

MINUTES

Oakdale, California
September 15, 2009

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
 Al Bairos, Jr., Vice President
 Frank Clark
 Steve Webb
 Tony Taro

Staff Present: Steve Knell, General Manager/Secretary
 Gary Jernigan, Contract/Special Projects Manager
 Kevin King, Water Operations Manager
 Jason Jones, Support Services Manager
 Kathy Cook, Chief Financial Officer
 Eric Thorburn, Assistant Engineer

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 9:01 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There being no public comment, public comment closed at the hour of 9:01 a.m.

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 SEPTEMBER 1, 2009
AND RESOLUTION NO. 2009-49, 2009-50, AND 2009-51

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of September 1, 2009 and Resolution No. 2009-49, 2009-50, and 2009-51.

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

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

ITEM NO. 4
APPROVE IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE THE TREASURER AND
CHIEF FINANCIAL OFFICER'S REPORT
FOR THE MONTH ENDING AUGUST 31, 2009

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending August 31, 2009.

ITEM NO. 6
APPROVE GENERAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the General Services Agreements for Various Vendors and Contractors (Farwest Safety, Inc., Modesto Industrial Electric Company, dba Industrial Electric Co., Chambers Transport, Black Diamond Aggregates, Far West Laboratories, Inc., Dentoni's Welding Works, Inc., Rivera & Son Earth Moving and Grading, Inc., Allen A. Wagoner Construction, Inc., Don's Mobile Glass, Inc., Valley Air Conditioning and Engineering, Inc., and Air & Lube Systems of Sacramento).

ITEM NO. 7
APPROVE ABANDONMENT OF A PORTION OF THE
SOUTH LATERAL (APN: 015-003-004 – V. A. RODDEN)

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve abandonment of a portion of the South Lateral (APN: 015-003-004 – V. A. Rodden).

ITEM NO. 8
APPROVE QUITCLAIM OF SOUTH LATERAL RIGHT
OF WAY EASEMENT (APN: 015-003-004 – V. A. RODDEN)

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Quitclaim of South Lateral right of way easement (APN: 015-003-004 – V. A. Rodden).

ACTION CALENDAR
ITEMS NOS. 9, 10, 11, 12

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION
ON AWARD OF BID TO THE LOWEST QUALIFIED
BIDDER FOR THE CASHMAN DAM REHABILITATION PROJECT

Staff solicited bids for the Cashman Dam Rehabilitation Project from sixteen (16) contractors who attended the mandatory Pre-Bid meeting. Bids were received on September 10, 2009 from eight (8) contractors. The lowest qualified bidder was TCB Industrial of Modesto, CA with a Base Bid of \$532,507.00 with an Additive Bid of \$31,894 for a Bid Award Total of \$564,401.00. However, this project has been awarded a USBR Challenge Grant of \$300,000.00 and still needs one final review by the USBR before the Notice of Award can be issued.

On September 22, 2009, the USBR will review the project site to determine if the project is Categorically Exempt under NEPA and will not have any ESA impacts. If USBR determines the project is Categorically Exempt under NEPA and there are no ESA impacts, the project can be awarded to TCB Industrial. The Notice of Award will be issued on September 23, 2009.

The Staff recommendation is to award the Cashman Dam Rehab Project to TCB Industrial in the amount of \$564,401.00 contingent upon USBR's review on September 22, 2009.

The Engineer's Estimate for the Cashman Dam Rehabilitation Project is \$866,800.

A motion was made by Director Webb, seconded by Director Taro, and unanimously supported to award the bid to the lowest qualified bidder, TCB Industrial, in the amount of \$564,401 regardless of whether or not the USBR Challenge Grant is awarded to the District

and to authorize the General Manager to execute any subsequent Change Orders associated with this project.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION
ON ENDING THE 2009 WATER SEASON
AND BEGINNING THE 2010 WATER SEASON

The 2009 Irrigation Season will end on September 30th, on the 14th day of Rotation 16. The end of the irrigation season ends OID's water availability for 2009 and all waters delivered after September 30th are charged to OID's 2010 water usage. This item is on the agenda for the Board to either approve the use of water in October or not. If an additional rotation is offered, all users would be offered an opportunity to take one more irrigation, thereby ending Rotation No. 1 at midnight on October 10th (10-day rotation).

A motion was made by Director Clark, seconded by Director Taro, and unanimously supported to end the 2009 Irrigation Season on September 30, 2009 and offer one 10-day rotation thereby ending Rotation No. 1 of the 2010 Irrigation Season at midnight on October 10, 2009

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON
ALLOCATION OF REMAINING WATER TRANSFER REVENUES

The water transfer to the SLDMWA resulted in a \$5 million one-time revenue in 2009. At the last August 18, 2009 Board Meeting the Board approved a one-time rebate to landowners in an amount equal to their 2010 water charges and referred the designation of the remainder of the water transfer revenues to the Finance Committee for a recommendation.

The Finance Committee and Staff met September 1, 2009 and recommended that the Board approve \$3.5 million of SLDMWA water transfer revenues be placed in the General Fund to offset the lower than expected power revenues from the Tri Dam Project, and to designate the remaining \$372,000 to the South Main Canal Tunnel Project Reserve Fund.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to allocate the remaining SLDMWA water transfer revenues as follows: \$3.5 million to the General Fund and the remaining \$372,000 to the South Main Canal Tunnel Project Reserve Fund.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION
ON BOARD MEETING DATES IN DECEMBER

The Board Meetings in December are scheduled for December 1st and 15th, 2009. Four (4) Directors and staff will be attending the ACWA 2009 Fall Conference in San Diego from December 1st through December 4th, 2009.

Therefore, this item is brought to the Board to make a decision regarding the Board Meetings in December. It is suggested that one Board Meeting be held for the month of December on December 15th, 2009.

Director Alpers requested that the Board not only discuss the Board Meetings in December, but include the Board Meetings in October and November as well. Director Alpers stated that he and Director Bairos would not be at the October 6, 2009 Board Meeting. The General Manager Steve Knell also stated that he would not be present.

The Board decided that based on the fact that Directors Alpers and Bairos and General Manager Knell would be absent, the October 6, 2009 Board Meeting will only have the essential items on its agenda and the October 20, 2009 Board would proceed as scheduled; the Board Meetings in November would be held on November 3 and 17, 2009 as scheduled; and there would only be one Board Meeting in December on December 15, 2009.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to have one Board Meeting for the month of December on December 15, 2009.

DISCUSSION
ITEM NOS. 13

ITEM NO. 13
DISCUSSION ON BUSINESS ITEMS AS THEY
APPEAR ON THE TRI-DAM BOARD AGENDA
FOR THURSDAY, SEPTEMBER 17, 2009 AT 9:00 A.M.

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

Director Webb stated that there needs to be a discussion on improvising a plan for the maintenance/repair/replacement of the power generators. Director Clark agreed with Director Webb's comment. He stated that some of the generators are thirty (30) years old and are ten (10) years past their life expectancy. There needs to be something in place to replace the generator before it stops working, not after.

General Manager Steve Knell stated that there is an item on the Tri-Dam Agenda for SSJID to move forward with submission of a grant for a stimulus bill for renewable energy projects.

There are three projects to be included on the grant; one with Ripon, one with Manteca, and the generator at Tulloch. The General Manager Steve Knell said that the Tri-Dam Board needs to agree with the submission of this grant.

ITEM NO. 13 **COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 246 days without a lost time injury accident.

Administration Activities

1. Attended SSJID Board meeting on submission of their LAFCO application for retail power. Very well done.
2. Oakdale Education Foundation Dinner is September 12th.
3. Meeting with SEWD on September 14th.
4. Donnells generator went down late last week.
5. Centennial celebration preparations are on-going.
6. Modesto Bee called on Valley Home director's race and activities background on the position.
7. Still reviewing options on RDA in Riverbank.
8. Mangente's unauthorized encroachment sent to Schrimp's office.
9. ACWA booth secured and display being prepared

Contract and Special Project Activities

1. South Main Canal and Tunnel Projects – Magorian Mine Services are preparing all submittals for review and approval by Condor. Magorian has contracted Giuliani & Kull to prepare the Storm Water Pollution Prevention Plan (SWPPP) for the project to be submitted on or before October 1, 2009. Magorian is finalizing the detail schedule for the work and will submit the week of September 7, 2009. Mobilization is scheduled to commence during the week of September 14, 2009 after Labor Day. Project access has been completed from Wilms Road to the 2nd Concrete Flume. Temporary fencing will commence on September 21, 2009 for the area between the Conlin and Wilms property. A revised preliminary construction schedule has been received indicating the Segment 1 work, Goodwin Dam to 2-Mile Bar, will complete on or about December 28, 2009 and Segment 2 work, Tunnel 7 to the 2nd Concrete Flume will complete on or about December 23, 2009.
2. 2-Mile Bar Tunnel (CEQA & Engineering) - Condor continues to perform some preliminary engineering to support CH2MHILL on the CEQA evaluation for the 2-Mile Bar Tunnel. Met with the Conlins on Friday, September 4, 2009 to discuss access to their property for the CEQA survey. Conlins gave permission once OID provided a Certificate of Insurance with the Conlins (Marie Atherton Trust) as an Additional Insured. Access is needed to conduct the Survey prior to the end of September in order to get credit from The USFWS for possible CTS monitoring. Dave Giomi of Cogdill & Giomi Property Appraisers is performing the land appraisal for the Right-of-Way land

acquisition. The land appraisal will be completed by October 1, 2009. Additional Landowner meetings are being scheduled.

3. North Side Regulating Reservoir – W.C. Maloney, demo subcontractor, started the orchard removal on August 18, 2009 and completed on August 20, 2009. Foster & Sons started their mobilization on August 19, 2009 and commence grading operation on August 20, 2009. The scrappers, excavators and compactors arrived on August 20, 21, and 22, 2009 and set up and started clearing and grubbing on August 24, 2009. A full scale grading operation was started on August 25, 2009. Four (4) 637 scrappers with two (2) graders, three (3) water trucks are in constant operation stripping and moving dirt. Excellent progress has been achieved in the two weeks since Foster & Sons has been working. Office staff was taken on tours of the construction site.
4. Cashman Dam Rehabilitation Project – Bid package sent out on August 18, 2009 to twelve (12) contractors. Eight (8) additional contractors have called and requested bid packages. A mandatory Pre-Bid meeting was conducted on August 27, 2009 with the contractors. Bids were due on September 10, 2009 with a Staff recommendation to the Board on September 15, 2009. Staff recommendation will be contingent upon the results of the USBR Challenge Grant meeting scheduled for September 22, 2009. If everything is acceptable from the USBR meeting, the Notice of Award will be issued either on September 22 or 23, 2009. The Notice to Proceed will be issued on or about October 1, 2009. Start of construction will be on or about October 15, 2009.
5. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction Activities

1. Review of Job Set Up Forms
2. Various Landowner meetings regarding maintenance work. Conducting meetings with the landowners on the Hirschfeld Lateral along Grooms Rd.
3. Preparing and conducting evaluations with the Support Services employees.
4. Assisting Engineering Department with constructability review of Capital Improvement Projects.
5. C&M crews continuing to gain back drive able access on District facilities. Crews are currently working on the Mootz Lateral.
6. Preparation continuing for the 2009/2010 Construction Season.
7. Completed construction of an all weather access road for the contractor on the South Main project.

Engineering Activities

1. Grant of Easement for South Lateral Reservoir and new South Lateral Pipeline has been signed. Abandonment and Quitclaim package to be approved today. Reviewing V.A. Rodden comments on Annexation Agreement.
2. Ongoing project management with Provost and Prichard.
3. Preparing Joslin Annexation package for Board review.
4. G&K has prepared plat and legal for Erlanger Pipeline Relocation Project.
5. Working on Furtado Deep Well Site Project.
6. OID and P&P to meet with USBR on 9/22/09 to discuss Challenge Grant Award specifically as it pertains to additional environmental constraints as a result of funding.

7. Army Corp of Engineers has approved the language of the Escrow Agreement and the Escrow Account for the Honolulu Bar Mitigation Project has been established. Working with FISHBIO as it pertains to the terms and conditions of the final 404 Permit concerning the Honolulu Bar Mitigation Project. Support documentation concerning the escrow account has been provided to Corp. Final Mitigation and Monitoring Plan for the Honolulu Bar Mitigation Project will be submitted to Corp on 9/21/09 as required in the Final 404.
8. Engineering Department assisting Mr. Jernigan in the environmental compliance phase of the New South Main Tunnel. Met with Tom and Albert Conlin on 9/4/09. Correspondence concerning access has been prepared.
9. Encroachment Agreement for Belletto's pump station has been drafted and sent to the Belletto's for their notarized signatures.
10. P&P working on abutment design for new bridge to span Wildcat Creek. CH2MHill Biologist reviewed site on 8/25/09 and delineated waters. Categorical Exemption is speculated at this point. Geotechnical evaluation will be completed once Grover has completed their work.
11. Met with the City of Oakdale on 9/8/09 concerning the possible extension of Warnerville Road.
12. Correspondence sent to Mr. Brichetto concerning his illegal encroachments on the Gilbert Lateral.
13. Processing Requests for Work Order Approval for the 2009/2010 winter work season.
14. Working on Conde annexation final billing with LAFCO and G&K.
15. Updated STANCO letter concerning the Willms Ranch, LLC project has been drafted and was submitted to Ms. Savery (Willms Ranch, LLC Counsel) on 9/4/09.
16. Northcutt Deferred Conditions Agreement still has not been signed.
17. Correspondence sent to adjoining property owner concerning Patterson Deed.
18. JBD on vacation the week of 9/14/09.

Water Operations Activities

1. Currently on a 14 Day Rotation.
2. Evaluating various options for vegetative control for 2010.
3. Working on Erlanger Deep Well Project with Engineering
4. Various landowner meetings being conducted as needed.
5. Reviewing documents relating to the Central Valley Pesticide TMDL process
6. Received notice from DWR that funding has been made available for Phase 2 of the Wellfield Optimization Project. Working with DWR to provide an updated scope of work and project schedule.
7. Working with Rubicon on gate order for 2009/2010 modernization projects.
8. Working with Sierra Controls on various automation projects.

Finance and Accounting Activities

1. Preparation of 2010 budget.
2. Continue to work on the new software implementation and conversion. Includes restructuring the District's chart of accounts and business process studies.
3. Preparation of refunds to all ag water customers that currently have a credit balance on this account.

4. Working with the District's Engineer on setting up an Escrow Account for the Honolulu Bar Mitigation Project.
5. Preparation of 2010 budgets for six (6) domestic water and fourteen (14) agriculture improvement districts. Scheduling annual meetings with the six domestic ID to review 2010 recommended charges.
6. Review and update of District records for Stanislaus and San Joaquin counties parcel splits.
7. Meeting with paint contractors quotes on painting the office building exterior.
8. Working with the District's Administrative Assistant to post for the hiring of an additional principal account clerk.
10. Route accounting functions (AP, AR, PR, billings, account reconciliations, etc.)

B. COMMITTEE REPORTS

There were no Committee Meetings.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers stated that he is concerned about the effects of the Riverbank's Rural Development Area (RDA) on OID taxpayers. He would like to have Marjorie Blom from LAFCO come and discuss these issues with the District. General Manager Steve Knell stated that you either annex into a city or into a county. Now there is a RDA which is neither city nor county. The General Manager stated that the District needs to develop a policy which addresses RDAs. The other problem with the RDA is that it partially incorporates Improvement District 48 which is an irrigation district improvement district for which they pay monies to maintain a pipe system which runs throughout the RDA. Director Webb stated that there needs to be a master plan incorporating improvements to all pipelines.

General Manager Steve Knell stated that he would contact Marjorie Blom with LAFCO and the City Manager and/or Project Manager for the City of Riverbank and see if they are available for the October 20, 2009 meeting to discuss these issues.

Director Bairos

Director Bairos had no comments.

Director Taro

Director Taro had no comments.

Director Clark

Director Clark stated that he attended a meeting requested by the homeowners at Lake Tulloch with Tri-Dam, Tuolumne and Calaveras law enforcement, and the Chairman of the Board of Supervisors of Calaveras County. The homeowners were upset with the boaters who are bringing their boats to the lake and filling them up with water in order to create bigger wakes which are destroying their docks and eroding the shoreline. The

homeowners thought that this was an issue to be discussed with Tri-Dam. They were told that this was not a Tri-Dam issue, but an issue to be discussed by their County agencies. It was decided that the law enforcement agencies will survey the buoy placements and determine if there needs to be additional buoy placements to keep the boats as far away from the shore as possible. The buoy placements will be brought to Tri-Dam for discussion.

Director Webb

Director Webb asked if there was going to be any legal action filed against the Bureau to stop them from running all of the water down the river next month. Director Webb also stated that ACWA should have a slogan at the Spring Convention which states, "Let's bring common sense back to California's water picture." He further stated that he believes that it is a good idea to have a lobbyist in Sacramento. Director Webb asked Water Operations Manager Kevin King to check into a pond located on Frankenheimer Road on the east side of the Cometa that is full of water all of the time. He asked if that pond is in the District or out of the District. Water Operations Manager Kevin King stated that pond is out of the District. Director Webb asked him to check into that pond.

At the hour of 9:53 a.m. the Board adjourned to Closed Session

CLOSED SESSION
ITEM NO. 15

A. Government Code §§54956.9(b) Litigation Matters

(1) *OID, et al. v. United States Department of Commerce, et al.*

At the hour of 10:17 a.m. the Board adjourned to open session

General Manager Steve Knell reported that coming out of Closed Session the Board voted unanimously to cover the cost of the General Manager Steve Knell to travel to Washington DC and incidental lobbying costs to speak with specific congressional staff regarding the impact of the biological opinion on OID. The General Manager was also directed to begin the efforts of securing a State lobbyist in Sacramento and to bring this information back to the Board for further discussion

OTHER ACTION
ITEM NO. 16

At the hour of 10:19 a.m. the meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, October 6, 2009 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Regular Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, September 17, 2009 at 1:00 p.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary