

MINUTES

Oakdale, California
October 16, 2007

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 Alpers, Vice President
Frank B. Clark
Tony Taro

Absent: Al Bairos, Jr.

Staff Present: Steve Knell, P.E., General Manager/Secretary
Kevin King, Water Operations Manager
John Davids, Support Services Manager
Gary Jernigan, Contracts & Special Projects Manager
Kathy Cook, Chief Financial Officer
Bob Nielsen, Water Operations Assistant - WUD

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

General Manager, Steve Knell, requested that Item No. 11 be heard first on the Action Calendar.

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

PUBLIC COMMENT ITEM NO. 1

Mike Sons who resides at 6353 Stoddard Road stated that he spoke with the insurance company and they have come to an agreement. He asked if the Board of Directors would be willing to negotiate the bill he received from the District for the pipe that he broke. He was not disputing that he broke the pipe but would like to discuss the bill he received. President Webb referred this matter to the Water Committee for discussion and to make a recommendation that the matter be placed on the Agenda.

There being no further public comment, public comment closed at 9:03 a.m.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 6, 7

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF OCTOBER 2, 2007
AND RESOLUTIONS NOS. 2007-47, AND 2007-48

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of October 2, 2007 and Resolution Nos. 2007-47 and 2007-48.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Improvement Districts' Statement of Obligations.

ITEM NO. 5
APPROVE THE TREASURER AND CHIEF
FINANCIAL OFFICER'S REPORT FOR
THE MONTH ENDING SEPTEMBER 30, 2007

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending September 30, 2007.

ITEM NO. 6
APPROVE BALLOT FOR NATIONAL WATER
RESOURCES ASSOCIATION (NWRA) CALIFORNIA CAUCUS

A motion as made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the ballot for National Water Resources Association (NWRA) California Caucus.

ITEM NO. 7
APPROVE AN AMENDED RESOLUTION
TO SURPLUS DISTRICT'S PROPERTY

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve an amended Resolution to Surplus District's Property.

ACTION ITEMS
ITEM NOS. 11, 8, 9, 10, 12, 13, 14, 15, 16, 17, 18, 19

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION
TO CERTIFY THE VOTE OF THE IMPROVEMENT
DISTRICT NO. 46 MEMBERSHIP TO PROCEED WITH
IMPLEMENTATION OF A CAPITAL REPLACEMENT FUND

To establish a Capital Replacement Fund as based on the Browning Reserve Group Reserve Study dated September 24, 2005, including any changes or conditions to the fund as directed by the membership of the improvement district.

Improvement District No. 46 voted to proceed with implementation of a capital replacement fund by the following vote:

Ayes: 12 (by mail)
Noes: 1 (by mail)
Passed by a total vote of 77.
(All non votes (64) are considered as yes votes.)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to certify the vote for Improvement District No. 46 Membership to proceed with implementation of a capital replacement fund.

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON
CLAIM FOR DAMAGES FILED BY RODNEY MOUSHILOU

In July 2007, Mr. Moushilou claims he sustained serious injuries as a result of an automobile accident involving a District vehicle driven by a District employee.

Staff recommends rejecting the claim and forwarding it to ACWA/JPIA. A rejection by the Board is not a statement it disagrees with the claim nor is it an admission of fault.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to reject the claim filed by Rodney Moushilou and forward it to ACWA/JPIA for further handling.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION TO
RESCIND THE BOARD'S VOTE OF JULY 24, 2007
ON THE CONDE ANNEXATION (APN: 002-063-039)

On July 24, 2007 the Board voted to approve the Conde Annexation Resolution pending the signing of the associated annexation contracts.

On September 11, 2007 the Conde's returned the contract documents to OID fully executed.

On October 2nd the matter was brought before the Board again with no action taken except to bring back a residual cost of the existing bridge. That information will be presented if needed.

Procedurally, under Board policy, the Board needs a motion from any Director and a second from any Director and a vote of the majority of the Board to reopen discussions on a previously approved Board action. Without that action, no discussions on this matter may proceed.

Staff asserts:

1. There is no legal basis upon which the Board is required to compensate the Conde's;
2. That OID is compliant with the terms of the Bellinger agreement and any variances in compliance have come with the full knowledge of the Conde's; and
3. That the Board's policy on annexations is a no-harm policy for the OID constituents and any variance to the Board's own policy is not in the best interests of its constituency.

A motion was made by Director Clark and seconded by Director Alpers to rescind the Board's vote of July 24, 2007 on the Conde Annexation (APN: 002-063-039) and was voted as follows:

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

Thereafter, there was a lengthy discussion regarding the bridge on the Conde Property. Mr. Conde was also present at the hearing and participated in the discussion.

A motion was made by Director Alpers and seconded by Director Clark under Section 7.6 of the Annexation Policy to reduce the annexation fee to be paid by Conde Farms by ten percent (10%), to forever release the District from any and all liability associated with the bridge, and to reaffirm the Annexation Agreement executed by Conde Farms with these changes, and was voted as follows:

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

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION TO
REAFFIRM RESOLUTION NO. 2007-33
PROPOSING ANNEXATION FOR CONDE FARMS
(APN: 002-063-039 – CONDE FARMS)

District staff has determined that the property set forth below is surplus to the needs of the District. Items on the list have either been replaced with new equipment; are no longer serviceable; are no longer safe to operate, or are too costly to continue to maintain and repair.

Staff is unaware of what the specific concerns are with the Conde annexation contract. The last issue, which was denied by the Board, centered on the existing bridge. On a general note, staff has real concerns about any economic concessions related to this annexation on a number of fronts.

OID's Annexation Agreement is specific and clear regarding economic concessions for anyone seeking annexation. Annexations are to be at-no-cost to OID constituents. Section B, New Capital Charges, is the purpose by which the Agreement ensures there is not cost to OID constituents. Unless there is a legal basis for the Board to do otherwise, staff sees no reason to deviate from policy.

OID's Annexation Contract Establishing the Terms and Conditions for Annexation is equally clear on this matter, and specific to this issue. Sections 4.5 and 4.6 of this contract are clear. There would have to be a legal basis, supported by a legal opinion from counsel, for the Board to disregard these contract provisions.

If compensation is requested by the Conde's on any matter, the Board may wish to invoke Section 7.6 of the Annexation Agreement. This section allows OID to adjust the annexation fee to offset costs that have not been accounted for. Again, the purpose of Section 7.6 is an advantage to the OID to ensure a no-cost impact to its constituents from an annexation. It would be difficult to support not invoking this provision if the Conde's purpose is to seek financial concessions.

By the Conde's recent actions, they will be required to put in place an H2O Load Rated bridge to eliminate the liability of not having a bridge that is sufficient to meet the needs of their farming operation. Whether they annex to the OID or not, this will be a required expense. There is no legal basis for OID to share in this required cost if OID will not benefit from the improvement.

This Action Item was rendered moot by the Board's previous action under Action Item No. 9.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION
ON A RESOLUTION SETTING WATER
DELIVERY FEES FOR THE YEAR 2008

The resolution submitted is to set the water rates for 2008. The resolution reflects the following:

- Anticipated no water rate increases.
- Installment due dates:
 1. Thursday, December 20, 2007
 2. Friday, June 20, 2008

As illustrated on the attached comparative table, the surface irrigation rates presented today have been subsidized since 1979 by \$93 per acre, or 477%. This subsidy (or return on investment) is primarily derived from Tri-Dam revenues and Water Transfer revenues. The surface irrigation water rates presented today (at \$19.50 per acre) versus 1979's rate (\$31 per acre) have been reduced by \$11.50 per acre or 59%.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to leave the water delivery fees for 2008 the same as the water delivery fees for 2007.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION
ON A RESOLUTION FOR CHARGES RELATED
TO IRRIGATION WATER SERVICES FOR THE YEAR 2008

The State of California Water Code, Section 22283, provides that the District prescribe reasonable rules and regulations to carry out the provisions of Section 22280 et. seq. Annually, these rules and regulations are reviewed and adopted by the Board.

Director Alpers had three recommendations to the fees; item 9 should be changed to county's fees plus a \$50.00 fee for District staff time for processing the payment; item 10 should be changed to \$50 or \$75.00 for per parcel as payment for processing title changes on all District records; and item 13 for theft of utility services should be changed to \$250.00.

General Manager, Steve Knell, stated that a fee must match the services provided. Staff needs to come back to the Board and tell the Board what the actual cost is for these services and make a recommendation to the Board. The District should review all of its fee structures for services and come back to the Board with a complete package for the Board's review.

The Board directed staff to review all of its fee structures for services and come back to the Board at a later date, but requested staff to address the three fee recommendations made

by Director Alpers for the charges related to irrigation water services for the year 2008 and defer any action until the next Board Meeting in November.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON A
RESOLUTION SETTING DOMESTIC WATER IMPROVEMENT
DISTRICT OPERATIONS AND MAINTENANCE CHARGES
AND OTHER RELATED CHARGES FOR THE YEAR 2008

Staff met with the committees of each domestic water improvement district during the month of August. The attached resolution provides for setting 2008 ID Operation and Maintenance (O&M) rates. It is anticipated that these O & M rates are sufficient to cover the current year's anticipated expenditures, as well as next year's anticipated expenditures.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Resolution Setting Domestic Water Improvement District Operations and Maintenance Charges and Other Related Charges for the Year 2008.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON A
RESOLUTION SETTING AG WATER IMPROVEMENT
DISTRICT OPERATION AND MAINTENANCE CHARGES
AND OTHER RELATED CHARGES FOR THE YEAR 2008

Staff sent letters to all landowners of each agricultural water system Improvement District during the month of August. The attached resolution provides for setting 2008 ID Operation and Maintenance (O&M) rates. It is anticipated that these O & M rates are sufficient to cover the current year's anticipated expenditures, as well as next year's anticipated expenditures.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Resolution Setting Ag Water Improvement District Operation and Maintenance Charges and Other Related Charges for the Year 2008.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION ON A
RESOLUTION SETTING DOMESTIC WATER IMPROVEMENT
DISTRICT RESERVE FUND CONTRIBUTION FOR 2008

As approved by the landowners of ID 49 and 51, staff is submitting the attached resolution for 2008 Reserve Fund contributions.

General Manager, Steve Knell, requested that this Resolution be amended to include Improvement District 46 and their reserve fund contribution for 2008 of \$200.00 per lot.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to amend the Resolution to include Improvement District 46 and to approve the

Resolution Setting Domestic Water Improvement District Reserve Fund Contribution for 2008.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION TO
AUTHORIZE GENERAL MANAGER TO ENTER INTO
A PROFESSIONAL SERVICES CONTRACT FOR RECRUITMENT
OF DISTRICT ENGINEER, ASSISTANT ENGINEER, AND FIELD SUPERVISOR

Staff has tried to fill the vacant positions of District Engineer, Assistant Engineer and Field Supervisor for many months without success. Staff was directed to go out with a Request for Quotations from recruiting agencies specializing in hiring technical positions. The three recruiting agencies solicited, William Avery & Associates, Los Gatos, CA, CPS Executive Search, Sacramento, CA and Management Partners, Inc, San Jose, CA. All responded with a proposal to recruit for the identified Staff positions.

Upon reviewing these proposals, an evaluation of each was based on seven (7) areas; proposed team, work plan, schedule, cost, previous placements, potential data base of candidates and commitment. The following is a summation of the review of each based on the areas:

- All three had good teams but William Avery & Associates and Management Partners had dedicated teams with William Avery & Associates having the stronger team.
- All three had a good work plan which appears to have been developed over a period of time.
- The schedule for all three was basically the same, 13 – 16 weeks after award.
- The cost for fee and expenses ranged from \$53,500 to \$74,000 with William Avery & Associates being the lowest, Management Partners and CPS Executive Search respectively.
- Based on previous placements, again William Avery & Associates had the better record with CPS Executive Search very close.
- William Avery & Associates and CPS Executive Search each had, what appears based on the number of previous placements, a good potential candidate data base.
- Final commitment, William Avery & Associates and CPS Executive Search each offer a guarantee to provide a replacement if a selected candidate resigned or was replaced within a year from the date of hire.

Based on the review of each proposal of the capabilities, cost and success of each agency, Staff recommends awarding a contract to William Avery & Associates for the recruitment of the District Engineer, Assistant Engineer and the Field Supervisor.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to authorize the General Manager to enter into a Professional Services Contract with Avery & Associates.

ITEM NO. 18
REVIEW AND TAKE POSSIBLE ACTION
ON AWARD OF BID FOR THE
BRICHETTO/CLARIBEL CONTROL STRUCTURE MODIFICATION

Staff has solicited bids for the Brichetto/Claribel Control Structure Modification Project from nine (9) contractors. The contractors were Teichert Construction, Cunningham & Sons, Mozingo Construction, Johnson Western Gunite, D.A. Wood Construction, Granite Construction, Syblon Reid Construction, W. C. Maloney and Conco West, Inc. Bids will be opened at 2:00 pm on Monday, October 15, 2007 for Brichetto/Claribel.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to award the bid for the Brichetto/Claribel Control Structure Modification to Granite Construction.

ITEM NO. 19
REVIEW AND TAKE POSSIBLE ACTION
ON AWARD OF BID FOR THE
BURNETT/TULLOCH CONTROL STRUCTURE MODIFICATION

Staff has solicited bids for the Burnett/Tulloch Control Structure Modification Project from nine (9) contractors. The contractors were Teichert Construction, Cunningham & Sons, Mozingo Construction, Johnson Western Gunite, D.A. Wood Construction, Granite Construction, Syblon Reid Construction, W. C. Maloney and Conco West, Inc. Bids will be opened at 2:30 pm on Monday, October 15, 2007 for the Burnett/Tulloch Control Structure Modification Project.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to award the bid for the Burnett/ Tulloch Control Structure Modification to Conco West, Inc.

DISCUSSION ITEM

ITEM NO. 20
DISCUSSION ON BUSINESS ITEMS AS
THEY APPEAR ON THE TRI-DAM BOARD
AGENDA FOR THURSDAY, OCTOBER 18, 2007

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

General Manager, Steve Knell, stated that he had not seen the Agenda and was uncertain as to whether or not the internal controls issue was on the Agenda. Director Alpers stated that it was on the Agenda for this meeting and asked if Kathy Cook, Chief Financial Officer, could review the Agenda Report and provide the Directors with her comments.

COMMUNICATIONS
ITEM NO. 21

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID employees have gone 498 days without a lost time injury accident!!

Administration Activities

1. Legal Issues consuming staff time;
 - a. Goad settlement issues continue.
 - b. Knight's Ferry dec relief –OID's cross complaint filed on October 12th. Preparing for discovery in the coming month.
 - c. Chappell Drain-ljams to send a follow up letter.
 - d. Annexations – Conde's are back on agenda.
 - e. Conde's bridge – This matter is back on the agenda as well.
2. Admin Issues consuming staff time;
 - a. CCSF / Modesto Reservoir Feasibility Study –Update conference call this Thursday. CCSF Tour set for the 24th and an MID tour set for the 31st.
 - b. Preparing for negotiations with CCSF - Continue to review CCSF PEIR
 - c. Negotiations with SEWD – Next meeting on October 22nd. Closed session on that for this agenda.
 - d. Modesto City proposal for water treatment – Nick Pinhey to come in November and give presentation.
 - e. 5-Year Capital CIP and Finance Options – a committee meeting is trying to be scheduled.
 - f. 2008 Budget preparations – continues.
 - g. Community Report Articles and Publication – Has anyone had feedback since its release in the Oakdale Leader on October 10th??
 - h. P.R.&R. review status –idled.
 - i. Revising OID's Strategic Plan – idled.
 - j. Relocation of OID offices – idled but pending response from developer.
 - k. OUSD WET Program – No action.
 - l. VAMP water repayment issues still pending.
 - m. VAMP issues of Conference call meeting on October 9th; no fish, no trolling, no HORB . . . what that means will be discussed.
 - n. Personnel Matters
 - i. Random drug testing continues.
 - ii. John Davids signed up for Oakdale Chamber of Commerce Leadership Program.
 - iii. Employee survey continues. Trying to set Committee meeting with SDS Research and staff.
 - iv. Meet and Confer on Engr. Tech. Sr. position continues.
 - v. Mediator called in on employee discipline matter. Scheduled for Oct 25th.
 - vi. PERB's – Scheduled conference for October 23rd.
 - vii. Reviewing Heavy Equipment training plan submitted by Ad Hoc Safety Committee.

- viii. Headhunter for filling 3 vacancies on this agenda.

Water Operation Activities

1. Attended the USCID Sacramento Conference on October 1st – 5th.
2. Preparation of Employee Survey Questions to submit to the Personnel Committee.
3. Finalization of In-Kind Labor Certification for the Prop 13 Water Quality Framework Grant.
4. Gave a classroom presentation on hydrology on Thursday, October 11, 2007.
5. Assisting Engineering in the finalization of design for winter projects.
6. Coordinating a response for Mr. Amerine's request for information.
7. Preparing for System Winterization.

Finance Activities

1. Attended CSDA's 2007 Annual Conference.
2. Met with ID52 landowners in regards to proceeding with financing and going out to bid.
3. Conducted testing and interviewing of applicants for the additional Principal Account Clerk position.

Contract and Special Project Activities

1. Met with RTC at the Campbell pipeline while the system was under the maximum flow. Walked the system to confirm with RTC all areas still in need of repair. The leaks were still in the same location. Agreed upon a plan to expose the pipe in the areas of where the leaks are located. Once the pipe is open, an internal inspection will be conducted to determine the condition of the remaining pipe. Once the condition is determined, a repair/replacement plan will be finalized. Rinker has been notified of the approximate amount of pipe which may be required. Rinker has already set aside some pipe but has in stock the total amount.
2. If needed. RTC will start on October 23rd to expose the pipe.
3. P&P conducted a field investigation for the water conveyance system modifications to transfer ownership to the Knights Ferry landowners.
4. Notified CH2MHILL of the comments to the Technical Memo for the North Side Regulating Reservoir, modifications are in progress.
5. Completed contracts and issued Notice to Proceed to Cunningham & Sons to start construction for the Grider Pipeline Recapture Project and the Reed Pipeline Canal Crossing at SSJID.
6. Issued Addendum for each bid package to the bidders on the Brichetto/Claribel Control Structure Modification and the Burnett/Tulloch Control Structure Modifications projects.
7. Continued field investigations to support CH2MHILL on the water conveyance to the Modesto Reservoir.
8. Conducted field surveys to determine the extent and plan to handle Stormwater for finalizing Cape Horn Tunnel Hazardous Assessment Study.
9. Contract Administration on issued contracts and contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction and Engineering Activities

1. Preparation of Knights Ferry information for Legal Counsel.
2. Review of OID CEQA Guidelines.

3. Northside Reservoir project support – CH2MHill.
4. Provost and Prichard project support.
5. Giuliani and Kull project support.
6. Diliberto long crested weir design.
7. Completion of 2007/2008 Winter Work Season design drawings.
8. Support Services Manager attended USCID Conference in Sacramento last week.
9. Five (5) Support Services employees attended an ACME Rigging safety training on 10/9/07.
10. Final preparation of the 2007/2008 Winter Work Season.
11. The 2007/2008 Winter Work Season will begin on Wednesday, October 24, 2007.

B. COMMITTEE REPORTS

There were no Committee Meetings.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers had no comments.

Director Clark

Director Clark had no comments.

Director Taro

Director Taro stated that MID has a lot of water and asked if they have so much water why they are pumping groundwater.

Director Webb

Director Webb stated that this water year went very well and he thanked staff. He also stated that he has been told that the Community Report was well presented and contained good information.

At the hour of 10:36 a.m. the Board moved to closed session.

CLOSED SESSION

ITEM NO. 17

1. Closed Session to discuss the following:

A. Conference with Real Property Negotiator - Government Code §54956.8

Negotiating Parties: OID, Stockton East Water District, City of Stockton
and Westside Interests

Property: Water

Agency Negotiators: General Manager and Counsel

Under Negotiation: Price

At the hour of 11:08 a.m. the Board returned to open session.

The General Manager, Steve Knell, stated that there was no reportable action from the Closed Session.

OTHER ACTION
ITEM NO. 21

At the hour of 10:10 a.m. a motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to adjourn to the next **Board of Director's Meeting on Tuesday, November 6, 2007, 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, October 18, 2007, at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District 1205 East F Street, Oakdale, California.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary