

MINUTES

Oakdale, California
February 2, 2008

The Board of Directors of the Oakdale Irrigation District invited all to recite the Pledge of Allegiance and then met in a Special Session at the hour of 9:00 a.m. Upon roll call, there were present:

Directors: Jack Alpers, President
 Al Bairos, Jr., Vice President
 Steve Webb
 Frank B. Clark

Absent: Tony Taro

Staff Present: Steve Knell, P.E., General Manager/Secretary
 John Davids, District Engineer
 Kathy Cook, Chief Financial Officer
 Gary Jernigan, Contract/Special Projects Manager
 Jason Jones, Support Services Manager

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletion 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 was no public comment and public comment closed at 9:02 a.m.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF JANUARY 20, 2009
AND RESOLUTIONS NOS. 2009-03, 2009-04, AND 2009-05

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of January 20, 2009 and Resolution Nos. 2009-03, 2009-04, and 2009-05.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE CAPITAL ASSIGNMENT
OF WORK ORDER NUMBERS

A motion was made by Director Clark, and seconded by Director Bairos, and unanimously supported to approve the assignment Capital Work Order Numbers as set forth below:

<u>Facility No.</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order</u>
Lesnini Lateral	Install a new 12" tick concrete face and Replace gate, actuator and trash rack	\$55,100	0908
Hunter Ranch	Install new air charger on the water storage tank.	\$3,500	0909
Stowell Lateral	Construct outlet structure cast-in-place around the existing pipe outlet with a 5' wide weir	\$42,500	0910

ITEM NO. 5
APPROVE THE MONTHLY TREASURER AND
CHIEF FINANCIAL OFFICER'S REPORT FOR
THE MONTH ENDING DECEMBER 31, 2008

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the monthly Treasurer and Chief Financial Officer's Report for the month ending December 31, 2008.

ITEM NO. 6
APPROVE AMENDMENT TO 2009 BUDGET
FOR PURCHASE OF ERGONOMIC WORK
LIFTING AND POSITIONING TABLES
FOR WELDING AND AUTOMOTIVE SHOPS

A motion was made Director Clark, seconded by Director Bairos, and unanimously supported to approve the Amendment to the 2009 Budget for the purchase of ergonomic work lifting and positioning tables for the welding and automotive shops.

ITEM NO. 7
APPROVE REDUCTION TO INVOICE
FOR ALBERS I AND II FLOODING INCIDENT
ON NOVEMBER 4, 2008 (APN: 014-009-010 – JERRY BRAY)

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the reduction to invoice for Albers I and II flooding incident on November 4, 2008 (APN: 014-009-010 – Jerry Bray) to the sum of \$334.78.

ITEM NO. 8
APPROVE GENERAL SERVICE AGREEMENTS
FOR VARIOUS VENDORS AND/OR CONTRACTORS

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the General Service Agreement for various vendors and or contractors (Donlee Pump Company, Tri-West Tractors, Inc., Allied Concrete Pumping, Inc., Conco West, Inc., Mozingo Construction, Inc., W. C. Maloney, Inc., Wingfoot Commercial Tire Systems, Inc., LLC, Grover Landscape Services, Inc. (Trees), Lucas Business Systems, C & C Portable Toilets, Inc., Tony's Plumbing Services, Inc., and Accelerated Concrete Cutting).

ITEM NO. 9
APPROVE PROFESSIONAL SERVICE AGREEMENTS
FOR VARIOUS VENDORS AND/OR CONTRACTORS
(COGDILL AND GIOMI AND HOLDREGE AND KULL)

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Professional Service Agreements for various vendors and/or contractors Cogdill and Giomi and Holdrege and Kull).

ITEM NO. 10
APPROVE CHANGE ORDER NO. 2 TO
2008-CA-012 TO AL WAGGONER CONSTRUCTION
FOR IMPROVEMENT DISTRICT NO. 52 WATER
DISTRIBUTION SYSTEM REPLACEMENT PROJECT

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve Change Order No. 2 to 2008-CA-012 to Al Waggoner Construction for Improvement District No. 52 Water Distribution System Replacement Project.

ITEM NO. 11
APPROVE NOTICE OF COMPLETION FOR THE
IMPROVEMENT DISTRICT NO. 52 WATER DISTRIBUTION
SYSTEM REPLACEMENT PROJECT (2008-CA-012)

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Notice of Completion for the Improvement District No. 52 Water Distribution System Replacement Project (2008-CA-012).

ITEM NO. 12
APPROVE ENCROACHMENT AGREEMENT
ON THE LANGWORTH PIPELINE (APN: 062-007-023 – VIEIRA)

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Encroachment Agreement on the Langworth Pipeline (APN: 062-007-023 – Vieira).

ACTION ITEMS
ITEM NOS. 13, 14, 15, 16, 17

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION TO
PROCEED WITH TAX EXEMPT BONDING
ON FOUR (4) INFRASTRUCTURE PROJECTS

At the January 20, 2009 Board meeting the Finance Committee was instructed to meet with Staff, Sutter Securities, and Wells Fargo Institutional Securities to prepare a list of capital projects for potential financing of approximately \$25 million and bring back a bonding recommendation to the Board.

The Finance Committee met on January 23rd and reviewed the alternatives available under a lesser funding approach. The Committee evaluated the options presented, they were shown the economic risks to rate payers under a zero water transfer scenario and were satisfied that little risk exists to moving forward under the following proposal;

- Seek \$23.204 million in tax exempt municipal bonds to complete four (4) CIP projects over the next 3 years. Those projects are attached to this agenda item.

- Seek \$5.996 million in addition to the \$23.204 in reimbursement monies for CIP projects completed in 2008/09
- Combined issuance likely in the \$30 million range inclusive of issuance fees
- Set up a designated reserve account for the construction of a new 2-Mile Bar Tunnel in 2012. Reimbursement monies from the bonds to be placed in this reserve account.
- As the General Fund account grows, continue to fund the 2-Mile Bar Tunnel Reserve Account.
- In 2012 look to self-fund the 2-Mile Bar Tunnel with the monies that have accumulated in both the General Fund and the Reserve Account.

As part of this agenda item:

- Steve Knell discussed the need to finance and went through the proposed Capital Projects for financing.
- Michael Engelbracht with Wells Fargo was present and gave a presentation on the Proposed Financing based on the four (4) scenarios evaluated with emphasis on the one (1) scenario recommended by the Finance Committee.
- Jeff Stava with Nossaman LLP (Bond Counsel) and Frank Soriano with Sutter Securities (Financial Advisor) were also present. Jeff Stava discussed the proposed bonding documents.

A motion was made by Director Clark and seconded by Director Bairos to proceed with tax exempt bonding in the amount of not to exceed \$33.5 million and the true interest cost (TIC) not to exceed 5.70% for capital projects, and to reimburse the District pursuant to Resolution No. 2008-45 and establish a Main Canal and Tunnel Hazard Stabilization Reserve Account with those funds, and by roll call was voted as follows:

Director Taro:	Absent
Director Bairos:	Yes
Director Alpers:	Yes
Director Clark:	Yes
Director Webb:	No

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION TO APPROVE A RESOLUTION OF THE OAKDALE IRRIGATION DISTRICT APPROVING AN INSTALLMENT PURCHASE CONTRACT, A TRUST AGREEMENT, A CERTIFICATE PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT AND AN OFFICIAL STATEMENT; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

The District's bond counsel, Jeff Stave with Nossaman LLP rendered their legal opinion and provided the necessary documents regarding the financing of certain capital projects.

A motion was made by Director Bairos, seconded by Director Alpers, and unanimously supported to approve the Resolution of the Oakdale Irrigation District Approving an

Installment Purchase Contract, a Trust Agreement, a Certificate Purchase Agreement, a Continuing Disclosure Agreement and an Official Statement, Making Certain Determinations Relation Thereto; and Authorizing Certain other Action in connection Therewith.

At 10:23 a.m. the Oakdale Irrigation District Special Board Meeting Adjourned to the Oakdale Irrigation District Finance Corporation Meeting.

At 10:34 a.m. the Oakdale Irrigation District Special Board Meeting was called back in session.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION
TO AUTHORIZE A BUDGET AMENDMENT FOR
THE EMERGENCY REPLACEMENT OF A
PORTION OF THE BRADY PIPELINE AND BRADY
EXTENSION PIPELINE AND TO AUTHORIZE THE
GENERAL MANAGER TO EXECUTE ANY AND ALL CONTRACTS
FOR THE PROJECT(APN: 062-004-029 – JOHN P. BRICHETTO)

On January 27, 2009 the Water Committee and members of Staff met with Mr. John Brichetto to discuss the need to replace approximately 3,100 linear feet of the Brady Pipeline and Brady Extension Pipeline.

After a brief discussion concerning the history of the facility (please refer to the attached documentation for clarification purposes) and the necessity surrounding it's replacement, it was recommended by the Water Committee that Oakdale Irrigation District (OID) move forward with replacement of the pipeline on the condition that Mr. Brichetto provide OID with a standard thirty (30) foot Grant of Easement for the Brady Pipeline and the Brady Extension Pipeline. Staff and members of the Water Committee were present to provide further clarification and answer any questions.

A motion was made by Director Webb and was seconded by Director Bairos to authorize a budget amendment for the emergency replacement of a portion of the Brady Pipeline and Brady Extension Pipeline and to authorize the General Manager to execute any and all contracts for the project (APN: 062-004-029 – John P. Brichetto), and was voted as follows:

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

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION TO
SHARE FIFTY PERCENT IN THE RECRUITMENT COSTS
TO REPLACE THE RETIRING GENERAL MANAGER AT
TRI-DAM WITH SOUTH SAN JOAQUIN IRRIGATION DISTRICT

The final version of the GM job description that was included in the SSJID Board agenda packet was included in this agenda item. Don Thornburg, HR Manager at SSJID, has estimated the expenses to fill this vacancy at about \$12,000. The timeline anticipates the new GM starting work on June 28th. This will provide for a 30 day transition period which my or may not be necessary but the time has been built into the schedule.

The process has begun and Management requests that the Board authorize a 50% sharing of the final costs of this recruitment with SSJID.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to share fifty percent (50%) in the recruitment costs to replace the retiring General Manager at Tri-Dam with South San Joaquin Irrigation District.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION ON
STEP 4 DISCIPLINARY ACTION
AGAINST OID EMPLOYEE ED PEREZ

OID Disciplinary Policy is a 4 Step process. If an employee grievance is not resolved in Steps 1-3, the matter is referred to the Board of Directors (Step 4). Under the Brown Act, the employee has the choice of having this matter held in open or closed session. With counsel from OE3 Business Representative Patrick Thistle, Mr. Perez has chosen to have his Written Discipline held in Open Session.

The Board will find a copy of MOU section 6.1.4 outlining the procedures for this Step 4 hearing. In short;

- OID Management will make its presentation on the actions taken against Mr. Perez and why they were done, and their justifications. The Board may ask questions.
- OE3 or Mr. Perez will explain the written rule or policy alleged to have been violated, misinterpreted or misapplied by OID and any facts known at the time to the employee to support his position. The Board may ask questions.
- This is an oral argument hearing. There will be no dialogue between OID Management and OE3 or Mr. Perez.
- The Board will take the testimony heard and render a decision to both parties in 20 working days.

General Manager Steve Knell, Patrick Thistle, OE3 Business Representative, and Ed Perez were present at the hearing. This matter will be placed on the Agenda for the next regularly scheduled Board Meeting as a Closed Session item for the Board to render its decision.

COMMUNICATIONS **ITEM NO. 18**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 19 days without a lost time injury accident.
2. Competent Person training for excavations scheduled for February.

Administration Activities

1. Bond financing meetings and Finance Committee meetings.
2. SJRG Meeting points;
3. California Irrigation Institute Conference February 3rd and 4th.
4. Labor/Management meeting held on the 16th. Will be setting up an Insurance presentation for Personnel Committee to go over the upcoming changes for 2009.
5. Tri Dam Committee meeting on filling anticipated GM vacancy. Worked on job description with SSJID General Manager and their Personnel Manager with input from Steve Felte. To be included for approval at OID BOD meeting February 17th.
6. Steve Fields had water back January 22nd. Still making noise.
7. Attended Oakdale's State of the City Address given by Mayor Ferrell Jackson
8. Met with Joe Da Silva on issues at his ranch/dairy
9. Attended a Labor Law Seminar with Kathy Cook in Sacramento
10. Lori Fitzwater Presley coordinating 100th Celebration activities with Vern Crow and Tom Laidlaw
11. Lori looking into Team Building training costs for employees and management
12. OID passed its California DOT inspection by the Highway Patrol with flying colors.
Thanks to Doug Wey and Lori for their excellent record keeping.

Contract and Special Project Activities

1. Cape Horn Tunnel – Drill Tech completed the contract work on January 20, 2009 and completed the demobilization of the site on January 27, 2009. The project is forecasted to complete approximately \$550K under budget.
2. Little John Creek Dam Project – Teichert Construction completed all contract work on January 30, 2009. Final work will be completed by Sierra Controls for the SCADA system and PG&E for the power installation. Both are schedule to be completed on or before Friday, March 6, 2009.
3. Riverbank/South Main - Sierra Mountain completed concrete pours, backfilling and Shotcrete. Fencing is to be completed by February 6th with Punch List items to be completed by February 10th.
4. Fairbanks/Cometa Control Structure Rehabilitation – Teichert Construction completed the Diversion Structures, Rip Rap installation, pipe installation and canal shaping. The C-10 gates and miscellaneous metals will be completed on February 4, 2009. The coffer dam removal and the concrete lining upstream of the control structure will remain until the Rubicon frame installation has been completed to protect the work downstream at the SSJID canal. The coffer dam and remaining work will be completed on February 6, 2009.

5. Fairbanks/SSJID Main – Preston Pipeline completed the RCP installation and backfilling over the new culvert. Banks are being compacted and shaped for Shotcrete to start on February 4, 2009. The Upstream Headwall has been formed and will be poured on February 3, 2009. The control structures will be backfilled once the turnout and spill piping has been completed. The project is still on schedule to be completed on February 24, 2009.
6. The USFWS requested study for the California Tiger Salamander at the upstream portal of the Cape Horn Tunnel has been completed with the monitoring site demolished on January 30, 2009. Bumgardner Biological Services will provide the necessary report to USFWS by February 20, 2009.
7. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
8. Project coordination with Engineering Consultants.
9. Construction Management and Contracts Administration manuals being developed

Construction & Maintenance Activities

1. Review of Job Set Up Forms
2. Review of Request For Work Approvals
3. On-going review for potential dirt sites
4. Various Landowner meetings
5. Assisting Engineering Department on upcoming Capital Projects.
6. Posted out of house for the Auto-Shop Chief Position, currently reviewing applications.
7. A-Z Bus Sales completed the installation of the emissions particulate filter on the Kobelco 210 excavator.
8. Working on a District Drain Cleaning Program.

Engineering Activities

1. Ongoing Suspense Forms.
2. Board Agenda Report preparation.
3. Working with various Irrigation Design Companies on new turnout designs for construction this winter.
4. Engineering Department Staff assisting Mr. Jernigan with construction inspection activities on this winters contracted projects.
5. Design underway for 2009/2010 Capital Projects.
6. Design for the North Side Reservoir is underway and several meetings have been held between the Water Operations Department, Engineering Department and P&P to discuss design related issues. Moving forward with stipulation to presence, developing mitigation plan, addressing LEDPA issues and draft BO for submission to USACOE and USFWS.
7. Conde's CEQA package is complete. Waiting for compliance with two (2) outstanding conditions of approval. The Engineering Department has been told that the new C-10 Canal gate has been modified to be in accordance with District Standards and STANCO is pursuing the necessary permit compliance issues with the Conde's. If compliance to the two (2) outstanding conditions has not been achieved by 2/11/09, a Board Agenda Report will be prepared for the 2/17/09 Board meeting asking the Board to reconsider the Conde's annexation.

8. Working with Support Services and Landowner as it pertains to replacement of the Brady Pipeline.
9. Water Committee Meeting on 1/27/09 to discuss seven (7) different issues.
10. Working on Goad Construction Issues with Jason Jones, Support Services Manager and G&K as it pertains to recording the Lot Line Adjustment.
11. Mr. Thorburn attended the USBR Canal Automation short course in Denver Colorado last week.
12. Preparing Purchase Agreement for new deep well site (Furtado).

Water Operations Activities

1. Water Utilities
 1. ID 22 – Nothing to Report
 2. ID 41 – Nothing to Report
 3. ID 42 – Nothing to Report
 4. ID 45 & 49 – Nothing to Report
 5. ID 46 – Pooley Lot Split Committee Meeting scheduled for Feb. 24
 6. ID 51 – Nothing to Report
 7. ID 52 – Committee Meeting held on Jan. 28 to discuss the fate of the former well sites
 8. RWS – Completed the installation of a new Air Charger on Hunter Ranch Storage Tank
2. Assisting Engineering Department with design operability of 2009 Capital Projects
3. Preparing various scopes of work for SCADA contracts
4. February Snow Survey results will be available at the Feb. 17th Board meeting
5. Monitoring State Water Conditions
6. Preparing Modernization Paper for USCID Reno Conference
7. Drafting Fringe Service Policy
8. Processing various Land Reclassifications and Reconnects for the 2009 irrigation season
9. Water Users mailer to be sent out on Feb 4 addressing forecasted water conditions and water conservation responsibilities.

Finance and Accounting Activities

1. Prepared Engineering Costs/Obligations Summary
2. Rural Water billing notices in January: 79-late payment notices, 11-15 day shut-off notices, and 5-48 hour shut-off notices
3. Preparation and review of bond documents and financing scenarios. Bond financing meetings and Finance Committee Meetings
4. Continue to prepare for year-end 2008 closing journal entries.
5. Preparation for Richardson and Company request for documents and information.
6. Continue to review contract payments in accordance with contract documents.

B. COMMITTEE REPORTS

Finance Committee Meeting, January 23, 2009

- Potential Tax Exempt Bond Issuance

This item was previously addressed on the Agenda.

Water/Engineering Committee Meeting, January 27, 2009

- Kistler Land Reclassification
- Loren Reid Land Reclassification
- John Brichetto Land Reclassification (Heath Ranch)
- John Brichetto Re-Connection of Brady Pipeline
- Dry Creek Lateral Encroachments
- Jerry Bray Flooding Damages (APN: 014-009-010)
- Water Distribution – Rotation Sheet Analysis

Director Webb stated that the Water/Engineering Committee discussed the fact that several parcels are requesting a land reclassification from pasture to trees with a portion of the parcel lying within the district boundaries and a portion of the parcel lying outside of district boundaries. He stated that the Board will place this issue on the next agenda as a discussion item to determine how to proceed with these parcels.

Planning and Public Relations Committee Meeting

- City of Oakdale and OID Discussion on Mutual Benefit Projects

Director Clark stated that the Planning and Public Relations Committee met with the Fire Chief and the City Manager of Oakdale to see if there are any mutual benefits projects that District can assist them with. They are going to schedule another meeting in March to discuss this matter further.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Webb

Director Webb thanked staff and the Finance Committee for a job well done on the bonding matter.

Director Clark

Director Clark stated that he hoped that the District continued to make a concerted effort to prepare for a drought and continue to work with the farmers who have deep well pumps and encourage them to use their pumps. He stated that we need to use all of the resources that we have available to make sure that the shortage, if it does occur, is easier.

Director Alpers

Director Alpers stated that he was approached by an individual with pasture that wants to convert to a drip system and asked if the District would waive his water charges while he is putting in his trees. He asked that this matter be placed on the agenda for discussion at next Board Meeting.

Director Bairos

Director Bairos had not comments.

At the hour of 11:22 a.m. the Board of Directors went into closed session.

CLOSED SESSION
ITEM NO. 19

1. Closed Session to discuss the following:

- A. **Government Code §54956.9(b) Anticipated Litigation**
Two (2) Cases
- B. **Government Code §54957.6 Conference with Labor Negotiator**
Agency Negotiator: General Manager
**Unrepresented Employees: Exempt Management/Supervisory/
Confidential Employees**

At the hour of 11:45 a.m. the Board returned to open session.

There was no reportable action from Closed Session.

OTHER ACTION
ITEM NO. 20

At the hour of 11:45 a.m. the meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, February 17, 2009 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, February 19, 2009 at 9:00 a.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