MINUTES

Oakdale, California
October 21, 2003

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

Directors:	Jack D. Alpers, President Louis Brichetto, Vice President Frank Clark Tony Taro Steve Webb
Staff Present:	Steve Knell, General Manager/Secretary Bob Nielsen, Interim Support Services Manager Kathy Cook, Chief Financial Officer/Treasurer Tom Laidlaw, Assistant Watermaster Kevin King, Special Projects Coordinator

PUBLIC COMMENT

There were no public comments.

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 Webb, seconded by Director Brichetto and unanimously supported to hear the Union Bank presentation before that of Davids Engineering.

PRESENTATION

UNION BANK

A presentation regarding the status of the OID investment funds was made by Ms. Cori Farwell, Senior Fixed Income Funds Manager with Highmark Capital Management. Highmark is affiliated with Union Bank, OID'S trustee of its investments. Ms. Farwell distributed documentation relative to the District's third-quarter 2003 portfolio. Currently,

the District's investment portfolio is short-term with a weighted average life of .42 years. Year-to-date annualized return ending September 30, 2003 is .47%. All investments made were in compliance with the Government Code and the investment policy of Oakdale Irrigation District.

A motion was made by Director Clark, seconded by Director Webb and unanimously supported to hear Item No. 4 next on the Agenda.

ITEM NO. 4
PUBLIC HEARING REGARDING THE SPLITTING OF A LOT LOCATED AT 2704 OAKHURST DRIVE IN IMPROVEMENT DISTRICT NO. 49

On October 2, 2003 a meeting was held with landowners of Improvement District No. 49 to address the request of Mrs. Jeanette Berry regarding her request to split her lot located at 2704 Oakhurst Drive. Mrs. Berry wished to split the lot into two parcels to allow the new parcel to connect to the existing potable water system of the Improvement District.

A letter was sent on October 6, 2003 informing the members of Improvement District No. 49 of the results of the consensus. The letter included a copy of the voting ballot and notified the members of the October 21, 2003 Public Hearing and their opportunity to provide input at the Board of Directors' meeting.

This Public Hearing is required under Oakdale Irrigation District Improvement District Policy (Resolution No. 90-26) to offer the opportunity for any member of Improvement District No. 49 to provide input as to the direction stated by the consensus of landowners at the October 2, 2003 meeting. At the end of the Public Hearing, a tally of the votes to determine approval or rejection of the proposed project will be taken by the Board. If less than 1/3 of the members oppose the capital project, the project will go forward.

Director Alpers read the ballot, called for votes, tallied the votes and announced the votes as follows:

Yes: 13 Votes
No: 0 Votes

A motion was made by Director Brichetto, seconded by Director Clark and unanimously supported to approve the splitting of a lot located at 2704 Oakhurst Drive in Improvement District No. 49.

PRESENTATION

DAVIDS ENGINEERING

Mr. Grant Davids and Mr. Dave Miller of Davids Engineering made a presentation regarding the Boundary Flow Measurement Site Evaluation and Ranking Study. The purpose of the study was to evaluate the significance of boundary outflows to OID water balance and assess boundary outflow measurement sites and develop a program for measurement of

boundary outflows. The study showed that about 30% of total OID inflow becomes boundary outflow. 17 sites were assessed and recommendations were made as to implementation of the program in phases. Capital and Annual O&M Costs for the program (all sites) are: Capital - $276,000 and O&M/Replacement $34,900. Mr. David and Mr. Miller summarized their presentation by stating that the boundary flow measurement program is justified by large annual volume of drainage outflow (100,000 AF).

COMMUNICATIONS
ITEM NO. 2

A. GENERAL MANAGER'S REPORT

Resource Issues

1. Tri-Dam Projects-No Activities to Report
2. Groundwater Management
    a. Stanislaus and Tuolumne Groundwater Management Group to interview two consultants for combining groups individual Groundwater Management Plans into one plan.
3. Water Quality Issues-Ag Waiver
    a. OID continues to receive phone calls on this issue.
    b. As stated in the newsletter, we are making staff available for those filling out the individual discharger forms.
    c. There is a coalition forming for Stanislaus County. We will investigate and make that information available.
4. VAMP-No Activities to Report
5. Water Report
    a. System should be winterized and ditchtenders are reporting to C&M for winter work as of Monday, October 21.
6. Miscellaneous Resource Meetings
    a. SJTA agencies are pursuing a Prop 50 grant for watershed monitoring of the Merced, Tuolumne, Stanislaus and San Joaquin Rivers.
7. New Fees to Irrigation Districts
    a. An increase in Department of Dam Safety fees, an increase in NPDES fees for discharges, new Water Diversion fee to be assessed by December, new Ag Waiver compliance fees to be set January 2004 and others will take their toll on irrigation district budgets in the coming years.

Current and Pending Resource Contracts

1. Hazard Assessment of North and South Main Canals
    a. On the agenda
2. Water Measurement Plan
    a. On the agenda
3. Ag Water Management Plan
    a. Staff to meet with Grant Davids after the Board meeting to discuss.
4. CALTRANS Highway 120 Bypass
    a. Meeting with agency after the Board meeting today.
5. Water Resources Plan-No activities to report

Current Internal Activities

1. Reorganization Plan
    a. Position advertising for the Water Operations Manager and the Support Services Manager to occur through October 17th. Shannon Executive Search called and requested to extend the deadline another two weeks due to low response.
    b. The Assistant Engineer/Engineer position continues to be advertised in all local papers through November 3rd.
2. Hiring
    a. OID will likely be hiring 3 ditchtenders to fill vacancies. Two temps to replace employees lost to Worker Comp injuries and one permanent employee
3. Union Issues
    a. Addressing four letters from Union. One on a worker comp issue, another on Schedule change request, another on a pay disparity and one for a meet and confer on position description changes
4. Safety Program
    a. ACWA/JPIA will be teaching two classes at OID on November 6th, Risk Management and Safety Communications
5. Staff Training
    a. Cook and King attended a Seminar on management issues related to domestic water systems.
    b. Nine ditchtenders have been registered to attend the Cal Poly ITRC Training for Water Operations Personnel in February
6. Community Activities
    a. OID's Newsletter is out!
7. Staff Activities-No activities to report

Current Construction/Maintenance/Engineering Activities

1. Staff busy lining up winter work for the crews.

Projects on the Table

1. Hirschfeld Lateral Project
    a. Numerous physical encroachments (barns, buildings, bridges, fences) are present on canal, which need to be dealt with.
2. Mootz Drain-Dennis Edge drain rehabilitation
    a. On the agenda
3. MID Drainage Agreement Review-No Activities to Report
4. Annexation-No activities to report
5. Burneyville Area of Riverbank-No activities to report
6. Mootz Lateral-Duane Roots (Follow-up)-No activities to report
7. Burchell Hills/City of Oakdale bike path and usage agreement- No activities to report
8. Langum property acquisition
    a. Negative Declaration filed and is on the streets for review. Awaiting end of 45 day comment period.
9. Glines Pipeline
    a. Awaiting County approval to place pipeline in road shoulder.

Pending List of Jobs

1. Additional items being researched and to be added to this list.
    a. Lower Cometa-Steve Kessler
        a. Researching OID commitments
    b. Frobose Ditch-Bob Frobose
        a. May schedule for the end of this year if budget permits.
    c. Root Drain Pump and Pond
        a. Draft report ready October 17th
    d. Adams Creek Drain Pump
        a. Draft report ready October 17th
    e. Brady Pipeline-No action.

Legal Activities

1. General Counsel to report to Board on this agenda

B. GENERAL COUNSEL'S STATUS REPORT

1. Public Records Act Request
    - Request for copies of attorney's bills from January 31, 2003 to September 30, 2002 pursuant to Public Records Act (Government Code Section 6250, et. Seq.) by Mr. Lorens Foard.
    - Reason for request not stated
    - Rules for disclosure – No disclosure of information concerning pending litigation (Government Code Section 6254 (b)); No disclosure of information which is exempt from disclosure under federal or state law (Government Code Section 6254 (k)). This includes, but is not necessarily limited to: Matters protected by attorney-client privilege and personnel information
    - Attorneys bills for matters other than pending litigation will need to have confidential matter redacted (blanked out) before production
    - The redaction will need to be done by the attorney who issued the bill
    - The district will have to pay for the costs of redaction

Mr. Foard rescinded his request for copies of the attorney's billings. However, he questioned who had asked Mr. Ijams to look into the annexation issues that Mr. Ijams was working on. Director Clark stated that the entire board had concurred that this should be researched by Mr. Ijams office. Director Brichetto stated that this was the decision of the Board. Director Brichetto stated that it is the Director's obligation to make sure there is no conflict, and as such, his attorney was consulted and then sent a letter to the FPPC. Director Brichetto stated that the FPPC advised him that there was no conflict as to the issues addressed in his letter.

2. Annexation Issue
    - Question raised regarding ability of directors with property interests in sphere of influence to vote on changes in annexation fees
    - FPPC regulations vague on issue

- Have requested formal opinion from FPPC on issue

3. Special Districts
   - Proposition 218 issue raised by management
   - Complex question, insufficient time to resolve before this year's notices of charges to special district property owners
   - Now researching issue to be ready before next year's notices of charges

4. Poten-tial Purchase of Easement Rights to Certain Sierra Railroad Crossings (Government Code Section 54956.8)
   Name(s) of negotiator(s)
   - Status of issue

5. Closed Session
   - Pending Litigation – OID vs. Cantal (Government Code Section 54956.9(a))
   - Discussion of initiating litigation (Government Code Section 54956.9(d))
   - Conference with negotiator regarding Sierra Railroad crossings (Government Code Section 54956.8)

C. COMMITTEE REPORTS

There were no Committee Reports

D. DIRECTORS' COMMENTS

Director Brichetto

- Director Brichetto stated that he enjoyed Grant Davids report and liked the responses to the questions. However, Mr. Davids stated that in Merced they were in the same circumstance as OID and they were losing acreage so that they were serving El Nido on an interim basis (10,000 acres) and as there use in their own area decreased, they took on El Nido by annexing them.

A motion was made by Director Brichetto, seconded by Director Webb to move Item No. 8 to the Action Calendar.

CONSENT ITEMS NO. 5, 6, 7, 9, 10

ITEM NO. 5
APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF OCTOBER 7, 2003

A motion was made by Director Brichetto, seconded by Director Clark and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of October 7, 2003.

ITEM NO. 6
APPROVE OAKDALE IRRIGATION DISTRICT'S STATEMENT OF OBLIGATIONS

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

ITEM NO. 7
APPROVE OID IMPROVEMENT DISTRICTS' STATEMENT OF OBLIGATIONS

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

ITEM NO. 9
APPROVE THE DETACHMENT FROM OID OF THE CHIANTI SUBDIVISION, LLC

A motion was made by Director Brichetto, seconded by Director Clark and unanimously supported to approve the detachment from OID of the Chianti Subdivision, LLC.

ITEM NO. 10
APPROVE THE PURCHASE OF AN AUTO CAD WORKSTATION

A motion was made by Director Brichetto, seconded by Director Clark and unanimously supported to approve the purchase of an Auto Cad workstation.

ACTION ITEMS 8, 11, 12,

ITEM NO. 8
APPROVE THE MONTHLY CHIEF FINANCIAL OFFICER AND TREASURER'S REPORTS FOR THE MONTH ENDING SEPTEMBER 30, 2003

September 2003 represents 75% of the fiscal year. Revenues received reflect 92% of the year; while expenditures (including capital projects and purchases) reflect 60% of the year.

A motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to approve the monthly Chief Financial Officer and Treasurer's Reports for the month ending September 30, 2003.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON DEVELOPMENT OF A FENCING POLICY AND MODIFICATIONS TO OID'S EXISTING DRAINAGE POLICY

Two policy issues have emerged in attempting to remediate a dispute on the Mootz Drain with landowner Dennis Edge. The policy issues are:

1. OID does not have a definitive fencing policy with regards to the fencing of its fee-owned lands and/or easements and/or prescriptive rights-of-ways.

2. The existing drainage policy has been called into question regarding the 8-inch pipe limitation per 40-acre parcel when draining into an OID maintained facility.

On the fencing issue, staff saw merit in creating a more flexible policy. Staff was willing to work with the Board's Engineering Committee to provide a draft of such a policy for Board consideration.

On the drainage issue, staff felt that the 8-inch pipe limitation is sufficient for OID's needs. Statewide, it is a common expression that, "a farms irrigation efficiency is inversely proportional to the size of pipe at the end of the irrigated field". That is, the bigger the pipe the less efficient the irrigation manager needs to be.

The resolution to Mr. Edge's issues on the Mootz Drain has been to the Board numerous times. The General Manager sent a letter to Mr. Edge on September 25, 2003 outlining the approach OID must take, based on current policy. Mr. Edge protested the issue again at the October 7, 2003 Board meeting. Upon that protest the Water Committee (Brichetto and Taro) visited the site. The resolution of this protracted issue rests with changing OID policy.

The decision requested from the Board is a determination on its desire to change OID policy and the extent of those changes. Staff will work with the Water Committee to provide policies as directed for future Board consideration.

It was the consensus of the Board that this should be referred to the Engineering Committee which will meet and more clearly define the policies.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF A CONTRACT FOR THE MAIN CANAL REHABILITATION PROJECT

Bid openings for the Main Canal Rehabilitation Project were conducted October 16, 2003 at 4:00 p.m. Since that time, OID's Project Management contractor, Condor Earth Technologies, has been reviewed the bids to determine the lowest responsible bidder. A bid sheet spreadsheet was attached which outlined: Option A was for the remediation of

ALL hazards identified in the Hazard Assessment Report. Option B was for remediation of ALL hazards in the Hazard Assessment Report with the *exclusion* of Tunnel No. 9.

General Manager Steve Knell stated that the low-bidder for this project was Johnson-Western at the price of $4,484,250; the high bid was $5,197,990. The bid evaluation process was reviewed on Friday afternoon and Condor Earth Technologies is still in the process of negotiating a lower bid price from Johnston-Western. A recommendation for awarding the contract was not given at the meeting today due to the continued negotiation. Condor will be ready to make their recommendation on Thursday, October 23, 2003.

The Board concurred that a Special Meeting would be held on Thursday, October 23, 2003 at 7:30 P.M. At that time, the contract for the Main Canal Rehabilitation Project would be awarded.

DISCUSSION ITEMS
ITEM NO. 13, 14

ITEM NO. 13
DISCUSSION OF THE
TOWNHILL PIPELINE ENCROACHMENT

On October 3, 2003 an investigation was conducted regarding a report submitted by Division 5 Ditchtender Michael Evans. The report alleged that the Townhill Pipeline had been paved as a new parking lot for Ross Carroll Construction at 8873 Warnerville Road, Oakdale. Ditchtender Evans also noted a new fence was being installed along the East side of the pipeline.

OID staff found the Townhill Pipeline impacted by a new blacktop parking lot, complete with concrete curbing, industrial facility drainage from the parking lot into the Townhill Pipeline and a landscaped concrete curb border with trees. We also noted a chain link entrance gate to the parking lot, a propane tank on a concrete pad with a buried line to the offices of Ross Carroll construction, a hose bib and landscape sprinkler system and a new slatted chain link fence with a barbed wire security barrier, all of which are fully located on property owned in fee title by OID. An incident report was supplied giving more detailed information.

Options for consideration were:

1. Forced removal of illegal encroachments
2. Granting an encroachment permit for “some” of the encroachments
3. Charge annual lease fee for encroachments for use of OID lands
4. Sale of land to adjacent landowner through the public bidding process and keeping an easement for facilitates with a no-cost clause should repairs or replacement be needed.

Assistant Water Master Tom Laidlaw stated that the encroachments had been going on for over 20 years. It was apparent that Carroll Construction had slowly been expanding their encroachments as the years had gone by. The encroachments are substantial in that they use OID property for everything from a driveway to a parking lot and they have also

installed a new fence on what appears to be the District's east property line. Mr. Laidlaw further stated that he had met with Mr. Sean Carroll at the site and had instructed him to cease and desist with the continued installation of the fence. Mr. Carroll was also told to contact the OID Board of Directors in writing to address this issue.

Director Brichetto stated that Dan Holman had contacted him and he met with him and Mr. Sean Carroll at the site.

General Manager Steve Knell stated that the failing policy here at the district is that everybody knows that they can take district easements, rights-of-way and lands and do what they want to do.

Mr. Sean Carroll stated that the letter sent to him by OID was not answered due to the fact that the letter went to his mother's home rather than to him and he had just received notification of the letter. He stated that Carroll Construction had put in a fence and paved on top of that. He further stated that he would be willing to pay for a survey of the property, and that if OID needed access to their pipeline he would do that at no cost to the District.

Mr. Carroll also stated that Mr. Kull told him that he had talked to someone at OID about the paving and they stated that he did not need an encroachment permit for that.

General Manager Steve Knell stated that the Water Committee should meet on this to come up with a fair decision for the District.

After discussion, the Board concurred that this would be referred to the Water Committee for further research. Mr. Sean Carroll agreed to have a survey of the property done at his expense and make such survey available to the District for their review.

ITEM NO. 14
STATUS REPORT AND DISCUSSION ON THE CONTRACTING OF TRI-DAM POWER GENERATION

Director Brichetto stated that Mr. Felte decided on an attorney to help with the negotiations and determining what type of product they have so a marketing plan can be developed. Director Clark stated that SSJID Board of Directors distributed a handout stating they were working with all stakeholders to work out any problems, however OID was never mentioned and, of course, they are the biggest stakeholder of all. It is ironic that SSJID does not OID how they are going to do this and OID is their partner.

At the hour of 2:25 P.M. a motion was made by Director Brichetto, seconded by Director Clark and unanimously supported to adjourn the meeting to Closed Session.

ITEM NO. 15
CLOSED SESSION

A. Government Code Section 54956.9(a) – Conference with General Counsel regarding Existing Litigation
Case: Oakdale Irrigation District vs. Cantal
San Joaquin County Superior Court
Case No. CV006932

No Action Taken

Government Code Section 54956.9(b) – Conference with General Counsel regarding Anticipated Litigation
Two (2) Potential Cases

No Action Taken

At the hour of 2:45 P.M. a motion was made by Director Brichetto, seconded by Director Clark and unanimously supported to adjourn the Closed Session and return to Open Session.

Director Alpers announced that no action was taken as to any closed session agenda item. At the hour of 2:50 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, November 4, 2003 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, November 20, 2003** 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