

MINUTES

Oakdale, California
May 2, 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: Steven A. 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
Gary Jernigan, Support Services Manager
Kevin King, Water Operations 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 9:03 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

Henry Kearns revisited the topic of the 14/18-day rotations.

Lorens Foard asked what the difference is between a water sale and a water transfer.

Public Comment was closed at 9:08 a.m. and the Board Meeting continued.

Director Clark requested that Consent Item No. 3 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 4,

ITEM NO. 2
APPROVE THE BOARD OF DIRECTOR'S MINUTES OF THE
REGULAR MEETING OF APRIL 18, 2006
AND RESOLUTION NOS. 2006-26 THROUGH 2006-28

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Board of Director's Minutes of the Regular Meeting of April 18, 2006 and Resolution Nos. 2006-26 through 2006-28.

ITEM NO. 4
APPROVE CONDOR CHANGE ORDER NO. 4 TO CONDOR EARTH
TECHNOLOGIES FOR SUPPORT ON THE WATER RESOURCES PLAN

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Changer Order No. 4 to Condor Earth Technologies for Support on the Water Resources Plan

ACTION ITEMS
ITEM NOS. 3, 5, 6, 7, 8, 9, 19

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

There was a question from the general public regarding the Stanislaus County ERAF Shift in the sum of \$486,442.43. Kathy Cook, Chief Financial Officer, stated that Stanislaus County sent our second installment property tax allocation and did not take out the ERAF Shift. The next day we received a letter from Stanislaus County stating that we had to pay the \$486,442.43.

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

ITEM NO. 5
REVIEW AND TAKE POSSIBLE ACTION ON THE 2005
OAKDALE IRRIGATION DISTRICT'S AUDITED FINANCIAL STATEMENT

Kathy Cook, Chief Financial Officer, gave a PowerPoint presentation on the 2005 Oakdale Irrigation District Audited Financial Statement. Thereafter the District Auditor, John Barnhart, CPA, stated that his overall concern with the financial statements is that the District continues to increase its operating losses. He stated that if cash flows were to decrease, or if for various reasons, there was no Tri-Dam distributions the District would be further increasing its operating losses. He would recommend keeping operations close to a break even point with District rates.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the 2005 Oakdale Irrigation District's Audited Financial Statement for the year ended December 31, 2005.

ITEM NO. 6
REVIEW AND TAKE POSSIBLE ACTION ON THE 2005 OAKDALE
IRRIGATION DISTRICT'S IMPROVEMENT DISTRICT AUDITED FINANCIAL

The District's Auditor, John Barnhart, CPA, presented the 2005 Oakdale Irrigation District's Improvement District audited Financial Statements. Mr. Barnhart stated that the operations were consistent with the prior year and he was glad to see that the Improvement Districts are starting to accumulate cash to build up their reserves.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the 2005 Oakdale Irrigation District's Improvement District Audited Financial Statements.

ITEM NO. 7
REVIEW AND TAKE POSSIBLE ACTION ON APPLICATION
OF IN-DISTRICT AND OUT-OF-DISTRICT WATER RATE FOR 2006 APPLICANT

Mr. Hoekstra has applied for new connection of irrigation water service for 40 acres and has met the District's conditions as required. In addition, he has applied for irrigation of lands outside district boundaries and within the sphere of influence of OID for 55 acres that is contiguous to the 40 acres within the district's boundaries.

In the past, a parcel having a portion of its acreage both within and outside the District boundary, and irrigates as one contiguous parcel have previously been approved by the Board to be charged at the in-district rate on out-of-district acreage.

For consistency, Staff recommends the approval to charge the 55 acres irrigated outside the District boundary at the in-district rate based on past Board action. Staff will be addressing the need to establish a policy for this.

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to allow Mr. Hoekstra to receive out-of-district water at the in-district rate.

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON AWARD
OF BID FOR THE PURCHASE OF TWO SMALL TRAILERS

OID has been using two (2) trailers, Trailer No. 2 and 11, to haul the mini excavators. For background, Mini Excavators weight 12,000 lbs without accessories. These trailers are rated as follows: Trailer No. 11 is rated at 12,000 lbs and Trailer No. 2 has no rating. Trailer No. 2 was fabricated in the shop 6 years ago using a trailer of similar design as a plan and fabricated from miscellaneous parts. The rating for Trailer No. 2 is approximately 12,000 lbs but, due to the fabrication process not to any QC procedures, the rating is likely lower.

Both of these trailers have been Red Tagged due to overloading.

Staff went out to five (5) vendors to provide two (2) trailers each with a 16,000 lb GVW. We received two responses; one from Bonander Ford and the other from Bobcat Central. Bonander Ford was the low bidder at \$21,990, however did not have a hardwood deck. Bobcat Central did have the hardwood deck but was \$1,004 more per trailer. Staff recommends the purchase of Two (2) Trailers from Bonander Ford unless, in the Board's opinion, there is more long term value in purchasing the trailers with hardwood decks from Bobcat Central. In two or three years, the decks can be replaced with hardwood if the need arises. This purchase is not budgeted for 2006.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve a budget amendment to the Capital Purchases Budget in the sum of \$24,000 and to authorize the General Manager to sign the purchase order for the purchase of two (2) small trailers from Bobcat Central.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON AWARD
OF BID FOR THE PURCHASE OF A STORAGE
CONTAINER FOR SOUTH MAIN CORE SAMPLES

The District will have to store boxed core samples from the South Main tunnel projects for future reference for at least 10 years. The boxes need to be stored in a permanent location and a protected environment to prevent the cores boxes from losing their identifying labels and rendering them useless. Staff obtained five (5) quotes for the purchase of an 8' by 20' storage waterproofed container unit. The low quote was from Storage, Inc. in the amount of \$1750 delivered to OID, excluding taxes. The set up cost for shelving, ventilation and emergency lighting will cost another \$1,000. The core boxes can be stored in the OID compound. Amortized over 10 years, the cost would be \$23 per month which is the more economical than a paying a storage facility for a storage unit. Staff recommends that the Board authorize the purchase of the container and the improvements to the container unit for \$2,750 not including tax.

Under the 2006 Capital Purchases shop equipment budget, there is approximately \$8,000 from savings in vehicle and equipment purchases that is available. Staff requests that the monies allocated in the 2006 budget for shop equipment be reallocated for the purchase of the storage trailer for South Main core samples.

A motion was made by Director Taro, seconded by Director Brichetto, and unanimously supported to approve the award of bid for the purchase of a storage container for South Main core samples.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON CLAIM FOR
DAMAGES ON THE ORANGE BLOSSOM DRAIN (MORTENSON)

Claims submitted over the District's self-insured rate of \$15,000 are automatically forwarded to ACWA/JPIA for handling.

Management makes no assertion as to fault in this case, only that the amount of damages involved should be addressed by our insurance carrier and not inexperienced OID staff.

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to reject the claim and submit it to ACWA/JPIA for handling.

DISCUSSION ITEMS
NO. 11

ITEM NO. 11
DISCUSSION ON MANAGEMENT OF
CLAIMS MADE AGAINST THE DISTRICT

Based on past discussions with the Board, Staff felt obligated to inform the Board of the ACWA/JPIA claims process and how it can be managed, and should be managed, to better suit the needs of the OID.

Chief Financial Officer, Kathy Cook, discussed the ACWA/JPIA Perspective's article entitled "*No Penalty for Claims Reporting*", wherein JPIA is advising all members that as of April 2002 there is NO PENALTY to or against its members for reporting claims so long as the claim amount is below the member's Self-Insured Retention of \$15,000. The purpose of this change was to encourage members to report incidents promptly and to take advantage of the claim service that is part of their membership.

By automatically referring claims less than \$15,000 to ACWA/JPIA significant savings in OID staff resources can be achieved by taking advantage of JPIA staff's processing abilities. Similarly, claims can be reviewed and evaluated for legal compliance, sufficiency and supportability of payment by staff trained in this area.

Staff is reminding the Board of this service they are paying for yet not taking full advantage of its benefits. Staff would request the Board consider rejection of all minor claims in the future and automatic referral to ACWA/JPIA for processing.

COMMUNICATIONS
ITEM NO. 12

A. **GENERAL MANAGER'S REPORT**

Safety Activities

1. To date, we have gone 144 days since our last lost-time injury accident.

Water Operations Activities

1. Start of water season and Rotation No. 2 began at midnight of the 20th of April.
2. Friday, there was 125 cfs in the South Main and 80 cfs in the North.

Administration Activities

1. Stanislaus County Water Summit Was April 26th. Alpers and Clark attended. Interesting LAFCO presentation by Marjorie Blum. Annexations shall be supported by

“documented” evidence. Master Water Plans by agencies are one tool to support annexations. Will Serve letters are no longer acceptable. Opinions are not a basis to take action. Documentation must show no-harm to existing customers.

2. A Union meet and confer session was held April 28th. OID’s negotiating team continues to meet regularly.
3. OID’s Irrigation Workshop will be Saturday April 29th. A good turnout is expected and quit a few vendors will be present.
4. SSJID and OID will be meeting with Alpine Water Co. on Monday to seek resolution to our blocking of their appropriation request.
5. Meeting with JPIA on Gregg Flooding Claim Friday the 5th.

Finance Activities

1. Preparing and coordinating 2005 Annual Report.

C&M Operations Activities

1. Mootz Pipeline in progress scheduled completion, May 3rd. Pump around contingency is in place. Landowners on this pipeline indicate no need for water until May 6th or 7th.
2. Kearney Pipeline in final stages of being completed, scheduled completion is May 3rd. Landowners have been contacted have indicated the 3rd is acceptable.
3. A successful run in of the Clavey Booster Pump station was completed. Project accepted on Monday, April 24th.
4. Completing the Adams II lateral. All work necessary for water deliveries will be completed May 5th.
5. Working on numerous Job Set-up Forms generated by the Water department prior to and after the start of water season.
6. Working on repairs of slides on the Tulloch Lateral due to the heavy rains.
7. Making repairs to the Wills lateral where the lining has separated from the bank.

Engineering Activities

1. Bid closing is May 1st for our RFQ for Engineering Services
2. Supporting Construction activities

B. COMMITTEE REPORTS

There were no Committee Reports.

C. DIRECTORS’ COMMENTS/SUGGESTIONS

Director Taro

Director Taro had no Director's comments.

Director Brichetto

Director Brichetto had no Directors' comments.

Director Clark

Director Clark stated that he felt the District got a lot of mileage out of the Workshop on Saturday, April 29, 2006 for public relations.

Director Alpers

Director Alpers stated that he felt the Workshop was informative and educational. He stated that Wayne Zipser of the Stanislaus County Farm Bureau did a great job explaining the coalition. He also had one suggestion regarding future Workshops – he suggested that we let the public know the schedule of the speakers ahead of time so they could plan on attending the Workshop at a particular time based on who was speaking.

Director Webb

Director Webb thanked Kathy Cook, CFO, for her hard work on the budget and the presentation she gave today.

OTHER ACTION
ITEM NO. 13

At the hour of 10:40 a.m. a motion was made by Director Alpers, and seconded by Director Taro, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, May 16, 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, May 18, 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