

MINUTES

Oakdale, California
January 8, 2008

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 Alpers, President
Steve Webb
Frank B. Clark
Tony Taro (arrived at 9:10 a.m.)

Absent: Al Bairos, Jr., Vice President (Jury Duty)

Staff Present: Steve Knell, P.E., General Manager/Secretary
Kevin King, Water Operations Manager
John Davids, Support Services Manager
Kathy Cook, Chief Financial Officer
Gary Jernigan, Contract/Special Projects 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 9:01 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There was no public comment and public comment closed at 9:01 a.m.

Director Clark requested that Item No. 6 be pulled from the Consent Calendar and Director Alpers requested that Item Nos. 8 and 9 be pulled from the Consent Calendar.

PUBLIC HEARING ITEM NO. 2

Public Hearing on an Ordinance to Increase Director Compensation.

President Alpers opened up the public hearing.

There being no comments from the public concerning the increase of Director's Compensation the public hearing closed at 9:02 a.m.

CONSENT ITEMS
ITEM NOS. 3, 4, 5, 7

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF DECEMBER 18,
2007 AND RESOLUTIONS NOS. 2007-64, 2007-65 and 2007-66

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of December 18, 2007 and Resolution Nos. 2007-64, 2007-65, and 2007-66.

ITEM NO. 4
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE RENEWAL OF MEMBERSHIP TO
WATER EDUCATION FOUNDATION FOR 2008

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve Renewal of the membership to Water Education Foundation for 2008.

ITEM NO. 7
APPROVE CAPITAL ASSIGNMENT
OF WORK ORDER NUMBERS

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

| <u>Facility</u> | <u>Project Description</u> | <u>Estimated Cost</u> | <u>Work Order No.</u> |
|-----------------|---|-----------------------|-----------------------|
| Rodden Highline | Install 18" C-10 head gate with 6' frame | \$ 2,700 | 0801 |
| ID 51 | Motor control panel replacement on pump no. 2 | \$ 2,908 | 0802 |
| ID 22 | Destruction of non-operational well | \$ 8,500 | 0803 |
| ID 51 | Motor control panel replacement on pump no. 1 | \$ 2,908 | 0804 |
| ID 49 | Motor control panel replacement | \$ 2,908 | 0805 |
| Claus Pump | Phase 2 -Relocate and upgrade existing pumping station to new location. | \$52,700 | 0806 |
| Adams PL | Replace 14" in-line valve | \$ 3,300 | 0807 |

ACTION ITEMS

ITEM NOS. 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17

ITEM NO. 6

**APPROVE MODIFICATION
TO JURY DUTY POLICY**

Director Clark stated that he did not understand why the Federal Court was specifically referred to in the modification of the Jury Duty Policy. He stated that no employee should be encumbered financially whether it is for Federal Court or local jurisdiction. He would like the policy revised and brought back to the Board.

There was no action taken on this agenda item.

ITEM NO. 8

**APPROVE ENCROACHMENT AGREEMENT ON
COMETA LATERAL (APN: 002-009-024 – STANISLAUS COUNTY)**

Director Alpers asked if there would be any interference with the possible inter tie between Oakdale and the Modesto Reservoir and the encroachments on the Cometa Lateral. John Davids stated that there would be no interference with the possible inter tie.

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Encroachment Agreement on Cometa Lateral (APN: 002-009-024 – Stanislaus County).

ITEM NO. 9

**APPROVE ENCROACHMENT AGREEMENT ON
COMETA LATERAL (APN: 002-009-024 – STANISLAUS COUNTY)**

Director Alpers asked if there would be any interference with the possible inter tie between Oakdale and the Modesto Reservoir and the encroachments on the Cometa Lateral. John Davids stated that there would be no interference with the possible inter tie.

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Encroachment Agreement on Cometa Lateral (APN: 002-009-024 – Stanislaus County).

ITEM NO. 10

**REVIEW AND TAKE POSSIBLE ACTION ON
APPOINTMENT OF BOARD COMMITTEES FOR 2008 AND 2009**

Per OID Policy;

The Chairman shall preside over all meetings of the Board, shall appoint the members of all standing committees, subject to Board approval, and shall have such other powers to perform such other duties as may be prescribed from time-to-time by the Board.

Special committees may be appointed by the Chairman/President of the Board with approval of the Board for such special tasks as circumstances warrant. A special or ad hoc committee shall limit its activities to the accomplishment of the task for which it is appointed and shall have no power to act except such as specifically conferred by action of the Board.

The following are the Committee assignments as submitted by President Jack D. Alpers.

Standing Committees

| | |
|------------------------------|------------------------------------|
| Finance Committee | Clark and Bairos, w/alternate Webb |
| Water/Engineering Committee | Webb and Bairos w/alternate Alpers |
| Water Conservation Committee | Taro and Bairos w/alternate Clark |
| Personnel Committee | Clark and Alpers w/alternate Webb |
| Planning Relations Committee | Clark and Alpers w/alternate Webb |
| Tri-Dam Proj/Auth Committee | Webb and Alpers w/alternate Bairos |

Special/Ad Hoc Committees

| | |
|---|-----------------------------------|
| Domestic Water Committee | Webb and Clark w/alternate Alpers |
| San Joaquin Flood Control Representative | Taro w/alternate Bairos |
| San Joaquin River Commission Representative | Alpers w/alternate Clark |

A motion was by Director Clark, seconded by Director Webb, and unanimously supported to assign the Directors to the Committees as set forth above.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ADOPTING
AN EMPLOYEE HEALTH AND WELLNESS PROGRAM

Staff submitted a Health and Wellness Program to the Board's Personnel Committee for review on September 11, 2007 and October 28, 2007. The Committee instructed Staff to prepare a draft policy for Board consideration. OE3 was sent this draft policy for review.

Basically, this program will provide reimbursement to an employee for monthly membership dues up to \$48 per month for a full-service health and fitness or weight control club. Please refer to the attached policy for more detail.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to adopt the Employee Health and Wellness Program for one (1) year and revisit the policy next year to see how much participation there has been by the employees.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION
AUTHORIZING THE GENERAL MANAGER TO
EXECUTE A WORK ORDER RELEASE TO
PROVIDE A RATE STUDY ON OID'S RURAL WATER
SYSTEM UNDER CH2M HILL'S 2006 PSA 005

The Oakdale Irrigation District (OID) Rural Water System's current rate and fee structure has been in place since January 1997. Over the past ten (10) years there have been numerous state mandates for operational requirements, new and more frequent and expensive water quality testing, added maintenance and infrastructure changes that may not be currently reflected in the existing water rate. This Rate Study is intended to be a comprehensive analysis and review of the current operating, administrative, and capital costs associated with the OID's Rural Water System only.

The development of a new rate or an increase in rates may be subject to Proposition 218. This study will satisfy one of the requirements set forth in this proposition should a rate increase be needed.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to authorize the General Manager to execute a Work Order Release to provide a rate study on OID's Rural water System under CH2M Hill's 2006 PAS 005.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION TO
APPROVE CHANGE ORDER #1, #2, #3, AND #4 TO
GRANITE CONSTRUCTION ON THE BRICHETTO/CLARIBEL
CONTROL STRUCTURE MODIFICATION

Change Order #01 – East bank required approximately 800 feet of reconstruction due to latent conditions from berry vines. The berry vines concealed the bank condition the quantity of available dirt to rebuild the bank. Change Order #01 amount is \$20,690.50.

Change Order #02 – Alternate access was required to continue construction on the control structure. The work consisted of grading and the placing of base rock on existing road to support truck traffic. Change Order #02 amount is \$1,071.34.

Change Order #03 – The soils report for the west bank indicated "moist" conditions. However, once the work started, the soil was found to be saturated and was unable to support any equipment and or construction required to shape the bank. The existing soil was treated with lime to stabilize the west bank. Change Order #03 amount is \$34,212.00.

Change Order #04 – In the bid documents, an alternate bid was requested to construct an "All-Weather" road; Granite Construction's bid for this work was \$22,400.00. Due to the existing conditions and the wet season approaching, Granite was requested to install this road to facilitate the construction during the wet season. Change Order #04 amount is \$10,960.00 or about 50% of the bid amount.

Staff recommends that the Board authorize the General Manager to execute Change Order's #01 thru #04 in the amounts specified. The total for Change Order's #01 thru #04 is \$66,933.84 thereby increasing the contract price for Granite Construction from \$374,300.00 to \$441,123.84. The approved Work Authorization amount is \$436,700 thus requiring the budget to be increased by an amount of \$4,533.84.

General Manager, Steve Knell, stated that there was a mathematical error in the fiscal impact cost. The correct fiscal impact cost is \$44,533.84 not \$4,533.84, which is the change to the Granite Construction contract.

A motion was made by Director Webb, seconded by Director Taro, and unanimously supported to approve Change Orders #1, #2, #3, and #4 to Granite Construction on the Bricchetto/Claribel Control Structure Modification.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION TO
APPROVE ATTENDANCE BY STAFF AND
DIRECTORS AT VARIOUS CONFERENCES (CALIFORNIA
IRRIGATION INSTITUTE CONFERENCE AND
MID PACIFIC REGION WATER USERS CONFERENCE)

These conferences provide an opportunity to stay abreast of water issues that may impact the OID. Board members and staff may have interest in attending these conferences.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve attendance by staff and Directors at the California Irrigation Institute Conference and Mid Pacific Region Water Users Conference.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION TO ADOPTING
AN ORDINANCE FIXING THE COMPENSATION OF DIRECTORS

The time demands for a director to perform his job properly are substantial. Board meeting preparation and research, Committee meetings, field visits, constituent meetings, mandated training from the State, attendance at legislative seminars and technical seminars to keep abreast on the changing water and power industry are extensive and time consuming.

For this reason, and as instructed by the Finance Committee, a Notice for a Public Hearing to increase director compensation has been made available to the public. The notice and proposed ordinance was published in the Modesto Bee on December 20 and December 27, 2007 pursuant to Section 6066 of the California Government Code. In accordance with California Water Code Section 20203 a Public Hearing has been held prior to this action.

The proposed ordinance would fix Director compensation at \$12,000 annually (\$1,000 per month), and would become effective no sooner than 60 days after approval by the Board. The ability of the Board to increase its compensation arises out of California State Water

Code Section 21166 (a)(2)(C) allows directors of California irrigation districts of less than 500,000 acres that produce or distribute electric power, such as our hydroelectric facilities, to receive compensation of up to \$15,000 per year.

In 2001 OID Director compensation was set at \$5,400 annually (\$450 per month). In 2004 due to the reduction of the Tri-Dam Power Authority compensation of \$200, OID Director compensation was set at \$7,200 annually (\$600 per month) which resulted in net loss in overall compensation of \$600 annually (\$50 per month).

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to adopt an Ordinance Fixing the Compensation of Directors at the \$12,000 annually (\$1,000 per month).

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION TO
INCREASE HOURLY RATE FOR WATER COUNSEL
AND AUTHORIZE OTHER CONTRACT MODIFICATIONS

The services provided by Water Counsel in defense of OID's water rights since the early 1990s has been without question, beneficial to the OID and its constituents. Mr. O'Laughlin has been instrumental in securing financially beneficial arrangements on the sale of surplus water that has netted OID millions of dollars in revenues. Had those transactions not taken place, OID water rates would not be some of the lowest in the State. Last year Mr. O'Laughlin, because of his knowledge, secured two spot water market transfers that resulted in a \$1.8 million dollar increase to OID's revenues in 2007.

By industry standards, Mr. O'Laughlin's rates for legal representation are well, if not below, that of his peers operating in the same professional area of practice. For these reasons, Staff recommends the changes as outlined in Mr. O'Laughlin's letter of December 27, 2007. Mr. O'Laughlin's hourly rate in October of 2002 was \$170 per hour. In January of 2005 Mr. O'Laughlin's hourly rate was increased to \$200 per hour.

A motion was made by Director Webb and seconded by Director Alpers to approve the increase in the hourly rate to Water Counsel to \$225.00 per hour and to delete the eight (8) free travel trips from the contract and was voted as follows:

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

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION ON
GENERAL MANAGER'S REQUEST TO BE A CANDIDATE
FOR A VACANCY ON THE USCID BOARD OF DIRECTORS

The General Manager has been asked to be a candidate for a Board vacancy on the United States Committee on Irrigation and Drainage. This Committee is a society of irrigation and

drainage professionals organized in 1952 organized to share and promote the technical nature of these two agricultural specialty areas (irrigation and drainage) amongst its profession.

Six candidates have been nominated by the Commission to fill three positions. If selected, the position would be for no more than two-three year terms and would require attendance at two annual meetings per year.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve General Manager's request to be a candidate for a vacancy on the USCID Board of Directors.

COMMUNICATIONS **ITEM NO. 18**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 596 days without a lost time injury accident.

Administration Activities

1. Legal Issues;
 - a. Goad settlement continues. Staff has responded to Mr. Goad's attorney regarding his issues and is still awaiting signed easement papers in order for OID to move forward and complete its work.
 - b. Knight's Ferry dec relief – Case management hearing held yesterday, January 7th.
 - c. Chappell Drain-Ijams to send a follow up letter.
 - d. Annexations – Conde's contract addendum regarding the bridge has been sent to the Conde's and we are still awaiting its return.
2. Admin Issues;
 - a. CCSF / Modesto Reservoir Feasibility Study –We were looking to set up a meeting with both TID and MID regarding the findings of this study for sometime in January.
 - b. Negotiations with SEWD – A meeting have not been scheduled since our last meeting of November 19th. Stockton has said it will call a meeting when ready.
 - c. Goodwin Budget meeting held December 31st
 - d. Organizational Goals for 2008 submitted to Personnel Committee.
 - e. P.R. &R. review status –idled.
 - f. Revising OID's Strategic Plan – idled.
 - g. OUSD WET Program – No activity
 - h. Personnel Matters
 - i. Employee survey scheduled to go out to employees January 10th.
 - ii. Engr. Tech. Sr. position not filled from in-house applicants.
 - iii. PERB's – Meeting in Sacramento on December 19th resulted in all 5 PERB complaints being resolved.
 - iv. Reviewing Heavy Equipment training plan submitted by Ad Hoc Safety Committee.

- v. Avery and Associates to be contacted and restart the hiring process for a Support Services Mgr.
- vi. New Assistant Engr., Eric Thorburn, began work January 2nd.

Finance Activities

1. Preparation of year-end closing entries and annual audit.
2. Preparation of 1099's and W-2's.
3. Working with OVCB on ID52 loan.
4. Preparation of Director Compensation documentation.
5. Working on Rate Structure contract.
6. Responding to multiple customer inquiries regarding 2008 billing.

Contract and Special Project Activities

1. The Campbell Pipeline repairs were located and RTC began work repairing the joints, gaskets and pipe. Work was suspended from December 20th until January 2nd, due to rains and holidays. Work started again on January 2nd and will continue until the rains start. The work remaining is to excavate sections of the pipe and check for exposed gaskets, proper backfill and sagging sections of the pipe. Once this has been completed, perform an internal inspection and hydrotest the line. There is still about 4 weeks of work to be completed.
2. CH2MHILL requested elevations along the various routes for the conveyance system. The survey started December 26, 2007 and should be completed January 10, 2008.
3. Conco West continued with the construction on the Burnett/Tulloch Control Structure Modifications. Work completed during the previous two weeks includes final pours on the control structure floors and walls. Backfill and grading started around the structure.
4. Granite Construction completed the all weather access road construction, backfilling around the pipe for the Brichetto lateral. Formed and poured the box for the Brichetto Control Structure. Started forming for the Claribel Control Structure.
5. Cunningham & Sons has mobilized to form the bridge supports structures in preparation for the bridge arrival in mid to late January.
6. Cunningham & Sons formed the pier caps for the bridge supports. Waiting delivery of the anchor bolts to set and pour the supports. Scheduled to pour Wednesday, January 9th. The pipe bridge is scheduled for delivery in the middle of January. Cunningham will have all of the work completed necessary to facilitate the Bridge installation.
7. The Kearney Pipeline Replacement was awarded to Mazingo Construction with the notice to proceed issued for December 21, 2007. Work scheduled to start in Mid January once the pipe arrives.
8. Work continued with Provost & Pritchard for the Knights Ferry Water Delivery System and Little John Creek Dam Upgrade.
9. Contract Administration activities on issued contracts and contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
10. Started preparation for the 2008 contracting plan with the preparation of the RFQ for the engineering of the projects per the 5-Yr WRP.

Construction and Engineering Activities

1. On going project management with Giuliani and Kull, Inc.
2. On going project support with Provost and Prichard, Inc.

3. Continued North Side Reservoir negotiations
4. New Assistant Engineer started 1/2/08, Eric Thorburn
5. Preparation of office remodel plans and coordination with Contractor and City of Oakdale
6. Ongoing Suspense Forms
7. Ongoing Board Agenda Reports
8. Preparation of Option Analysis for Langworth Pipeline property
9. Clear and grub complete on the Langworth. Pipe delivered 1/2/08 and 1/3/08
10. Floor completed on South/Palmer Project. Walls being constructed now.
11. Rodden Highline Rehabilitation Project Complete
12. Young Lateral Siphon Replacement Project 50% complete
13. Misc. Gate Replacements
14. Additional "normal" C&M duties

Water Operations

1. Working with Legal Counsel to review Lease Agreement for Live Oak Plaza Office Space
2. Preparing for Bid Solicitation for ID 52 merger and system replacement
3. Reviewing Draft Map Book prepared by Provost and Prichard
4. Various Landowner Meetings
5. Coordinating the distribution of the Employee Survey – Survey to be mailed January 10th
6. Coordinating needed Office Improvements
7. Conducted Ag. Waiver Storm Water Sampling on December 7, 2007
8. Coordinated the submittal of an application for AB303 Grant Funding
9. Managing Storm Water when necessary
10. Providing assistance to the Support Service Department when needed
11. Conducted year end pest control inventory on January 3rd.
12. Will be posting for two (2) DSO positions for the 2008 irrigation season.

B. COMMITTEE REPORTS

Director Clark commented on the Personnel Committee held on January 8, 2008 and stated that the Committee went over the 2008 Organizational Goals and made some changes and additions to that list which will be brought to the Board of Directors on January 22, 2008 for adoption.

C. WATER COUNSEL, TIM O'LAUGHLIN, REPORT ON WATER ISSUES

Water Counsel, Tim O'Laughlin, was present and gave a report on water issues to the Board of Directors.

D. DIRECTORS' COMMENTS/SUGGESTIONS

Director Clark

Director Clark had no comments.

Director Webb

Director Webb stated that in conjunction with our Water Resources Plan the District needs to go forward with the Rodden annexation. The General Manager stated that he is developing a scope of work on what this annexation is going to entail on the District's side. Once this has been developed we will bring the scope of work to the Water Committee for discussion.

Director Webb also commented that he feels that the District needs to acquire some land along Two Mile Bar and start a fish restoration project of our own.

Director Alpers

Director Alpers had not comments.

At the hour of 11:02 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 §54956.8 Conference with Real Property Negotiator

Negotiating Parties: OID and Stockton East Water District, City of Stockton, City and County of San Francisco

Property: Water

Agency Negotiators: General Manager and Counsel

Under Negotiations: Price

B. Government Code §54956.8 Conference with Real Property Negotiator

Negotiating Parties: OID and Pat Joslin

Property: Land

Under Negotiations: Price and terms of payment

C. Government Code §54956.9 Existing Litigation

(1) *Karen Eaken, et al. v. Oakdale Irrigation District*

At the hour of 11:42 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 11:42 a.m. the meeting adjourned to the next **Board of Director's Meeting on Tuesday, January 22, 2008, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Thursday, January 17, 2008, at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District 11011 East Highway 120 Street, Manteca, California.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary