

MINUTES

Oakdale, California
April 17, 2007

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
Jack D. Alpers, Vice President
Tony Taro
Al Bairos, Jr.
Frank B. Clark

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

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 items 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 was closed at 9:02 a.m.

Director Bairos requested that Item No. 9 be pulled from the Consent Calendar.

CONSENT ITEMS ITEM NOS. 2, 3, 4, 5, 6, 7, 8

ITEM NO. 2 APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF APRIL 3, 2007

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of April 3, 2007.

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE SPECIAL MEETING OF APRIL 9, 2007

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Special Meeting of April 9, 2007.

ITEM NO. 4
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE IMPROVEMENT DISTRICT
STATEMENT OF OBLIGATIONS

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

ITEM NO. 6
APPROVE THE TREASURER AND CHIEF FINANCIAL
OFFICER'S REPORT FOR THE MONTH ENDING MARCH 31, 2007

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending March 31, 2007.

ITEM NO. 7
APPROVE RENEWAL OF GENERAL
SERVICES AGREEMENT (GROVER LANDSCAPE SERVICES)

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the renewal of the General Services Agreement (Grover Landscape Services).

ITEM NO. 8
APPROVE GENERAL SERVICES AGREEMENTS FOR VARIOUS
VENDORS AND CONTRACTORS (MR. ROOTER PLUMBING, MDR
EQUIPMENT TRANSPORTATION, RAY'S RADIO SHOP, CUNNINGHAM &
SONS, INC., COAST TO COAST AIR, INC. LES SCHWAB TIRES)

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Mr. Rooter Plumbing, MDR Equipment Transportation, Ray's Radio Shop, Cunningham & Sons, Inc., Coast to Coast Air, Inc., Les Schwab Tires).

ACTION CALENDAR
ITEM NOS. 9, 10, 11, 12, 13, 14, 15, 16, 17

ITEM NO. 9
APPROVE PROFESSIONAL SERVICES
AGREEMENT (FIRST RESPONSE ERGONOMICS)

Director Bairos asked for more background about what type of evaluation the District needs. General Manager, Steve Knell, stated that this individual will come to the District and for a flat fee will perform an ergonomic assessment and evaluate material handling procedures of the OID Welding Shop, Auto Shop, Warehouse and yard.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Professional Services Agreement (First Response Ergonomics).

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION
ON AVAILABILITY OF SURPLUS WATER

Tri Dam numbers made available April 1 show inflow to New Melones at 520,285 acre feet. OID and SSJID need 600,000 acre feet for a full entitlement delivery of 300,000 acre feet to each district. This will likely be a short water year, but the extent could be minimized by the computation of the "official" Bureau of Reclamation numbers, anticipated to be made available Friday, April 20th.

General Manager, Steve Knell, stated that the District will be receiving their full allotment of water this year.

A motion as made by Director Clark, seconded by Director Alpers, and unanimously supported to declare the availability of surplus water.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON AVAILABILITY
OF SURPLUS WATER FOR OUT-OF-DISTRICT LANDS

The Water Committee met with the 2007 Applicants for Out of District Service Agreements on Monday, April 9, 2007. The following is a brief synopsis of needs of the applicants as discussed at the meeting:

Applicant – Joe DaSilva: Submitted an application to irrigate 3 separate parcels totaling approximately 183 acres. Mr. DaSilva primarily irrigates with operational spill and drain water, rarely does Mr. DaSilva call the DSO for a scheduled delivery. Essentially, Mr. DaSilva utilizes and pays for water that would otherwise be lost to the District. The net impact or irrigation demand from Mr. DaSilva is largely unquantifiable based on his use of operational spill and drain water. However, it should be less than 550 acre-feet.

Applicant – Manuel Conde: Submitted an application for one parcel totaling 200 acres. Mr. Conde's application was intended to cover the period of time during the 2007 irrigation

season until his annexation application is finalized. By acceptance of the annexation application the District has already stated that it has sufficient resources to supply Mr. Conde. Denial of his request for Out of District water would be contrary to a previous commitment and could jeopardize the annexation. Estimated water requirement is 900 acre-feet.

Applicant – Army Corps of Engineers: This parcel is a federally owned and operated park. The benefit of irrigation water to this parcel is in the best interest of the public at large. The parcel is less than 7 acres and has no other means of irrigating. Net impact on the District's water resources would be minimal. Estimated water requirement is 30 acre-feet.

Applicant – Wendell Naraghi: Submitted an application for two parcels totaling roughly 362 acres. Mr. Naraghi's property is located at the end of the District's Cometa Lateral, currently operational spill leaves the Cometa Lateral and is potentially used by unknown downstream landowners. Mr. Naraghi has applied for the right to pay for and utilize this water on his property. Scheduled deliveries to Mr. Naraghi would be nearly impossible due to capacity limitations in the Cometa Lateral; therefore Mr. Naraghi would construct a holding pond on his property whereby he could capture the operational spill when it is available. Estimated water requirement is 1,090 acre-feet.

Applicant – Jack Hoekstra: Submitted an application for one parcel totaling 150 acres. Mr. Hoekstra has installed a District standard turnout off the South Main Canal and is planning to utilize a center pivot to grow sorghum. Mr. Hoekstra estimates that his water need would be 2 acre-feet per acre. In addition, Mr. Hoekstra has a deep well that he can utilize on property that is within the District. By utilizing the pump Mr. Hoekstra could then free up surface water to be used to meet his out of district demand. The in-lieu water transfer would only be needed if the District determines during the irrigation season that its surface supplies are going to be inadequate. The estimated water requirement is 300 acre-feet.

Applicant – Charlie Smith: Submitted an application to irrigate one parcel totaling 6.5 acres. Mr. Smith is irrigating a small pasture just south of the Robert Van Lier Regulating Reservoir. Mr. Smith has no other acres to irrigate. Estimated water requirement is 40 acre-feet.

Applicant – Peter Verdegaal: Submitted an application to irrigate one parcel totaling 15 acres. Mr. Verdegaal irrigates pasture with a solid set sprinkler system. Mr. Verdegaal was scheduled to meet with the Water Committee on Monday, April 9, however he was not in attendance. Estimated water requirement is 90 acre-feet.

Applicant – Golden West Nuts: Submitted an application to irrigate one parcel totaling 425 acres. Golden West has a deep well that can supply irrigation water to some unknown portion of this parcel. A representative from Golden West was scheduled to meet with the Water Committee on Monday, April 9, however no one was in attendance. Estimated water requirement is 1,900 acre-feet.

Based on the estimated water requirements of the applicants who met with the Water Committee the District would need to declare 2,910 acre-feet surplus. This does not

include water for applicants Verdegaal or Golden West. If the Board decides to include Verdegaal and Golden West the surplus declaration would need to be 4,900 acre-feet.

Director Webb stated that he would like to see the Board move into a position in the next year or two where we offer annexation to the applicants who are requesting out-of-district water so everyone is in the District. Director Alpers stated that he was agreeable except that he also likes long term out-of-district agreements.

Director Bairos requested that this matter be placed back on the Agenda for May 1, 2007 to discuss the future handling of out-of-district applications.

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to make 4,900 acre feet available for the out-of-district applicants who have applied for out-of-district water this year.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON RESOLUTION
SETTING 2007 WATER RATES FOR IRRIGATION OF
LANDS OUTSIDE OAKDALE IRRIGATION DISTRICT BOUNDARIES

As provided for in the District's Agreement for Irrigation of Lands Outside District Boundaries, surplus irrigation water is determined to be available (surplus) or not at the first meeting in March. This item was addressed then and then deferred to the April 3rd meeting and again to the April 17th meeting due to a lack of sufficient snowfall data to determine the availability of surplus water.

Based on the attached rate analysis, the "unsubsidized" rate for water in 2007 is \$53 per acre foot (flow rate) or \$262 per acre based on the OID's 2007 budget.

In 2006, the per-acre charge for out-of-district water was as follows:
\$19.59 per acre foot, or
\$79.30 per acre for those landowners owning less than 10 acres, and
\$62.40 per acre for those landowners owning 10 acres or larger.

The Board is requested to set a per acre foot rate and a per acre rate for the receipt of Out-of-District water.

Director Alpers stated that the District should adjust the out-of-district rates in the fall prior to sending out the out-of-district applications so that the applicants know what the rate will be and can decide if they want to submit an application. Director Clark agreed with Director Alpers comments.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to leave the per acre charge for out-of-district water the same as the previous year.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
WAMHOFF PROPERTY FLOODING (APN: 006-001-062)

In September 2006, Ms. Gloria Wamhoff of 10524 Victory Avenue, Oakdale, Ca, attended a Board of Directors meeting and commented during Public Comment that the District was flooding her property. Ms. Wamhoff was told by the Board of Directors at that time, that OID would look into the issue and if appropriate that the District would take care of the issue. Water Operations Staff immediately began to investigate the claims and met with upstream water users. The findings of the Water Operations Department are as follows:

1. Upstream Water Users have the potential to over-irrigate and send water towards the Wamhoff property.
2. The OID's Root Drain was not isolated from the private drain that runs north to south along the Wamhoff's East property line.
3. Upstream Water Users had the potential to create drain issues if they turned off prematurely without notifying the DSO.

To address the identified problems, the Water Operations Staff completed the following items:

1. Isolation of the Root Drain from the Private Drain. See attached map for details. By installation of an earthen dam on the Root Drain at the Northern property line of the McConnell Property, OID eliminated the possibility of drain water flowing north towards the Wamhoff property.
2. Conducted Landowner Meetings with Richard Townsend & J.B. McConnell.
3. Adjusted irrigation run times for Townsend and McConnell.
4. Rearrangement of rotation schedule in order to irrigate Townsend and McConnell at times when the Root Drain has maximum capacity.

Mr. Wamhoff was present at the hearing to discuss the flooding on his property.

After discussion, the General Manager, Steve Knell, was instructed to investigate the matter further in order to determine the problem.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ADOPTING
RESOLUTION PROPOSING ANNEXATION (APN: 002-062-039 – CONDE FARMS)

On December 20, 2005, the Oakdale Irrigation District (OID) Board of Directors reviewed a request from Conde Farms to annex to OID. The Board unanimously voted to "allow annexation to Conde Farms with the understanding that Conde Farms is responsible for all fees, including the Local Agency Formation Commission (LAFCO) fees." On July 25, 2006, OID received an application for annexation from Conde Farms along with a check in the amount of \$ 5,851.60 to cover the required LAFCO fees, State Board of Equalization Fees and OID Special Project fees. Giuliani and Kull Engineering was retained by Conde Farms to prepare the required LAFCO Application documents. Conde Farms reviewed and signed an OID Annexation Agreement for this project, which contains Exhibits "C" - *Existing and*

Proposed Works Analysis and Exhibit "D" - *Annexation Fee Payment Schedule and Terms* and requested that all outstanding Annexation Fees be amortized for a period of five (5) years, as described in said Exhibit "D". After a field review of Conde Farms, a letter was sent to Mr. Shawn Conde on February 12, 2007 by the OID Engineering Department, outlining five (5) remaining points that were to be addressed prior to annexation. OID received an irrigation efficiency report and a title report in response and the remaining three (3) points listed herein are requested to be addressed by the Board of Directors as conditions of approval for the finalization of the annexation process. Those three (3) points are:

1. The existing point of delivery off of OID's North Main Canal must be removed and a new turnout must be constructed in accordance with OID's Standard Specifications and Drawings.
2. The existing diesel storage tank located upslope of OID's North Main Canal is not constructed in accordance with governing State and Local regulations and should a spill occur, it is possible for contaminants to enter the North Main Canal ("navigable waters"). This existing diesel storage facility must be brought into compliance with both State and Local regulations and OID must have certainty that in the event of a spill, no contaminants and or any other potentially harmful chemicals shall have the ability to enter OID's conveyance system.

The sand media tank backflush water is currently discharged back into OID's North Main Canal. This must be modified as OID will no longer accept backflush water.

A motion was made by Director Webb, seconded by Director Taro, to Adopt the Resolution Proposing Annexation (APN: 002-062-039 – Conde Farms) and was voted as follows:

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

The motion failed. After further discussion, a motion was made by Director Clark, seconded by Director Webb, and unanimously supported to continue this matter until the May 17, 2007 Board Meeting to give Mr. Conde time to discuss this matter with his attorney

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION RESCISSION OF
RESOLUTION NO. 2004-04 ADOPTING A NEGATIVE
DECLARATION FOR THE AQUATIC PESTICIDE APPLICATION PROGRAM

The action being requested is in fulfillment of a court required element of the judgment issued by the Court of Appeal on August 31, 2006.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to rescind Resolution No. 2004-04 Adopting a Negative Declaration for the Aquatic Pesticide Application Program.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION ON PREPARATION OF
APPRAISAL OF 1205 EAST F STREET (APN: 064-024-006)

The Board had expressed interest in appraising the value of its corporation yard at 1205 East F Street. To further that interest staff solicited bids from two appraisers recently used by OID; Cogdill & Giomi, Inc. and Paddock Appraisals. Both quotes are identical and both submitters have provided satisfactory work in the past.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to award the preparation of the appraisal for 1205 East F Street (APN: 064-024-006) to Paddock Appraisal.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION AUTHORIZING
GENERAL MANAGER TO PURCHASE FURNITURE

Minimal furniture (a workstation, desk, file cabinets, etc.) are needed to effect some recent staffing reassignments. The remaining needs will be deferred until 2008.

A motion was made by Director Alpers and seconded by Director Bairos, to authorize the General Manager to purchase furniture not to exceed the sum of \$7,500.00 and was voted as follows:

Ayes: Directors, Alpers, Clark, Webb, Bairos
Noes: Director Taro

DISCUSSION ITEMS
ITEM NOS. 18, 19, 20

ITEM NO. 18
DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR ON
THE TRI-DAM AGENDA FOR THURSDAY, APRIL 19, 2007

This item is placed here for the Board to discuss Tri Dam agenda items.

The Board revisited the implementation of internal controls relative to segregation of duties and procedures for the Tri-Dam Project. It was agreed that the Finance Committee would discuss this matter again with South San Joaquin Irrigation District Finance Committee following the Tri-Dam Meeting on Thursday, April 19, 2007.

ITEM NO. 19
DISCUSSION ON THE CAMPBELL PIPELINE PROJECT

Support Services Manager, Gary Jernigan, to brief the Board on the Campbell Pipeline Project.

Support Services Manager, Gary Jernigan, stated that because the Campbell Pipeline cannot be shut down for the time necessary to repair the pipeline, the pipeline has been repaired enough to get it through the irrigation season. After the irrigation season, a hydrostatic test will be conducted and repairs will be completed by RTC.

ITEM NO. 20
REPORT TO THE BOARD ON POST
VAMP AND SEWD CONTRACT POSSIBILITIES

At the Board meeting of August 1, 2006 the Board authorized Water Counsel Tim O'Laughlin and General Manager Steve Knell to go out and solicit water agencies / municipalities that would have an interest in OID's VAMP and SEWD contract water if and when it becomes available in 2009/2010.

Water Counsel will brief the Board on those findings and then adjourn to closed session to discuss strategies, price and terms on continuation of those discussions.

General Manager, Steve Knell, opened up the discussion and stated that back in August the Board of Directors requested the General Manager to look into what opportunities were available once the VAMP and SEWD contracts term out in approximately two years for the 41,000 acre feet. The District's Water Counsel, Tim O'Laughlin, took over the discussion and reported to the Board regarding discussions they have had with the various agencies and their interest in purchasing the 41,000 acre feet of water.

CLOSED SESSION
ITEM NO. 21

- A. *Government Code §54956.8* Conference with Real Property Negotiator**
Property: Water
Negotiating Parties: Tim O'Laughlin and Steve Knell
Under Negotiations: Strategies, Price, and Terms

At the hour of 12:24 p.m. a motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to return to open session.

General Manager, Steve Knell, reported that in Closed Session, the Board instructed the General Manager AND Water Counsel to continue their discussion and provide the Board with an itemized budget on the areas of investigation and planning that need to be done to firm up OID's position. This information would be submitted to the Board at their May 17, 2007 Board Meeting.

COMMUNICATIONS
ITEM NO. 22

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID has gone 329 days without a lost time injury accident.

Administration Activities

1. The OID Scholarship Committee awarded the 2007 ag scholarship for \$1,000 to Spencer Cooper. We are looking for a Director to make the award at the Scholarship Banquet. Any volunteers?
2. OID was a sponsor and a participant in the "Kids Fest" at Kerr Park on Saturday, April 7th. OID sponsored a Water Safety Booth. Over 1,000 people attended this first annual event.
3. Director Alpers and I met with Ellsworth Lurch on various historical issues about OID.
4. Attended the "Stanislaus County Vision 2050" meeting in Oakdale on the evening of April 10th.

Water Operations Activities

1. South Main back in service.
2. Routine service of irrigation pumps.

Finance Activities

1. Preparing for and held open enrollment meeting with OID's employees on the 2007 health care plan. Mark Antrim from TSM was there to assist.

Construction & Maintenance

1. Rebuilding East Thalheim canal banks.
2. Rebuilding River Road Lateral canal banks.
3. Berry vine removal on West Pump P/L and Riverbank Lateral.

Engineering Activities

1. Working on city of Riverbank drainage agreement.

At the hour of 11:39 a.m. a motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to move to Closed Session.

B. COMMITTEE REPORTS

Water/Engineering Committee Meeting, April 9, 2007, @ 9:00 a.m.
➤ Meeting with Out-of-District Applicants

Domestic Water Committee Meeting, April 16, 2007 @ 9:00 a.m.
➤ Hunter Ranch Pumping Station

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers stated that the Domestic Water Committee met with Mr. and Mrs. Leary regarding the Hunter Ranch Pumping Stations problem.

Director Clark

Director Clark had no comments.

Director Webb

Director Webb had no comments.

Director Bairos

Director Bairos had no comments.

Director Taro

Director Taro asked who had designed the spill structure on the Fairbanks. General Manager, Steve Knell, said that he did not know and would look into it and report back to Director Taro.

OTHER ACTION
ITEM NO. 23

At the hour of 12:26 p.m. a motion was made by Director Alpers and seconded by Director Clark, and unanimously supported to adjourn to the next **Board of Director's Meeting on Tuesday, May 1, 2007, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Thursday, April 19, 2007, at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, California.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary