director requested staff to create a list of "risk issues" to OID's water supply and its water rights. The following comes from a recent memo by O'Laughlin & Paris, LLP, prepared for the SJTA Group to identify matters of on-going representation and or litigation (i.e. Risk). The headings are O'Laughlin & Paris', as that is all they provided in their SJTA memo. The commentary is staff's to add clarity to the risk issues identified;

#### (1) Dissolved Oxygen

- a. Issue: Not enough oxygen content in the river at Ripon. Reclamation is currently required to release water to improve oxygen levels by releasing more water out of the dam. (Low.)
- b. The deep water ship channel in Stockton has low oxygen levels. The SJTA currently pays money, along with other entities, for an oxygenator at site. This physical fix has worked. It is unclear if RWQCB will continue with the physical fix or request flow
- c. Risk: Low.

#### (2) Tribal Beneficial Use

- a. Issue: This is a recently announced Beneficial Use (BU) designation.
- b. Uncertain at this time what this means.
- c. Risk: Low

#### (3) Human Right to Water

- a. Issue: This is a recently announced State Board focus.
- b. All people need high quality water and have the right to it. Uncertain how this will be implemented but it will involve those with water to make water available to those who don't have it, or who have poor quality water.
- c. Risk: Medium

#### (4) Delta Stewardship Council Performance Standards

- a. Issue: These standards and the Public Trust Resource evaluation process include more flow in the river.
- b. These are being developed for the WQCP and SB7xx proceedings.

- c. Requires higher water use efficiency by irrigation districts.
- d. 17,000 – 20,000 acres of wetland and riparian habitat which will need water to flourish.
- e. Risk: Medium

(5) Mercury Program and policy development

- a. Issue: There is Mercury in New Melones reservoirs and the Stanislaus River. The SWB is developing a program to address Mercury.
- b. This is not a water release.
- c. Risk: Low

(6) Irrigated Lands Program

- a. Issue: Farm drainage contaminants in tailwater leaving the farm needs to be reduced or eliminated.
- b. There is a ratcheting effect by the Regional Water Quality Control Board/State Water Board on EVERY contaminant that affects rivers, stream, water bodies, etc.
- c. Control mechanism is issuing a Total Maximum Daily Load (TMDL) standard for compliance.
- d. Dilution of the problem using District water may be a solution. (See salinity below.)
- e. Risk: Low

(7) Central Valley (CV) – Salts

- a. Issue: CV Salts program is centered on how to better manage sources of salinity and corrections to those sources.
- b. Currently, proposed objectives would not impact OID.
- c. Implementation methodology is unknown.
- d. Risk: Low

(8) Lower San Joaquin River – Salinity

- a. Issue: High salinity in the San Joaquin River at Vernalis is corrected by releasing water out of New Melones.
- b. Only the Bureau of Reclamation is required to meet this standard until the SWB adopts a new Water Quality Control Plan (WQCP).
- c. Uncertain what the salinity standard will be and who will be responsible.
- d. Risk: Medium

(9) Nutrients

- a. Issue: This matter is mainly dealing with fertilizer contaminants in both groundwater and surface water coming from dairies, agricultural farming, etc.
- b. This contaminant is tied to the DO problem at the DWSC in Stockton.
- c. TMDLs have not yet been proposed.
- d. Risk: Low

(10) SB7xx instream flow criteria

- a. Issue: The purposed is to set “Public Trust” flows on high priority streams, like the Stanislaus River.

- b. The DSC and SWB are adopting methodology to be used in this process. (see 4 above.).
  - c. The Stanislaus River is a top-ten stream.
  - d. Risk: Medium
- (11) SB88 Reporting and measuring regulations and compliance requirements
- a. Issue: Reporting will assist SWRCB in determining what water is being used for what purposes, Pre-1914, Post-1914 water, and contract water.
  - b. This issue is central to the current question before the OID Board of Directors. With out-of-district agreements and other long term contracts, what is the source of the water, its place of use, purpose and season of use.
  - c. DWR, USBR, and most importantly the SWB, will be more closely examining water use by the District.
  - d. Risk: High
- (12) WaterFix:
- a. Issue: This is the governor's twin tunnels project.
  - b. Full court press in Sacramento to get this passed.
  - c. Water quantities to meet the demands of Delta Flow and out-flow have not been quantified. The concern on those water users upstream is that the WaterFix will look for upstream water right holders to plug the shortfall.
  - d. Risk: High
- (13) Deer Creek:
- a. Issue: The SWRCB issued a Finding and Order that Deer Creek Irrigation District's pre-1914 and riparian rights were a "waste and unreasonable use" of water because, in the SWB's determination, there was insufficient flow for the fish.
  - b. The SWB cut off Deer Creek Irrigation District's diversion.
  - c. Case is going to trial. SJTA will file an amicus brief.
  - d. This very issue may confront OID this spring.
  - e. Risk: Very high
- (14) San Joaquin River Restoration Project (SJRRP):
- a. Issue: Friant Water Authority settlement with NRDC to restore spring-run to the San Joaquin River.
  - b. Attempt is to restore spring-run salmon, an endangered species, throughout the San Joaquin River.
  - c. If spring-run salmon wander into our rivers, which they will, OID may "eventually" be subject to ESA for spring-run.
  - d. Risk: Medium
- (15) Water Quality Control Plan:
- a. Issue: This is the 40% unimpaired flow from February 1<sup>st</sup> – June 30<sup>th</sup> of every year.

- b. Significant releases to the Stanislaus River and substantial impacts to storage at New Melones.
  - c. Risk: Very high
- (16) Groundwater and Sustainable Groundwater Management Act (SGMA):
- a. Issue: At the same time the SWRCB is taking surface water away from irrigation districts they are requiring local areas to find ways to recharge their underground aquifers with existing supplies and or stormwater.
  - b. Potentially a good portion of our surface water supplies may be redirected to sustainable groundwater recharge.
  - c. SGMA and the WQCP would subsume much of OID's available surplus water supplies.
  - d. Risk: High
- (17) Curtailment:
- a. Issue: Curtailment is the preclusion of the diversion of water to storage or direct diversion for periods of time determined by the SWRCB. (See 11 and 13 above)
  - b. If and when curtailment occurs, it will determine how much water OID/SSJID have available for irrigation that irrigation season.
  - c. In 2015, post-1914 rights were curtailed in April and OID's pre-1914 rights were curtailed in June. OID/SSJID are expecting curtailment again this year.
  - d. Currently, OID/SSJID are in court on this issue to determine legal rights of SWRCB to do just that.
  - e. Risk: Very high

Of the 17 risk areas identified, 6 areas are High to Very High for a loss or diminution of OID's water rights and/or water supply; 4 areas are Medium and 7 are Low.

Risk insurance is measured in how much "uncommitted water" an irrigation district has in its water portfolio. For reference:

**OID's existing water commitments**

Average Annual OID Diversions to Ag (normal hydrology)	= 240,000 af
Tiered II Water Commitment	= 25,000 af
City of Oakdale Water Commitment	= 10,000 af
<hr/>	
Total Commitment of Available Water Supplies	= 275,000 af
Total Uncommitted Water Supplies	= 25,000 af

As shown, OID currently has about 25,000 acre feet of available and uncommitted water supply to meet or address any of the risk factors identified. In some isolated cases it may prove to be sufficient but with the real potential of aggregation of one or all of the 7 Very High to High risk areas going forward, it most assuredly is not.

The only buffer to OID's exposure is the continued investment in conservation projects to reduce water waste in the district. The Water Resources Plan indicates OID can generate another 25,000-30,000 acre feet of conserved water. That additional quantity of conserved water, added to the existing available supply, would provide a buffer of reliability and flexibility in reducing a water supply impact to OID constituents.

Investments in that conservation effort will require financial commitments in the rehabilitation and modernization of both OID's delivery system as well as OID farmer's on-farm irrigation systems. It will take both investments to meet that commitment.

To make this all work will require a high level of oversight and control by the Board to protect, develop and manage its water resources to the maximum value of its water users. This is OID's mission statement.

Staff would caution the Board against further firm or long-term commitments of OID's available water supplies at this time. OID's future is uncertain and the risks ahead have been amplified by the long term drought and the tenuous water situation that currently exists in our State.

General Manager Steve Knell and Water Counsel Tim O'Laughlin gave a PowerPoint Presentation and discussed the risk issues facing the District.

Public comment was made by Ken Krause on this agenda item.

A motion was made by Director Osmundson, seconded by Director Doornenbal, and unanimously supported to direct staff to stay the course with implementation of the District's Water Resources Plan and to continue to manage the District's available water supplies with water rights protection in the forefront of the decisions.

The above item passed 5-0 by the following vote:

Ayes:	Directors Webb, Doornenbal, Osmundson, Altieri, Santos
Noes:	None
Absent:	None

**ITEM NO. 16**  
**REVIEW AND TAKE POSSIBLE ACTION TO PROVIDE STAFF DIRECTION**  
**ON ENTERING INTO NEGOTIATIONS ON A LONG TERM WATER**  
**SUPPLY CONTRACT TO OUT OF DISTRICT LANDS HELD BY**  
**TREFALL RANCH LIMITED CORPORATION (BRICHETTO PROPERTIES, L.C.)**

Mr. Brichetto submitted a revised request (February 1, 2016) and associated term sheet to OID with the hopes of entering into negotiations for a long term water contract (50 years-renewable) for 7,500 acre feet of water. Mr. Brichetto wishes OID to provide water to nearly 3,700 acres of trees split amongst property both north and south of the Stanislaus River. His proposal has changed somewhat from his initial submittal back in the summer of 2015, as has his terms and conditions. At first Mr. Brichetto was interested in out-of-district water

and that request has recently morphed into securing a firm water supply under a 50-year contract.

OID and Trinitas Partners LLC had the same discussions back in May 15, 2011. As was presented to the Board back then, legal complications over pre-1914 water rights and post-1914 appropriative rights in meeting water demand negated discussions on the ability to provide contract water. That complication has not changed since 2011 and this was explained to Mr. Brichetto in detail at the Water Committee Meeting of February 2, 2016. To highlight that limitation staff has included the three letters OID received to its out-of-district CEQA document from the Bureau of Reclamation, the Department of Water Resources and the State Water Resources Control Board.

As a note of interest, near the end of negotiations on the Trinitas contract, the Board of Directors opened up annexations to all interested parties on February 12, 2012 with a closure date of October 1, 2012. Annexation applications that were received would be processed under the same terms and conditions as Trinitas. There were 5 applications received during that period, none were received by Mr. Louis Brichetto. The door to annexations has been closed since then.

Since missing out on the annexation window in 2012, Mr. Brichetto has submitted a number of proposals over the years that allow him to achieve all the benefits of annexation but yet, never pay the price to annex, as this current proposal does. This current proposal attempts to put Mr. Brichetto in a priority position ahead of current out-of-district applicants, creating a fairness question and raises the issue of "preferential treatment" if others are denied this same opportunity. As outlined in the agenda report previous to this, OID can ill afford to use its "risk reduction water," or to exhaust those supplies, by providing firm water supplies to non-district farmers to the detriment of its constituents. For this reason alone, this request should be denied.

Mr. Brichetto's request for a long term water contract is not doable without exposing OID's water rights to significant risk. See attached letter. For that reason alone this request should be denied.

Until OID's available supply can meet any potential exposure or risk that could significantly impact OID constituents, OID should refrain from engaging in any long-term firm water supply commitments. The door to annexations should remain closed and the use of out of district water should be balanced to the needs of OID constituents first.

Staff recommends that Mr. Brichetto sign up for out-of-district water, as all other water applicants are doing, and take water as available and when available.

Louis Brichetto and his consultant Kevin Kauffman were present and discussed his request for a long term water contract.

Members of the public Robert Longstreth, Travis Dovala, and Henry Van de Pol commented negatively on this agenda item.

Member of the public Robert Frobose spoke in support of this agenda item.

A motion was made by Director Santos that we enter into negotiations with Mr. Bricchetto to come up with something that is acceptable to the District and landowner and was seconded by Director Altieri and was voted as follows:

Ayes: Directors Santos, Altieri  
Noes: Directors Webb, Doornenbal, and Osmundson  
Absent: None

The motion failed by a vote of 2-3.

**ITEM NO. 17**  
**REVIEW AND TAKE POSSIBLE ACTION TO**  
**APPROVE ANNUAL REVIEW OF ASSIGNED VEHICLES**

The Oakdale Irrigation District's Personnel Policies and Procedures, Section 5.604, Section V, states; "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>2016</u>
General Manager	Yes
Chief Financial Officer	Yes
Support Services Manager	Yes
Water Operations Manager	Yes
Assistant Water Operations Manager	Yes
Supervisor Water Operations (2)	Yes
Supervisor Water Operations Utilities	Yes
Supervisor of Field Operations (2)	Yes
Safety/Compliance Officer	Yes (Vacant)

The General Manager asserts that each vehicle assignment above is essential and necessary to meeting the diverse and unpredictable nature of OID's work. If service is important to OID constituents and/or its business needs, then having employees ready and able to be at work to address those issues should also be important.

A motion was made by Director Webb and seconded by Director Osmundson to approve the annual review of assigned vehicles and was voted as follows:

Ayes: Directors Webb, Doornenbal, Osmundson, Altieri  
Noes: Director Santos  
Absent: None

The motion passed by a vote of 4-1.

**DISCUSSION  
ITEM NOS. 18, 19, 20, 21**

**ITEM NO. 18  
DISCUSSION ON PROPOSED DRAFT 2016 BUDGET**

Attached is a proposed draft budget for 2016 based off the 5-year budget projections discussed at the February 2, 2016 board meeting.

The 5-year budget projection was based on the implementation of the Water Resource Plan that was developed to meet the District's Mission Statement goals:

- Long-term protection of Water Rights
  - Curtailments, CCWD, BOR/88 Agr, Public Trust, SWB Regs., ESA
- Address Federal, State, Local Water Challenges
  - D-1641, WQCP (40% unimpaired flows), WaterFix, SGMA, droughts
- Rebuild/modernization of an out-of-date system
  - \$3 million in life cycle replacements and \$3 million in modernization
- Develop affordable ways to finance improvements
  - \$168 million of costs to achieve goals by 2030
  - 67 TAF of Conservation: 50 TAF in water transfers, 17 TAF to SOI

The focus of the 5-year budget was:

- To build-up funds to construct a new 5,300' tunnel on the South Main Canal to address high hazard sections due to fall-hazards and creep failure.
- To build-up funds to pay-off debt early.

The focus of the proposed 2016 budget is:

1. Protection of the District's Water Rights
2. Meet Capital Improvement Project needs:
  - a. Life-cycle replacement
  - b. Modernization
  - c. Mission critical water resource plan projects
3. Maintain and retain a high quality workforce
4. Manage finances to protect reserves and assets
  - a. All budget expenditures are "value added"

This item was referred back to the Finance Committee.

**ITEM NO. 19  
DISCUSSION ON STANISLAUS RIVER OPERATIONS FOR 2016**

Water Counsel, Tim O'Laughlin will discuss Stanislaus River Operations for 2016. The background to Mr. O'Laughlin's presentation is premised on the following;

- New Melones inflow to date (February 11<sup>th</sup>) is 231,000 acre feet.

- DWR's 90% exceedance probability forecast calls for April-July unimpaired runoff to be 500,000 acre feet.
- Every day of no precipitation diminishes the snowpack by 1% of its water content.
- Pursuant to the SWB's TUCP, OID/SSJID agreed to let the Bureau of Reclamation (Bureau) borrow water to meet fish flows from October 1, 2015-March 1, 2016
- OID expects a full 600,000 acre feet allocation under its 88 Agreement.
- OID/SSJID's Conservation Account is full at 200,000 acre feet. There will be no advantage or opportunity at the end of the irrigation season to store unused water.
- When inflow surpasses 450,000 acre feet, water in the Conservation Water will not be available to the Districts. OID expects that to be the case this year.
- Available upstream storage is 260,000 acre feet.
- Come March 1<sup>st</sup> the Bureau will have no water in storage to meet fish flows in the river. When the California Department of Fish and Wildlife and the National Marine Fisheries Service are told by the Bureau they have no water to protect or release for fisheries, both agencies will turn to OID/SSJID for addressment.
- OID/SSJID are working with the Bureau on developing options for when that occurs.
- The Bureau of Reclamation will be seeking a TUCP in 2016.
- The districts and Bureau will need to have a operation plan, similar to last year, that addresses the needs of the Spring fishery flows, provides for reasonable storage EOM September to provide Fall attraction flows, and fishery flows through the winter until March 3, 2017. Both districts will seek compensation for any of its waters sent down the river for such beneficial purposes.
- Districts expect little to no change in New Melones storage for EOM storage September from last year.
- Given the cycle that has been created, OID/SSJID will likely be in this repetitive mode for some time.

**ITEM NO. 20**  
**DISCUSSION ON UPDATING THE OAKDALE**  
**IRRIGATION DISTRICT SURFACE WATER SHORTAGE POLICY**

On April 1, 2015 Governor Brown issued Executive Order B-29-15, mandating agricultural water suppliers to include a detailed Drought Management Plan within their 2015 Agricultural Water Management Plans describing actions and measures taken to manage water demand during drought. Oakdale Irrigation District's Surface Water Shortage Policy

(Policy) was adopted in 2008 to provide a guide to the District and its Board during periods of water shortages. However, many things have changed within OID since that time (i.e. efficiency improvements, Tier II annexations, etc.) and much has been learned over the last four consecutive years of drought while implementing the existing policy. Staff recommends updating the existing policy to reflect current conditions, procedures and operations during water shortages.

The attached draft 2016 OID Surface Water Shortage Policy was presented to the Water Committee on February 2<sup>nd</sup>. Input and consideration by the full Board of Directors is now being requested. The proposed revisions to the policy include, but are not limited to, the following:

- Adjustments of allocation thresholds for implementation of Level One, Level Two and Level Three water shortage procedures
- Elimination of the Zero Discharge Policy
- Implementation of a Water Allocation Program under Level Two water shortages
- Incorporation of Tier 2 water deliveries
- Updated data in Table 1 – Water Resource Inventory & Expenditures
- Incorporation of farmer-to-farmer surface water transfers

There were no public comments made.

**ITEM NO. 21**  
**DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR**  
**ON THE TRI-DAM BOARD AGENDA FOR THURSDAY, FEBRUARY 18, 2065**

This item is here for general discussion on items that appear on the Tri-Dam Agenda when it is made available.

**ITEM NO. 22**  
**COMMUNICATIONS**

A. **GENERAL MANAGERS REPORT**

**Safety Activities**

1. OID has gone 381 days without a lost time injury accident.

**Administration Activities**

1. SJTA meeting on February 3<sup>rd</sup> with the Governor's Director of Fish and Wildlife, Chuck Bonham, and the Governor's Deputy Secretary of Resources, Karla Nemeth in Sacramento. This was a meeting on getting to settlement ahead of the implementation of the WQCP.
2. February 5<sup>th</sup> all water district representatives in the North Sacramento Valley, South of Delta and the Merced, Tuolumne and Stanislaus River met in Sacramento to talk about getting to a global settlement on the WQCP.

**Legal Activities**

1. ID 52 Lawsuit: Waiting for hearing date.

2. The SJTA and SWB curtailment matter is scheduled to be heard on February 19, 2016.
3. OID is in a test claims case on the State of California's issuance of unfunded mandates, i.e. SBx7-7. The matter was heard on February 5<sup>th</sup>. Awaiting judge's ruling.

### **Construction Activities**

1. C&M crews and equipment operators continue to work on maintenance and capital projects on OID facilities.
2. Assisting Water Ops./Eng. Dept. with various tasks and field review of potential projects.
3. Conducting Safety Coordinator tasks pertaining to all hands training, Safety Committee meetings and review of weekly tailgate safety meetings. Currently reviewing all required refresher training material for 2016. The annual fire extinguisher training and servicing was conducted on 2/12. A new Safety Committee was selected and will be meeting for the first time in the next few weeks.
4. Conducting Contract Administration tasks pertaining to contracts that need to be renewed and work releases that need to be completed with the assistance of Lori.
5. Conducting multiple landowner meetings for present and future Capital Projects.
6. Robin Flint from ACWA/JPIA is scheduled to conduct the annual JPIA liability, property and workers compensation risk assessment on 2/17.
7. Posted in-house for one C&M Leadman position due to a vacancy. The interviews for the selected candidates occurred on 1/29. A candidate has been selected and has been offered the position.
8. Pest Dept. staff and I attended the annual magnacide H safety training on 2/4 conducted by Alligare. The training occurred at MID and is required in order to purchase magnacide for 2016 applications.
9. Received confirmation that the CERS submittal was accepted by the Stanislaus County Dept. of Environmental Resources. The submittal is an electronic reporting of hazardous chemicals located at our site including quantities.

### **Water Operations Activities**

#### **Engineering**

1. Land use Conversion – Continued to work with landowners, tenants, irrigation design companies and Support Services/Water Operations concerning ongoing and future land use conversion projects. Initiation of new development projects has continued to extend farther into the end of off season than it has in the past.
2. Continued to process several Encroachment and Ag Discharge Agreements and continued field inspection during installation of the associated facilities.
3. Responses to the letters noting OID's requirements for continued irrigation on recently completed lot line adjustments and parcel split projects continued to be received. Field review of the applicable conditions in each individual circumstance continue to be completed with the assistance of Water Operations Dept. staff. Several requests for deferred conditions were presented to the Water Committee on February 2<sup>nd</sup>.
4. The draft 2015 Ag Water Management Plan was made available for public review on February 3<sup>rd</sup>. Barring any unanticipated comments a public hearing and potential adoption is anticipated at the first meeting in March.
5. The ACOE draft easement documents for the proposed tunnel as well as the 2 Mile Bar access road were reviewed by legal counsel and comments were returned for their review.

6. The new easement plat and legal description for the Cree Pipeline has been drafted by G&K and the associated plans and cost estimate have been finalized by OID staff. Upon execution of the easement documentation, the project will be scheduled for construction.
7. The City of Oakdale's draft out of boundary service agreement with OID on behalf of ID 41 was reviewed by legal counsel and comments were returned to the City for their review. Staff will now work with the City to get final costs together to proceed with preparation of the 218 process that will be required as part of the proposed new rate structure.
8. A first cut at the board of director division boundary adjustments was received and is currently being reviewed by staff.

### **Ag Water**

1. Additional maintenance tasks (i.e. sikaflex replacement, FlumeGate cable replacement, etc.) by SCADA personnel continued as necessary at various remotely monitored and/or automated SCADA sites.
2. Modifications to the STORM volumetric tracking and billing software user interface continued.
3. SCADA integration and commissioning of new SCADA sites continued where construction and gate/meter installation has been completed.
4. Storm water and winter water operations continued.
5. Field review of existing encroachments, measurement at existing delivery points, and historic and proposed irrigation practices continued for several newly created parcels that have applied for new connections.
6. The TAC meeting originally scheduled for February 4<sup>th</sup> was cancelled. TAC meetings are proposed to occur once every two months from this point forward.
7. Staff attended the monthly STRGBA meeting on February 4<sup>th</sup>. The revised MOU has now been fully executed by all member agencies and Groundwater Sustainability Agency (GSA) formation discussions are ongoing.
8. Staff attended the SJ GBA Workgroup meeting on February 10<sup>th</sup>. A road map for GSA formation by June 2017 and adoption of a Groundwater Sustainability Plan (GSP) by January 2020 was provided and discussed.
9. Posting to fill a vacant DSO position closed on January 29<sup>th</sup>. Applications have been reviewed and the first round of interviews is being scheduled.
10. Brushing was completed at the Oakdale Deep Well on February 3<sup>rd</sup>. Unfortunately, the well video taken after the brush work was completed indicated far more extensive deterioration of the casing than was previously visible. Staff's recommendation is to proceed with destroying the well. The alternative for a liner with additional gravel pack, the well treatment and a new pump is a major expense for a low production facility that would be likely to have additional issues in the future. Staff is in the process of acquiring quotes for destruction of the well.

### **Water Utilities**

1. Improvement District No. 41:
  - Pumping Station No. 3 remains out of service due to high turbidity issues.
2. Domestic Water Pumping Stations:
  - WUD continues to conduct weekly inspection, servicing and security checks of the pumping stations. There was nothing unusual or out of the ordinary to report.

3. Domestic Water Systems:
  - a. Monthly Coliform Bacteria water quality samples were collected on Monday, February 1<sup>st</sup>. ID 49 had a positive result. Further details are provided below.
  - b. Annual Nitrate water quality samples were collected from each well site on Monday, February 1<sup>st</sup>.
  - c. Title 22 Asbestos water quality samples were collected from the ID water distribution systems on Monday, February 1<sup>st</sup>.
4. Rural Water System No. 1:
  - a. Monday, February 1<sup>st</sup>, Hand delivered 3 – 48 Hour notices.
5. Improvement District No. 49:
  - a. Back-up Coliform water quality samples were collected on Tuesday, February 2<sup>nd</sup>.
  - b. Public notices regarding presence of Coliform bacteria were hand delivered to the residents of ID 45 & 49 on Wednesday, February 3<sup>rd</sup>.
  - c. System chlorination notices were hand delivered to the residents of ID 45 & 49 on Thursday, February 4<sup>th</sup>.
  - d. Distribution system chlorination procedures were performed on Monday, February 8<sup>th</sup> thru Friday, February 12<sup>th</sup>.
  - e. Disinfection and water quality testing procedures to the ID 49 Well started on Monday, February 8<sup>th</sup>.
6. On-Call Activities:
  - Nothing to Report.
6. Oakdale Deep Well Project:
  - a. Monitored / assisted contractor when on-site.
7. Knights Ferry Pumping Station:
  - a. Continued to monitor river pump operations.
8. Irrigation Pumping Stations:
  - WUD continues to perform the routine inspection, servicing and security checks on the irrigation pumping stations in use as winter drain pumps. There was nothing unusual or out of the ordinary to report.
    - Lambuth Reclamation Pump remains in use as a winter drain pump as per Water Department instructions.
    - Thompson Pond Reclamation Pump remains in use as a winter drain pump as per Water Department instructions.
    - Root Reclamation Pump remains in use as a winter drain pump as per Water Department instructions.
  - Continued spring servicing of the irrigation pumping stations in preparation for the start of the 2016 Irrigation Season.

### **Finance Activities**

1. Met with Finance Committee and Brian Nash, from Richardson and Company on February 3, 2016 for pre-audit review and discussion. GASB 68-Accounting and Financial Reporting for Pension is implementation is required on our 2015 Annual Financial Report.
2. 2015 year-end closing and pre-audit preparation consuming much of the Finance department time.
3. Assisting in the City of Oakdale's draft out of boundary service agreement with OID on behalf of ID 41 review. Will assist in the preparation of the 218 process that will be required as part of the proposed new rate structure.

4. First installment late notices to be sent out the week of February 15<sup>th</sup>.
5. Working of the reporting of the Affordable Care Act 2015 reporting. Furnishing 2015 Form 1095-B and Form 1095-C, Employer-Provided Health Insurance deadline Feb. 1 – March 31, 2106.

**B. COMMITTEE REPORTS**

Water Committee Meeting, February 2, 2016

- Request for Long Term Irrigation of Lands Outside District Boundaries Agreement (APNS: Various – L. Bricchetto)
- Request for Deferred Conditions (APNS: Various – Montpelier Farming Corporation)
- Request for Deferred Conditions (APNS: 011-005-074/075 – H. Weber)
- Request or Deferred Conditions (APNS: 002-061-009/010 – Ruvalcaba)
- Request for Variance to District Policy (APN: 002-016-004 – Cashen)
- Brunk Borrow Site Agreement (APN: 002-021-006)
- Water Shortage Policy

Ad Hoc Committee on Vehicles / Equipment, February 16, 2016

Domestic Water Committee, February 16, 2016

- Request to Waive Late Fee Charge (Richard Paslay)

Director Webb stated that this request will be on the agenda for March 1, 2016.

**C. DIRECTORS' COMMENTS/SUGGESTIONS**

Director Altieri

Director Altieri stated that she read an article in the Oakdale Leader written by Mary Sue Shearer about a sink hole in the Cemetery in Knights Ferry and she was wondering what was going on with repairing the sink hole. Support Services Manager Jason Jones stated that when they installed the pipe they dug down twenty feet and hit ten feet of hardpan then sand. He said that the District is waiting for the ground to settle through the spring and then they will go back and fix the sink hole. In the interim they have covered up the sink hole with metal plates.

Director Santos

Director Santos disagreed with Director Webb's comment.

Director Doornenbal

Director Doornenbal had no comments.

Director Osmundson

Director Osmundson had no comments.

Director Webb

Director Webb stated that he felt that Directors Altieri and Santos having lunch with Mr. Louis Brichetto and not disclosing this information at the Board Meeting was not being open and transparent.

At the hour of 12:14 p.m. the meeting adjourned to Closed Session.

**CLOSED SESSION  
ITEM NO. 23**

- A. Government Code §54956.8 Conference with Real Property Negotiator**  
Negotiating Parties: SJTA, NACWA, Federal and State Exporters  
Property: Water  
Agency Negotiators: General Manager and Water Counsel  
Under Negotiations: Terms
- B. Government Code §54956.9 – Initiation of Litigation**  
Pursuant to Paragraph (4) of Subdivision (d) of Section 45956.9  
One (1) Case

At the hour of 12:35 p.m. the meeting returned to open session.

Coming out of Closed Session Director Webb stated that there was no reportable action.

**OTHER ACTION  
ITEM NO. 24**

At the hour of 12:35 p.m. the Board meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, March 1, 2016 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting of the **South San Joaquin and Oakdale Irrigation Districts** serving the **Tri-Dam Projects** and **Tri-Dam Authority** and other joint business matters is scheduled for **February 18, 2016 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 110115 East Highway 120, Manteca, CA.

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Steve Webb, President

Attest:

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Steve Knell, P.E., Secretary