

MINUTES

Oakdale, California
March 7, 2006

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
Louis Brichetto
Tony Taro
Frank B. Clark

Staff Present: Steve Knell, P.E., General Manager/Secretary
Kathy Cook, Chief Financial Officer
Kevin King, Water Operations Supervisor/Special
Projects Coordinator
John Davids, Assistant, Engineer and Support Services
Manager
Bob Nielsen, Water Operations Supervisor/Water Utilities

ADDITION OR DELETION OF AGENDA ITEMS

General Manager, Steve Knell, requested that Action Item No. 23 be deleted from the Agenda.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to move Action Item Nos. 19 and 20 to follow the Consent Calendar.

Director Brichetto requested that Consent Item Nos. 7 and 8 be pulled from the Consent Calendar.

At the hour of 9:01 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

Mr. Henry Kearns commented on his previous concerns regarding 19-day rotation. He also commented on missing comments on the tapes. Staff responded to his concerns.

Mr. Henry Burtschi requested that Consent Item No. 6 be pulled from the Consent Calendar.

Mr. Ken Krause asked if there was any injury to anyone when the cement truck went off the bank on the Lonetree Road job. The General Manager responded no.

Mr. Steve Fields stated that the language, "OID claims rights, including without prescriptive rights to Lesinini Creek" be removed from the Stipulation in the matter of *Banducci v. Fields*.

Public Comment was closed at 9:10 a.m. and the Board Meeting continued.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 9, 10, 11

ITEM NO. 2
APPROVE THE BOARD OF DIRECTOR'S MINUTES OF THE
REGULAR MEETING OF FEBRUARY 21, 2006
AND RESOLUTION NOS. 2006-13 and 2006-14

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Board of Director's Minutes of the Regular Meeting of February 21, 2006 and Resolution Nos. 2006-13 and 2006-14.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE PURCHASE OF REPLACEMENT
AND NETWORK SERVER AND HARDWARE

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the purchase of replacement and network server and hardware.

ITEM NO. 5
APPROVE PURCHASE OF
REPLACEMENT NETWORK COMPUTERS

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the purchase of replacement network computers.

ITEM NO. 9
APPROVE ENCROACHMENT AGREEMENT ON THE
LANGWORTH PIPELINE EASEMENT (APN: 062-006-019 – BANDUCCI)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Langworth Pipeline easement (APN: 062-006-019 – Banducci).

ITEM NO. 10
APPROVE QUITCLAIM DEED OF
ADAMS CREEK DRAIN EASEMENT

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Quitclaim Deed of Adams Creek Drain easement.

ITEM NO. 11
APPROVE DEVELOPER'S
AGREEMENT WITH FCB HOMES

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Developer's Agreement with FCB Homes.

ACTION ITEMS
ITEM NOS. 19, 20, 6, 7, 8, 12, 13, 14, 15, 16, 17, 18, 21, 22

ITEM NO. 19
REVIEW AND TAKE POSSIBLE ACTION ON
REQUEST TO FILL IN ABANDONED WEST
OAKDALE NO. 1 PIPELINE ON GAGOS PROPERTY

As a result of the recent Hillsborough Estates No. 2 subdivision, landowner service disconnects and land reclassification, the Oakdale Irrigation District (OID) Board of Directors abandoned the Oakdale No. 1 Pipeline in its entirety from its point of beginning on Dillwood Road to its point of termination at the Stanislaus River on November 1, 2005 and quitclaimed all existing easements for the facility on November 15, 2005, as shown on the enclosed Board Agenda Reports. The Oakdale No. 1 Pipeline only served three (3) landowners and as a result of the changes in service as noted above, the facility was no longer necessary for the continued delivery of irrigation water. A general mailer was sent to all landowners affected by this decision, advising them of OID's intentions.

OID received a request from Mr. Mitchell Gagos in his enclosed letter dated February 6, 2006, asking the Board of Directors to review the status of the infrastructure on his property and to fill in the abandoned open-ditch lateral. Please refer to the attached project site map for clarification purposes. Facility abandonment as noted above has relieved OID of any and all future liability associated with the existing facility because the entire existing infrastructure has become the property of the landowner on which the facility currently exists. Because the now private open-ditch has, as a coincidence of function, been diverting storm runoff from the hill above, and because it is not known how the elimination

of the existing ditch could impact the residential development occurring below the ditch, OID staff recommends that the Board deny Mr. Gagos' request.

General Manager, Steve Knell, stated he would like to refer this matter to the Water Committee and to legal counsel for review due to some newly discovered information.

Mr. Gagos was present at the hearing to give his perspective on the West Oakdale No. 1 Pipeline that runs through his property.

President Steve Webb referred this matter to the Water Committee for discussion and requested that Mr. Gagos be notified of the date and time of the Water Committee Meeting.

ITEM NO. 20
REVIEW AND TAKE POSSIBLE ACTION ON
REQUEST TO PIPE A PORTION OF THE CREE LATERAL

Oakdale Irrigation District (OID) received a letter from five (5) concerned landowners and or residents along Olive Drive as shown in the attached documentation. Based on the content of the letter attached herein, an on-site meeting with the landowners and subsequent staff discussions, OID has developed the following three (3) alternatives for the Boards selection. Please be advised that although piping the Cree Lateral is an option, further engineering needs to be done to ensure that the added pressure caused by piping the facility will not cause any harm to the existing concrete pipe located downstream of the section in question. The existing pipe is old concrete pipe and as such it will not be able to handle an increase in pressure. In an increase in pressure will undoubtedly cause downstream pipe failure. In addition, alternatives two (2) and three (3) will not solve road flooding issues if the ditch is not operated correctly.

The three (3) options prepared by staff are presented below with no specific merit given to the order in which they appear. Please refer to the attached documentation for costs as it pertains to each of the three (3) alternatives.

1. Convert the open ditch to a pipeline as indicated in the February 5, 2006 correspondence
Total Estimated Construction Cost = \$126,000
2. Rebuild the existing open ditch
Total Estimated Construction Cost = \$119, 000
3. Rebuild only the east bank to help with the ditch overtopping and subsequent road flooding
Total Estimated Construction Cost = \$68,000

Landowner, David Boyd, was present at the hearing and requested that this be fixed right the first time.

After discussion by the Board a motion was made by Director Brichetto to repair the Cree Lateral using alternative #2, and was seconded by Director Alpers. Further discussion ensued and thereafter, Director Brichetto rescinded his prior motion and made a new

motion to repair the Cree Lateral using alternative #1, which was seconded by Director Clark, and was voted as follows:

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

ITEM NO. 6
APPROVE BOARD AND STAFF ATTENDANCE AT 2006 APPA
NATIONAL CONFERENCE AND PUBLIC POWER EXPO IN CHICAGO

Henry Burtschi had a question on the number of Directors and Staff that could attend the Conference. Director Webb asked which Directors and which Staff members would be attending the 2006 APPA National Conference. Director Clark will be the only Director attending the Conference.

Thereafter a motion was made by Director Alpers, seconded by Director Brichetto, and unanimously supported to approve the attendance of Director Clark at the 2006 APPA National Conference and Public Power Expo in Chicago.

ITEM NO. 7
APPROVE ENCROACHMENT AGREEMENT ON THE
MOOTZ LATERAL (APN: 063-029-055 – BRICHETTO)

Director Brichetto excused himself from the Board Meeting due to a conflict of interest.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Mootz Lateral (APN: 063-029-055 – Brichetto).

ITEM NO. 8
APPROVE ENCROACHMENT AGREEMENT ON
THE MOOTZ LATERAL (APN: 063-030-001 – BRICHETTO)

Director Brichetto excused himself from the Board Meeting due to a conflict of interest.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Mootz Lateral (APN: 063-030-001 – Brichetto).

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON
AVAILABILITY OF SURPLUS WATER FOR OUT-OF-DISTRICT LANDS

As provided by policy, a determination by the District on the availability of surplus surface irrigation water for the purposes of allowing “out-of-District water” under annual agreements shall be made by the Board of Directors at the first board meeting in March. The March 1 snow survey places the basin at 95% of normal, down from the February 1 survey of 112%.

In order to accommodate the current *tentative list* of out-of-district land applicants OID would need to declare approximately 3,500 acre-feet "surplus" for the 2006 water year. Based upon information developed in the Water Resources Plan and made available to the Board, the availability of "surplus water" on an annual basis is really "reliability water" for OID's "in-district" customers. Staff will comment further at the Board meeting on the risks of making available too much out-of-district water.

A motion was made by Director Brichetto, seconded by director Taro, and unanimously supported to approve the availability of surplus water for out-of-district lands.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
AVAILABILITY OF SURPLUS WATER FOR ANNEXATION

A previous agenda item on February 7th discussed how best to address the numerous applications received by interested landowners seeking annexation to the District. Subsequent to those discussions, and similar to the existing policy for declaration of surplus water for availability to out-of-district lands, staff believes a similarly process should be provided annually for determining the availability of surplus for the purpose of allowing annexations to the district.

With that in mind, and based upon information developed in the Water Resources Plan and made available to the Board, staff has determined that; *at this time* no surplus water is available for 2006 to support any annexations to the District. Allowing annexations at this time would economically impact OID's existing rate payers and diminish OID's water reliability to the detriment of its constituents.

After discussion by the Board and members of the public a motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to bring this matter back before the Board the first part of October for further consideration.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION
ON START OF 2006 IRRIGATION SEASON

A cooling trend with continued intermittent precipitation is forecast through the week (March 17-18). If no measurable precipitation develops, it is expected that soil moisture levels would require irrigation by early April. Hence starting the irrigation season on the 24th would insure that those at the end of the first 14 day rotation (April 8th) would have water in ample time.

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to leave the start of the 2006 irrigation season up to the discretion of the General Manager, Steve Knell.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION
ON APPROVAL OF 2006-2007 WORKERS'
COMPENSATION INSURANCE COVERAGE

The District is a participant of the ACWA JPIA's workers' compensation pooled self-Insured group. The JPIA requires a notice be given to them 90-days prior to the coverage's renewal date to withdraw from its program. The renewal date for workers' compensation coverage is July 1, 2006; therefore, the District would need to give notice no later than April 1, 2006. Staff instructed TSM Insurance Service to go out for quotes on this coverage. The attached information has been provided by TSM which will present their findings to the Board at the meeting.

General Manager, Steve Knell, stated that we have scheduled a meeting with CSDA to discuss their workers' compensation program and would like to bring this matter back to the Board once this meeting has taken place.

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to bring the approval of the 2006-2007 Workers' Compensation Insurance coverage back to the Board on March 21, 2006.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION AWARD
OF BID FOR REPLACEMENT OF DIGITAL COPIER

The copier in the Distribution Systems Operators' room was purchased in August of 1998 and needs to be replaced. Four (4) vendors were asked to submit quotes for a digital copier; Ray Morgan Co., Lucas Business Systems, Imagistics, and Alpha Numeric, Inc. The District requested each company to provide quotes that included certain specifications.

A motion was made by Director Brichetto, seconded by Director Clark, and unanimously supported to award the bid for replacement of digital copier to Lucas Business Systems.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION
ON AWARD OF BID FOR WATER
QUALITY TESTING TO FAR WEST LABORATORIES

Six water quality testing laboratories responded to OID's Request for Bids to perform OID's domestic water quality testing for the next two years. An analysis of the overall costs for this time period indicates that Far West Labs presents the best value to OID.

Staff recommends that Far West be awarded the contract and provide OID's domestic water quality testing for the next two years based on:

- They are the lowest bidder, and
- Their proximity to OID reduces staff time in transporting samples to the lab.

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to approve the award of bid for water quality testing to Far West Laboratories.

ITEM NO. 18
REVIEW AND TAKE POSSIBLE ACTION ON
PURCHASE OF AUTO SHOP VEHICLE EXHAUST REMOVAL SYSTEM

This was included in the 2006 budget to be compliant with Federal OSHA regulation 29 CFR 1910.134 (a) (1) which states, "Control of those occupational diseases caused by breathing air contaminated with harmful dust, fogs, gases, smokes, sprays, or vapors shall be accomplished as far as feasible by accepted engineering control measures." One type of acceptable measures is a vehicle exhaust removal system.

This type of equipment is very specialized with a very limited number of manufactures thus, only information from one vendor is provided. The vendor, Air Exchange, Inc., located in San Bruno, CA is the authorized area representative for PlymoVent Vehicle Exhaust Removal Systems. The price submitted by Air Exchange, Inc. includes the supply and installation of this equipment except for the electrical retrofit.

For information, Air Exchange, Inc. is the same vendor selected by the City of Oakdale Fire Department to supply and install the PlymoVent Exhaust System in their Firehouse. Conversations with the Fire Department indicated this vendor provides a good system and quality installation. Also, Air Exchange, Inc. has installed this type of system for a number of other municipal agencies.

The budgeted cost for this system is \$25,000. Air Exchanges, Inc provided a quote of \$13,739.36. Included in the budget is \$9,000 for the repairs, upgrade and modernization of the electrical panel for the welding/auto shop. The electrical panel is part of the original building electrical system and has no additional electrical circuits for the new vehicle exhaust system.

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the purchase of an auto shop vehicle exhaust removal system from Air Exchange, Inc.

ITEM NO. 21
REVIEW AND TAKE POSSIBLE ACTION REGARDING
THE FUTURE DOMESTIC WATER SUPPLY
OPTIONS FOR IMPROVEMENT DISTRICT NO. 52

Cal-Trans informed OID that the piece of property located at the west end of Plaza De Oro Drive is not available for use by Improvement District No. 52. This means that ID 52 still needs to obtain a permanent domestic water source to supply the needs of their potable water system. Staff believes there are only three options available for ID 52, they are:

1. For ID 52 to purchase an undeveloped residential lot in one of the adjacent subdivisions. Once the property has been secured the process can begin on:
 - The installation of the new wells/pumping station, and

- The main water line leading from the pumping station to the existing ID 52 water distribution system.

It is difficult to place an estimated cost on this option due the unknowns such as the cost of the property and the distance between the property and the ID 52 water system. The cost could easily exceed one million dollars.

2. To allow ID 52 to merge with OID's Rural Water System as if they were a developer wishing to connect a new water system to OID. The consolidation of OID's RWS 1 & 2 into one system has freed up enough water to allow ID 52 to merge with OID without requiring additional wells. This option would require:
 - ID 52 to install a new distribution system to allow for current fire flow requirements and to abandon in place the existing transite water line.
 - The demolition of the two existing wells.
 - Each home would receive and pay for water through a metered service connection.
 - ID 52 would be required to buy into OID's RWS at the per service rate, which currently is \$10,000/ lot. (ID 52 contains 45 residential lots).
 - Upon completion, the new distribution system would be dedicated to OID and the existing water supply permit for ID 52 would be abolished.

The engineering firm of Giuliani & Kull is currently preparing a cost estimate for this option.

3. ID 52 could re-petition the City of Oakdale to take over primacy from OID and supply their potable water needs. The City was approached regarding this option two years ago and had no interest at that time in allowing ID 52 to connect to the City.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve staff meeting with the ID 52 Committee for discussion of their options prior to presenting them to the ID 52 membership.

ITEM NO. 22
REVIEW AND TAKE POSSIBLE ACTION ON
REVOCABLE LICENSE AGREEMENT FOR THE LANGSTROTH POND

Mr. David Egleston has been operating a BMX track on a portion of the Oakdale Irrigation District (OID) Langstroth Pond for fourteen (14) years. A recent survey determined that approximately half of his operation is on OID property. A review of the situation with OID legal counsel led to the development of the enclosed Revocable License Agreement which will allow Mr. Egleston to continue his operation in its present location. The agreement was mailed to Mr. Egleston on December 7, 2005, (letter enclosed) to review and sign along with an invoice for legal, surveying and staff time costs. A second letter (also enclosed) was mailed to Mr. Egleston on February 6, 2006, after receiving phone calls from him requesting that he be allowed to make payments on the invoice. Mr. Egleston has responded with the enclosed letter requesting that OID waive all charges related to the agreement, which has still not been signed. Mr. Egleston pays \$300.00 per month rent for his facility to the owner of Rainbow Fields and OID does not receive, nor has OID requested, any rent for the space occupied on OID property. The survey costs incurred were to determine the exact location of the OID property line, to define how much of Mr.

Egleston's operations are on land not owned by Rainbow Fields. The legal fees were accrued by OID to find a way with which Mr. Egleston could continue his operations. OID staff does not believe it is appropriate for OID to absorb these costs. One (1) of four (4) courses of action are available to the Board. Those options are as follows with no specific merit given to the order in which they appear.

Option 1: Request that Mr. Egleston sign the Revocable License Agreement and waive all costs.

Option 2: Request that Mr. Egleston sign the Revocable License Agreement and pay the invoice in full.

Option 3: Request that Mr. Egleston sign the Revocable License Agreement and allow Mr. Egleston to make payments on the invoice.

Option 4: Require Mr. Egleston to relocate his facilities.

After discussion by the Board a motion was made by Director Bricchetto, seconded by Director Clark, and unanimously supported to approve Option 4 and fence our property once Mr. Egleston has relocated his facilities.

DISCUSSION ITEMS
ITEM NOS. 24, 25

ITEM NO. 24

DISCUSSION/PRESENTATION OF EXPANSION OF SERVICE ISSUES

CH2M Hill will lead a discussion on the issues and topics identified that can impact OID deliveries to sphere of influence lands. This will be an input discussion item. Staff will take direction and input from the Board on how to proceed in developing policy to address the areas identified.

Greg Eldridge gave a Power Point presentation on the expansion of service issues.

ITEM NO. 25

DISCUSSION/REVIEW OF 2005 IRRIGATION SEASON ANNUAL REPORT

A presentation of the 2005 Irrigation Season was given to the Board in November of 2005. Staff has finalized the 2005 Annual Report and is submitting it to become public record.

Kevin King, Water Operations Manager, presented the 2005 Irrigation Season Annual Report.

At the hour of 12:05 p.m., a motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to move to closed session.

CLOSED SESSION
ITEM NO. 21

Closed Session to discuss the following:

A. Government Code §54957.6 Conference with Labor Negotiator

Agency Negotiator: General Manager
Unrepresented Employees: Supervisory Exempt, Confidential
Employees, and Management Exempt

B. Government Code §54956.9 Existing Litigation

- (1) Fields
- (2) *Banducci v. Fields*

C. Government Code §54957.6 Conference with Labor Negotiator

Agency Negotiator: General Manager
Unrepresented Employees: Operating Engineers Local Union No. 3

At the hour of 12:17 p.m., a motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to move to Open Session.

Thereafter the Board reported the following:

A motion was made by Director Clark and seconded by Director Alpers to adopt the 2006 Contracts for the Exempt Management, Exempt Supervisory and Confidential Employees, and was voted as follows:

| | |
|-------|---------------------------|
| Ayes: | Alpers, Webb, Clark, Taro |
| Noes: | Brichetto |

COMMUNICATIONS
ITEM NO. 27

A. GENERAL MANAGER'S REPORT

The General Manager reported on his and Director Alper's trip to Washington D.C. for the 2006 ACWA Conference.

B. COMMITTEE REPORTS

Director Alpers reported on the Personnel Committee Meeting that took place on March 6, 2006 to discuss the issues of insurance coverage.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Clark

Director Clark had no comments.

Director Brichetto

Director Brichetto had no comments.

Director Webb

Director Webb had no comments

Director Alpers

Director Alpers had no comments.

Director Taro

Director asked if the District would be ready for water on March 22, 2006. The General Manager, Steve Knell, replied, "Yes."

OTHER ACTION
ITEM NO. 28

At the hour of 12:21 p.m. a motion was made by Director Clark, and seconded by Director Alpers, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, March 21, 2006, 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, March 16, 2006, at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, CA.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary