

MINUTES

Oakdale, California
November 19, 2002

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 Alpers
 Louis Brichetto
 Frank Clark
 Steve Webb

Staff Present: Steve Knell, General Manager
 Bob Nielsen, Supervisor of Field Operations
 Wayne Truhett, Supervisor of Facilities and Rights-of-Way
 Mike Evans, Watermaster
 Kathy Cook, Chief Financial Officer

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

There were no actions to take various items out of sequence.

COMMUNICATIONS

ITEM NO. 1A. GENERAL MANAGER'S REPORT

Sierra Railroad – Railroad Crossing Permits – Status: Contact was made with the Real Estate Department at Sierra Railroad, which is the department doing the permits. After we receive their explanation of costs, we will include this as an action item on the Agenda.

District's Acceptance of the Stoddard Lateral: Our intention is to have this facility surveyed. Mr. Nation was in the office yesterday and we spoke at length regarding this issue. Our goal is to provide the best solution at the least cost to the District and one that is workable with our needs and attempt to satisfy Mr. Nation's concerns. Mr. Nation was informed that if there were other alternatives, our recommendation to this Board is going to be that we go with those least cost alternatives.

Direction of OID on Annexation: The acres receiving out-of-district water and the crops grown on those acres have been identified. The more complex issue is outlining all the steps involved in annexation. If it is determined that the LAFCO process is required there are many steps that this Board must take in order to prepare that application. LAFCO is really there to help us go through those processes. My intent is to have Mr. O'Laughlin present when we come back to the Board on the annexation issue.

Employee Negotiations: The Union negotiations are progressing and a report will be presented today during closed session. Completion of other negotiations should commence as the budgeting process has, for the most part, been completed.

Water Measurement Plan: This will be on the next Board Agenda. A scope of work has been completed by Grant Davids, which will be presented at the next meeting for review.

Strategic Plan: Dr. Green was present during our staff meeting last week, and reviewed the draft Strategic Plan he has prepared. Staff made comments and suggestions, and the draft will be updated pursuant to those comments. The completed Strategic Plan will be presented to the Board some time in January for review.

Maintenance Program: We are addressing maintenance in a different manner than was done in the past. All managers and supervisors have responsibilities and those are being sorted through. Generally, things are progressing well; mistakes may be made, but that is just part of the learning process. Developing lines of communication and coordination will continue to be worked through.

Fuel Bids: Our requests for fuel bids went out last week with a closing time of December 4, 2002.

Groundwater Association: Bob Nielsen joined me last week in attending this meeting held in Modesto. A groundwater model for the Modesto Basin is being developed by USGS, who attended the meeting. The Modesto Basin is south of the Stanislaus River, north of the Tuolumne River and East of I-5 to the foothills. Right now they are doing a records search and reported that there are 10,000 wells that have been drilled within this basin. About 61% of those are domestic wells, 27% are for irrigation and 4% for municipal purposes. The USGS is publishing a report that will contain more information about each of these wells. Within the near term it is not anticipated that any restrictions or new regulations will be placed on our wells.

ITEM 1C.
DIRECTORS' COMMENTS/SUGGESTIONS

Director Brichetto: Director Brichetto requested a copy of the Sierra Railroad agreements which were discussed during the General Managers report. There are 10 crossings, two of which are permitted in 1913 through Sierra Railroad which Mr. Brichetto wanted to see as well as one of the new ones. Director Brichetto is interested in seeing the District get an in-house engineer. Director Brichetto also requested a copy of the fuel bids recently completed.

Director Clark requested that Item #5 be removed from the Consent Calendar and be placed on the Action Calendar.

CONSENT CALENDAR
ITEM NO. 2, 3, 4

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES OF
REGULAR MEETING OF NOVEMBER 5, 2002

A motion was made by Director Brichetto, seconded by Director Webb, and unanimously supported to approve the Board of Directors' Minutes of the regular meeting of November 5, 2002.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION DISTRICT'S
STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE OID IMPROVEMENT DISTRICT'S
STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE THE MONTHLY TREASURER'S REPORT AND
INTERNAL FINANCIAL REPORTS FOR THE
MONTH ENDING OCTOBER 31, 2002

October 31, 2002 represents 83.3% of the fiscal year. Revenues received reflect 88% of the year, while expenditures (including long term debt and capital projects/purchases) reflect 79% of the year. Discussion was held relative to the managing of the costs for power for running of the deep wells. General Manager Steve Knell stated that how much we run those deep wells, and managing our water better will help reduce those costs. Director Clark suggested that we may want to budget more for power than we have in the past. After discussion, a motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the monthly Treasurer's Report and Internal Financial Reports for the month ending October 31, 2002.

ITEM NO. 6
REVIEW AND TAKE POSSIBLE ACTION TO
APPROVE 2003 AGENCY DUES FOR
THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

The 2003 annual agency dues for ACWA membership in the amount of \$9,295.00 are now due. Although the dues calculation worksheet detailing the Association of California Water Agencies expenses and adjustments was attached to the invoice, the Board concurred that further explanation is required before they would authorize payment. The Finance Department is to supply the applicable information for Board review at the next Board of Directors' Meeting to be held December 3, 2002. No action taken.

ITEM NO. 7
REVIEW AND TAKE POSSIBLE ACTION ON
CLAIM FOR DAMAGES FROM GERALDINE CAMPBELL

On September 12, 2002 flooding occurred resulting in damage to the property owned by Geraldine Campbell. Ms. Campbell submitted a claim for the damages to her property to her insurance company, American Family Home Insurance Company. After investigation, a repair estimate report for Ms. Campbell was completed outlining the total amount of damages of \$2,183.96. The American Family Home Insurance Company has filed a Claim Form with the Oakdale Irrigation District asking for payment of damages to their insured, Geraldine Campbell. A motion was made by Director Webb, seconded by Director Clark to adopt the Resolution of Rejection of Claim, and forward this claim onto ACWA for resolution. The Board's action is legally required to expedite the claims process.

DISCUSSION ITEMS

ITEM NO. 8
DISCUSSION OF OID'S WATER DELIVERY SYSTEM
SERVING THE CITY OF OAKDALE

Item No. 8 on the November 5, Agenda was included for possible action as it related to the capital project – replacement of the Town "C" Pipeline. Two hundred twenty feet of the Town "C" Pipeline on Kimball Street in Oakdale has failed and needs to be replaced if the pipeline is to remain in active service. It is estimated that the cost for replacement of this pipeline would be approximately \$9,900.00 for pipeline replacement only. The Board concurred that further discussion was in order to determine what type of action should be taken as to the "Town" system.

Mike Evans, Lori Hawkins and Joe Fos presented an overview and a map detailing the "Town" water system and answered questions on issues surrounding OID'S water delivery system serving non-agricultural customers within the City of Oakdale.

Director Clark questioned what OID'S net income was on the entire "Town" system. Chief Financial Officer Kathy Cook stated that OID receives approximately \$3,000.00 annually. Director Clark questioned what would happen if we did not fix that pipeline. Supervisor of Field Operations Bob Nielsen stated that the City of Oakdale does use the pipeline for storm drainage. OID does not receive any reimbursement from the City for use of our pipeline for drainage, nor does the City participate in any repairs to the drains. General Manager Steve Knell stated that there is a policy for handling drains with the City of Oakdale, however, it has not been enforced. Director Alpers suggested that we look at abandoning this system and giving it to the City. Steve Knell stated that we do need access due to the main lines running through town which serve agricultural areas. Director Webb suggested that we also keep in mind the tax revenues that we receive. Director Alpers stated before anything is decided we would need our attorney's opinion, but that we are probably spending \$100,000 on this system. Chief Financial Officer Kathy Cook stated that OID receives \$3,000.00 per year from

water charges from its "Town" customers. However, from property taxes from both water and non-water customers within the City of Oakdale, OID receives about \$500,000. These come to us directly from Stanislaus County.

Ken Krause questioned why OID provides water to town lots. Director Alpers stated that this began when Oakdale was much smaller in size. However, since the 1970's no additional developments have been included in this system.

Dennis Edge questioned what the District's obligation would be if the facilities were abandoned. Director Alpers responded that legal counsel would have to determine our obligations. General Manager Steve Knell stated that anytime that a pipeline is abandoned that sand should be used to fill in the pipeline to keep it from causing damage should it collapse.

Director Clark suggested that before any decision is made that talks commence with the City of Oakdale to determine how this would impact the processes now and how they could be coordinated to make a workable solution for everyone.

General Manager Steve Knell stated that legal issues would be addressed first, and then meetings can be coordinated with the City of Oakdale to determine not only the best solution, but how to accomplish this. Director Clark stated that this would probably take some time, possibly another year before the proper determination would be attainable. The Board concurred that the replacement of the Town "C" Pipeline capital project be included on the December 3, 2002 Board Agenda as an action item in order to approve the \$9,900.00 replacement. The Board also concurred that we should immediately begin seeking the opinion of legal counsel and after that is complete to coordinate meetings with the City of Oakdale in order to make the proper decision as to the "Town" system.

ITEM NO. 9 **DISCUSSION OF THE 2003 DRAFT BUDGET**

The Finance Committee met and reviewed the 2003 Draft Budget on November 4, 2002 and November 12, 2002. The consensus of the Committee was that his 2003 Draft Budget be submitted for Board discussion.

General Manager Steve Knell gave a brief overview of the some of the changes to the 2003 Draft Budget compared to the budget in the past. One of the weaknesses of the previous budget format was there was no way to determine costs. If you don't know what things costs it is difficult to make someone accountable. There was also no focus to providing services.

The 2003 budget format will provide budgeting by the activities within that asset. There will need to be many cultural changes within OID to make this new format work. Time cards will need to be changed and more management will be required in order to provide more planning and scheduling. Some of the benefits to this new format are that we will be able to track costs, and we will have accountability within the budget.

Following the presentation, the Board concurred that questions by individual Directors would be forwarded to the Finance Committee.

A motion was made by Director Webb, seconded by Director Brichetto to adjourn the meeting to the Closed Session at the hour of 12:10 P.M.

**CLOSED SESSION
ITEM NO. 10**

A. GOVERNMENT CODE SECTION 54957.6 – Discussion of Salary and Benefits.

Consultant Bill Smith updated the Board regarding the 2003 union negotiations. A Personnel Committee meeting was scheduled for December 2, 2002 at 9:00 A.M. to discuss the Union proposal.

At the hour of 12:27 P.M. a motion was made by Director Webb, seconded by Director Birchetto and unanimously supported to adjourn to the next **regular Board of Directors meeting** to be held on **Tuesday, December 3, 2002 at 9:00 A.M. at the** Oakdale Irrigation District Office, 1205 East "F" Street, Oakdale, Ca.

The next regular **Joint Board Meeting** for the **Tri-Dam Project** is scheduled for **December 19, 2002 at 9:00 A.M. in Oakdale.**

Attest:

Steve Knell
Secretary