

MINUTES

Oakdale, California
July 20, 2004

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: Frank B. Clark, President
Louis Brichetto

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, P.E., Support Services Manager
John Davids, Assistant Engineer
Kathy Cook, Chief Financial Officer

Director Clark announced that with only two directors present the meeting would commence upon the arrival of Director Taro.

At 9:10 A.M. Director Taro arrived and the meeting reconvened.

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

General Manager Steve Knell requested that Item No. 3 be removed from the Consent Calendar due to a deletion of an invoice. A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to remove Item No. 3 from the Consent Calendar.

PRESENTATION

ITEM NO. 1

PRESENTATION OF SUPERVISOR CERTIFICATE PROGRAM COMPLETION TO TOM LAIDLAW, ASSISTANT WATERMASTER

Director Clark presented JPIA's Supervisor Certification to Tom Laidlaw, Assistant Watermaster. Mr. Laidlaw thanked the General Manager and the Board for the training that he has received during the past three (3) years.

**CONSENT ITEMS
ITEMS NO. 2, 4, 5**

**ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE
REGULAR MEETING OF JULY 6, 2004**

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the Board of Directors' Minutes of the regular meeting of July 6, 2004.

**ITEM NO. 4
APPROVE OAKDALE IRRIGATION DISTRICT
IMPROVEMENT DISTRICT STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 5
APPROVE THE MONTHLY CHIEF FINANCIAL OFFICER AND
TREASURER'S REPORT FOR THE MONTH ENDING JUNE 30, 2004**

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the monthly Chief Financial Officer and Treasurer's report for the month ending June 30, 2004.

**ACTION ITEMS
ITEMS NO. 3, 6, 7, 8, 9, 10, 11, 12, 13, 14**

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

General Manager Steve Knell stated that the CALPERS billing shown would be pulled from the invoices and paid next month. This change was due to percentages on the salary that had changed; the amount would be 3% less when paid next month.

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

ITEM NO. 6
REVIEW AND TAKE POSSIBLE ACTION ON
REQUESTS FOR PROPOSALS FOR ANNUAL AUDIT SERVICE
FOR THE YEARS 2004, 2005 AND 2006

The general responsibility of a CPA firm is to conduct an audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Their responsibilities are:

- Evaluate the internal control system to provide reasonable assurance that the agency is managing its financial affairs in compliance with applicable laws and regulations and, where weaknesses are noted, make recommendations for improvements.
- Ensure that the financial statements of the agency present fairly its financial operations in accordance with the generally accepted accounting principles.
- Ensure that the agency has complied with laws and regulations that may have a material effect on its financial statements.

Staff invited twenty (20) CPA firms to submit a three (3) year proposal for furnishing annual audit services for 2004, 2005 and 2006. Seven (7) proposals were submitted; Moss, Levy & Hartzheim, John L. Barnhart, CPA, Terry E. Krieg, CPA, James P. Marta, CPA, Richardson & Company, Noell Deetz Agnew & Morse.

A motion was made by Director Taro, seconded by Director Brichetto and unanimously supported to approve the firm of Moss, Levy & Hartzheim for annual audit service for the years 2004, 2005 and 2006.

ITEM NO. 7
REVIEW AND TAKE POSSIBLE ACTION ON
RESOLUTIONS AND CONTRACTS WITH
STANISLAUS AND SAN JOAQUIN COUNTY FOR
DELINQUENT FIXED CHARGES FOR THE 21004/2005 TAX ROLLS

The collection process of the District, outlined in Section 25806 2(a) of the State of California Water Code, is the filing of a Certificate of Notice (lien) with the county recorder's office on all delinquent properties. The lien is effective for ten (10) years and can be re-filed after expiration. In consideration of the economic times and in an effort to improve collections, staff recommended placing the District's delinquent fixed charges on the county tax rolls. Placement of the charges on the county rolls is a secured debt versus that of a lien which is an unsecured debt. Water Code Section 25806 2(b) provides for the placement of the delinquencies on the county rolls.

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the resolutions and contracts with Stanislaus and San Joaquin County for placement of delinquent fixed charges on the 2004/2005 tax rolls.

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON
CONSIDERATION AND INCLUSION OF
HILLSBOROUGH ESTATES UNIT #2 SUBDIVISION INTO
THE DISTRICT'S RURAL WATER SYSTEM

The Board of Directors received a letter from Stanislaus Development LLC requesting a reconsideration of its position on the admittance of the Hillsborough Subdivision into the Oakdale Irrigation District's Rural Water System No. 1. The Board approved a will serve letter on January 20, 2004 enabling this subdivision to form an improvement district. The Domestic Water Committee met on July 6, 2004 to discuss the Developer's proposal and recommended that the Board not approve this inclusion into the District's rural water system.

Mr. Cecil Shatswell and Mr. Greg Barzan, partners in Stanislaus Development, LLC, presented their request and proposal to the Board.

After discussion, a motion was made by Director Taro to approve the request of Stanislaus Development, LLC for inclusion into the District's rural water system. The motion died for lack of a second to said motion.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON A
PROPOSAL FOR PROJECT SCOPING AND
PRELIMINARY CONSTRUCTION ESTIMATE FOR
SOUTH MAIN TUNNEL 9 REPAIRS

This is a continuation of the repairs to Tunnel 9 which were not completed last winter, and is the first of two proposals to scope out the project and prepare an estimate for Board approval on the remaining Tunnel 9 repairs. Condor Earth Technologies Proposal No. 3818D was included for review.

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the proposal for project scoping and preliminary construction estimate for South Main Tunnel 9 repairs in the amount of \$9,350.00.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON THE
MAIN CANALS AND TUNNELS IMPROVEMENT PROJECT
CHANGE ORDER NO. 2

Change Order No. 2 was submitted in order to prepare a comprehensive report concerning long-term improvement alternatives for the South Main Canal between Goodwin Dam and Highway 108.

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve Change Order No. 2 in the amount of \$13,320.00.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON THE
MAIN CANALS AND TUNNELS IMPROVEMENT PROJECT
CHANGE ORDER NO. 4

Change Order No. 4 is a budget increase for the Construction Management Time Extension. This time extension was a result of the Board's approval in January for Johnson-Western to increase the extent of the Tunnel 9 repairs. This represents a two and one-half (2 ½) week extension for the construction management staff to be on site. Proposal for Project No. 3818B of Condor Earth Technologies was included for Board review.

Director Clark suggested that the Finance Committee meet with Condor Earth Technologies representatives, General Manager Steve Knell and Support Services Manager Gary Jernigan for further review of Change Order No. 4.

Director Brichetto made a motion to table this at this time and have Condor Earth Technologies present this to the entire Board for review. The motion died for lack of a second to said motion.

The Finance Committee will meet and report back to the Board.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON THE
MAIN CANALS AND TUNNELS IMPROVEMENT PROJECT
CHANGE ORDER NO. 5

Change Order No. 5 is a budget increase for the contract closeout and contractor invoice reconciliation which includes research of project records, additional documentation and meetings with OID and contractor personnel.

Support Services Manager Gary Jernigan recommended that the Board table this until the contract is more thoroughly reviewed by the Finance Committee.

The Finance Committee is to meet with the General Manager, the Support Services Manager and Condor Earth Technologies to review Change Order No. 5 before bringing back to the entire Board for action.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION TO
APPOINT AN AD HOC NEGOTIATING COMMITTEE FOR THE
DEVELOPMENT OF A SCOPE OF WORK AND BUDGET FOR THE
DEVELOPMENT OF A WATER RESOURCES PLAN.

Pursuant to the Boards' "Guidelines which identify Directors' Duties, Responsibilities, Powers, and Scope of Function",

Special Committees may be appointed by the Chairman/President of the Board with the 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. Upon completion of the task for which appointed, a special committee shall stand discharged.

A motion was made by Director Clark to appoint an ad hoc negotiating committee. The motion died for lack of a second to said motion. Director Clark requested that this item be placed on the next Agenda for action.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON THE
GENERAL SERVICES CONTRACTS

The District's many facilities are aging and in need of replacement. There is insufficient staff to perform all the work necessary for the District to maintain and replace those facilities. Often, work must be done on an emergency basis. In order to be covered by the insurance of the contractor, the District must have a contract for work performed. A General Services Contract would meet the insurance requirements. Work releases would be issued under a General Services Contract for any subsequent work necessary.

District staff sent out letters to eight (8) contractors requesting quotes for rates and services for a General Services Contract. Requests for Quotes were sent to RTC, Cunningham, Allen A. Waggoner Construction, Clyde Wheeler Pipeline, D&M Backhoe & Construction, Don Pedro Pump, Fagundes and Sons, Inc. and Don Pedro Pump. Of the quotes requested, three (3) contractors responded within the specified time frame; they were RTC, Cunningham and Sons, Inc. and Don Pedro Pump. The District has utilized all three (3) contractors in the past with more than satisfactory results. Don Pedro Pump has worked on the District's deep well and reclamation pumps while RTC and Cunningham and Sons, Inc. are general engineering contractors.

Staff submitted a General Services Contract with RTC to the Board for approval on May 18, 2004. The Board requested that staff obtain additional quotes to have a larger pool of available contractors. Staff recommended awarding a General Services Contracts to all three (3) responding contractors.

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the General Services Contracts.

DISCUSSION ITEMS
ITEM NO. 15
DISCUSSION OF A CANAL REHABILITATION SUMMARY FOR
LATERALS AND DRAINS OF THE DISTRICT

General Manager Steve Knell stated that the Board had requested information on what it would take to develop a District canal cleaning program.

Support Services Manager Gary Jernigan did a study of all the canals, laterals and drains. Mr. Jernigan estimated that the cost to fund the proposed cleaning program would be \$500,000 for the cost of an operator, mini-excavator and small bull-dozer.

Director Clark stated that after years of neglect he was pleased that the District is financially and organizationally able to deal with the maintenance problems and begin looking at a program such as this.

General Manager Steve Knell stated that General Counsel Mike Ijams has proposed teaching a property rights seminar for the District. The workshop would include services, rights-of-way, tax deeds, encroachments, etc. that he would clarify for staff.

ITEM NO. 16
ORAL REPORTS AND COMMENTS

A. GENERAL MANAGER'S REPORT

Irrigation Issues

1. Review CIMIS and Rotation Graphs

Current Internal Activities

1. City of Oakdale Airport: continue to work with City. Latest revised plans show South Main Canal at end of runway.
2. General Manager attended a CSDA Seminar on Brown Act Compliance.
3. Nancy Abdallah property development on North Main Canal about 1-1/2 miles west of Sonora Road is nearing conclusion.
4. DSO allegedly assaulted in Division 4. Sheriff report filed.
5. At direction of Strategic Planning Committee, staff is working with Nasser Bateni to develop a scope of work to bring back to the Board for approval on an on-farm program to be funded partially by Prop 50 funds.
6. We have an employee updating records and identifying "Town Water Customers" who wish to be disconnected from the Town Water System. A lot of discussion is occurring on the status of the Town system and its future.

Legal Activities

1. Cantel Settlement negotiations continue

B. COMMITTEE REPORTS

There were not committee reports given.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Taro:

Director Taro questioned why Directors' board packages are marked confidential as it is confusing to him. General Manager Steve Knell stated that this has been done the same as was done in the past, but in the future, Director envelopes will not be marked confidential, but requested that all Directors police themselves and not discuss closed session or confidential issues.

Director Brichetto:

Director Brichetto commented regarding the water waste comments made earlier. This District is significantly different than others with longer seasons, clover pastures, etc. Some individuals in Water Operations conveyed to him that the water measurements were taken in the peak of corn season and questioned the General Manager if measurements were taken throughout the season. Director Brichetto further stated that there is a lot of room for improvement, but felt the District had been working on improving.

**ITEM NO. 17
PUBLIC COMMENTS**

Mr. Ken Krause commented that he was surprised at the lack of discussion regarding the Town Pipeline. Mr. Krause further commented that during the last Board meeting Director Clark made a statement that the District was the most wasteful irrigation district in the State. No backup was given to substantiate the validity of his comment which was publicized in the newspaper.

Mr. Laurens Foard stated that the District does not waste its water. He further commented regarding the Closed Session held regarding property negotiations and suggested that this should have been in open session.

At the hour of 11:55 P.M. a motion was made by Director Clark, seconded by Director Taro and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, August 3, 2004 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, August 19, 2004** at 9:00 A.M. at the Oakdale Irrigation District, 1205 East F Street, Oakdale, CA 95361.

Attest:

Steve Knell, P.E.
General Manager/Secretary

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