

## MINUTES

Oakdale, California  
August 21, 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  
Al Bairos, Jr. (arrived at 9:25 a.m.)  
Frank B. Clark  
Tony Taro

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

Also Present: Timothy O'Laughlin, Esq. (arrived at 10:30 a.m.)

### **ADDITION OR DELETION OF AGENDA ITEMS**

There were no additions or deletions

### **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**

Manual Conde of Conde Farms, 15880 Sonora Road was present at the hearing and passed out a copy of a portion of the Hilts Bellinger Agreement from 1912. He stated that he had an engineer look at OID's bridge on his property on August 8, 2007 and on August 9, 2007 the engineer informed him that the bridge was unsafe and should be closed. He stated that pursuant to the Hilts Bellinger Agreement the District should rebuild the bridge. Gregg Haskell, Structural Engineer was also present at the hearing and stated that he does not recommend repairing the bridge, but recommends replacing the bridge.

There being no further public comment, public comment closed at 9:09 a.m.

Henry Burtschi requested that Item No. 8 be pulled from the Consent Calendar.

**CONSENT ITEMS**  
**ITEM NOS. 2, 3, 4, 5, 6, 7, 9**

**ITEM NO. 2**  
**APPROVE THE BOARD OF DIRECTORS' MINUTES**  
**OF THE REGULAR MEETING OF AUGUST 7, 2007**

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of August 7, 2007.

**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 Improvement District's Statement of Obligations.

**ITEM NO. 4**  
**APPROVE OID IMPROVEMENT**  
**DISTRICT STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 5**  
**APPROVE THE TREASURER AND CHIEF**  
**FINANCIAL OFFICER'S REPORT FOR**  
**THE MONTH ENDING JULY 31, 2007**

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending July 31, 2007.

**ITEM NO. 6**  
**APPROVE LETTER OF AGREEMENT IN**  
**EXCHANGE FOR GRANT DEED FOR**  
**STEVENOT LATERAL (APN: 002-052-022 – JOSLIN)**

A motion as made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Letter of Agreement in exchange for Grant Deed for Stevenot Lateral (APN: 002-052-022 – Joslin).

**ITEM NO. 7**  
**APPROVE RESOLUTION TO ACCEPT**  
**A GRANT DEED FOR STEVENOT**  
**LATERAL (APN: 002-052-022 – JOSLIN)**

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to accept a Grant Deed for Stevenot Lateral (APN: 002-052-022 – Joslin).

**ITEM NO. 9**  
**APPROVE WORK RELEASES TO GENERAL**  
**SERVICES CONTRACTS FOR VARIOUS VENDORS**  
**AND CONTRACTORS (SIERRA CONTROL SYSTEMS,**  
**INC. AND GROVER LANDSCAPE SERVICES, INC.)**

A motion was made by Director Alpers, and seconded by Director Clark, and unanimously supported to approve the work releases to General Services Contracts for various vendors and contractors (Sierra Control Systems, Inc. and Grover Landscape Services, Inc.).

**ACTION ITEMS**  
**ITEM NOS. 8, 10, 11**

**ITEM NO. 8**  
**APPROVE CONTRACT MODIFICATION**  
**#001 TO PROFESSIONAL SERVICES**  
**AGREEMENT 2007-005 (GIULIANI & KULL)**

Henry Burtschi wanted to know what the increase per hour was for the Giuliani & Kull contract modification, how much we have spent this year, and would it be better for OID to have a permanent engineer in-house. Director Webb stated that the modification was to reduce the rate from \$95.00 to \$75.00 per hour.

A motion was made by Director Clark, and seconded by Director Alpers, and unanimously supported to approve the contract modification #001 to Professional Services Agreement 2007-005 (Giuliani & Kull).

**ITEM NO. 10**  
**REVIEW AND TAKE POSSIBLE ACTION ON**  
**REQUEST FOR PROPOSALS FOR ANNUAL AUDIT**  
**SERVICES FOR THE YEARS 2007, 2008, AND 2009**

The general responsibility of a CPA firm is to conduct an audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Their responsibilities are:

- Evaluate the internal control system to provide reasonable assurance that the agency is managing its financial affairs in compliance with applicable laws and

regulations and, where weaknesses are noted, make recommendations for improvements.

- Ensure that the financial statements of the agency present fairly its financial operations in accordance with the generally accepted accounting principles.
- Ensure that the agency has complied with laws and regulations that may have a material effect on its financial statements.

Staff invited 19 CPA firms to submit a three-year proposal for furnishing the District's annual audit services for the years 2007, 2008 and 2009. The following four firms submitted proposals:

Richardson & Company                      This firm has provided services for Merced ID, Sacramento Suburban Water District, El Dorado Irrigation District, and Fair Oaks Water District. Two of the four references were contacted. Merced ID and El Dorado ID both rated this firm's overall performance as *excellent*.

Noell Agnew & Morse, LLP                      This firm has provided services for Consolidated Irrigation District, Tea Pot Dome Water District, Stevinson Water District, Orosi Public Utilities District, Goshen Community Services District, and California Tree Fruit Agreement California Plum Marketing Board. Two of the six references were contacted. Consolidated ID and Stevinson Water District rated this firm's performance as *above average to excellent*.

Bartlett, Pringle & Wolf, LLP                      This firm has provided services for Santa Ynez Water District, Goleta West Sanitary District, Carpinteria Valley Water District, Cachuma Operation & Maintenance Board, and Sweetwater Authority. Two of the five references were contacted. Santa Ynez Water District and Carpinteria Valley Water District rated this firm's performance as *above average to excellent*.

Charles Z. Fedak & Company                      This firm has provided services for Hi-Desert Water District, Victor Valley Water District, Goleta Water District, West Valley Water District, and Vallecitos Water District. Two of the five references were contacted. Victor Valley WD and West Valley WD both rated this firm's performance as *excellent*.

***All proposals are available for review in the Chief Financial Officer's office.***

<b>FISCAL IMPACT:</b>	<u>Firm</u>	<u>Three Year Contract</u>
	Richardson & Company	\$72,000
	Noell Agnew & Morse, LLP	\$81,260
	Bartlett, Pringle & Wolf, LLP	\$87,000
	Charles Z. Fedak & Company	\$89,400

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to award the bid to Richardson & Company for the annual audit for 2007, 2008, and 2009.

**ITEM NO. 11**  
**REVIEW AND TAKE POSSIBLE ACTION ON**  
**AWARD OF BID FOR PURCHASE**  
**OF WORKSITE UTILITY VEHICLE WITH TRAILER**

Presently, the District has a Quad which is very limited on its capabilities and is a safety concern for District personnel to operate. One injury has already occurred and the equipment can only transport one person and no equipment. The new vehicle will transport two personnel with material and tools. Once the new vehicle is purchased, the District's existing Quad will be surplus and sold.

Bids were solicited from three (3) vendors with two (2) vendors responding, Industrial Equipment Sales and Rentals and Bobcat Rental, Inc.

Industrial Equipment Sales bid \$15,854.00 for the Worksite Utility Vehicle with tax and license included, and \$2,911.00 for the trailer with tax and license included for a total of \$18,765.00. Also, Industrial Equipment Sales will provide an upgrade of an all-weather cab with air conditioning and pressure treated ACQ #2 lumber for the trailer included in the price.

Bobcat Rentals, Inc. bid \$15,239.00 for the Worksite Utility Vehicle, no tax and license and \$2,417.00 for the trailer with no tax and license. With taxes included, the price becomes \$16,359.06 and \$2,594.65 for a total of \$18,953.10 and no upgrades.

Staff recommends the purchase of the Worksite Utility Vehicle with trailer from Industrial Equipment Sales and Rentals based on price and higher quality of equipment for a total price of \$18,765.00.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the purchase of the worksite utility vehicle with trailer from Industrial Equipment Sales.

**DISCUSSION ITEMS**  
**ITEM NOS. 12, 13, 14, 15**

**ITEM NO. 12**  
**DISCUSSION ON WATER STATUS BETWEEN**  
**NOW AND THE END OF THE YEAR AND**  
**ON PROVIDING AN OCTOBER ROTATION**

The 2007 irrigation season will officially end at midnight on September 30, 2007. The end date occurs on the 10<sup>th</sup> day of Rotation 17, which is tentatively scheduled to be a 14 day rotation. If the District were to make a decision to suspend all irrigation deliveries on the end date, roughly 70% of the Water Users would have received 17 rotations and 30% would have received 16 rotations. In fairness to all water users, District staff is proposing that the District finish out Rotation 17 and subsequently pull water from the distribution system on or about October 4, 2007. In so doing, the District is electing to divert water from its in-distinct 2008 water allocation; approximately 3,600 acre-feet.

As of August 15, 2007 the District has unofficially diverted 198,800 acre-feet. Net of contractual obligations the District has approximately 54,400 acre-feet remaining of the 2007 allocation. The anticipated diversion for the remainder of August is 22,000 acre-feet. Since 1989 the District historically uses on average 37,000 acre-feet in September. The monthly average since 2003 is slightly lower at 34,500 acre-feet. Based on unofficial diversion numbers and the forecasted use, the District's total diversion for 2007 is projected to be 302,100 acre-feet. Through maximizing the use of the Deep Wells between now and the end of the season the District's use should be just below 300,000 acre-feet.

That said, in the past, the District has historically provided an October rotation. The historical average diversion for October is 11,000 acre-feet. Should the District decide to provide an October rotation, as well as the Staff recommendation to provide all water users with an equal amount of rotations, total diversions for October are estimated to be 14,600 acre-feet.

Staff would advise the Board to consider the potential for the 2008 irrigation season to be similar in nature to the 2007 irrigation season. Should the District have a water short year in 2008 and an above average summer, the 11,000 acre-feet diverted for a full rotation in October of 2007 could be very useful in August and September in 2008. The decision of providing an October rotation rests with the Board.

Water Operations Manager, Kevin King, discussed the status of water and October water deliveries. He stated that it is the District's intention to provide two more 14-day rotations thereby ending the season on October 4, 2007. The District needs to decide whether or not to provide one more rotation in October. Mr. King further stated that at this point it is not known when SSJID intends to start construction on the Joint Main; which will be decided on August 28, 2007. It was agreed that the Board would address the October rotation at its September 4, 2007 Board Meeting.

**ITEM NO. 13**  
**DISCUSSION ON THE INTEREST OF THE**  
**BOARD IN CONDUCTING AN EMPLOYEE SURVEY**

At the APPA convention, some of the attending Directors visited a seminar discussing the merits of employee surveys as a means to benchmark the organization in a variety of areas. On July 17, 2007 the Personnel Committee further discussed the benefits of conducting an employee survey within the organization and wished to bring this to the full Board. The firm of SDS was at the convention and has a long history of doing employee surveys and has provided OID with a Proposal.

After a discussion by the Board of Directors, it was agreed to place this matter on the September 4, 2007 agenda as an action item.

**ITEM NO. 14**  
**DISCUSSION CSDA BOARD OF DIRECTORS**  
**ELECTION 2007, SDRMA BOARD OF DIRECTORS,**  
**AND ACWA REGION 4 BOARD BALLOT 2008-2009 TERM**

The General Manager, Steve Knell, discussed how the Board wishes to handle voting on these various Special District and Water Agency elections.

The Board agreed to leave the voting on the various special district and water agency elections to the discretion of the General Manager. However, it was requested that prior to forwarding any ballots, that the ballots be brought back to the Board as a Consent item to afford the Directors an opportunity to further discuss the ballots, if necessary.

**ITEM NO. 15**  
**DISCUSSION AND REPORT OF**  
**TRI-DAM AD HOC FINANCE COMMITTEE**

Members of the Board reported on their Committee meeting with SSJID on Tri Dam financial controls.

The General Manager, Steve Knell, and the Chief Financial Officer, Kathy Cook, were directed to prepare the Agenda Item to be voted on at the Tri-Dam Meeting on September 20, 2007. This Agenda item should be presented to the District's Board of Directors at their September 4, 2007 meeting for approval prior to the Tri-Dam Meeting.

**COMMUNICATIONS**  
**ITEM NO. 16**

**A. GENERAL MANAGERS REPORT**

**Safety Activities**

1. 453 days without a lost time injury accident.

2. Members of the Safety Committee and select OID employees have crafted a heavy equipment training manual which is under review.

### **Administration Activities**

1. Summer Newsletter.
2. Community Report Status.
3. Knights Ferry Dec Relief Action.
4. P.R.&R. review status.
5. SEWD Negotiations.
6. CCSF Negotiations.
7. Modesto Reservoir feasibility study.
8. Modesto City interest in OID Water Treatment involvement.
9. Strategic Planning status.
10. Relocation of OID offices-status.
11. Attended Water Summit VI meeting on August 15<sup>th</sup>.
12. Attended SFPUC Scoping Meeting on Habitat Reserve Program August 14<sup>th</sup>.

### **Water Operation Activities**

1. Mr. King will provide the Board with an update at this meeting.

### **Finance Activities**

1. Preparation of 2008 budget.
2. Preparation of 5-year CIP financing plan.
3. Preparation of improvement district 2008 budgets.
4. Preparation of ID 52 loan alternatives.

### **Contract and Special Project Activities**

1. P&P, CH2MHILL and OID reviewed the Operating requirements, Topo map, Geotechnical requirements and preliminary layout for the North Side Reservoir in a meeting on August 14, 2007.
2. Continued to work with P&P for the water conveyance system modifications for transfer of ownership to the Knights Ferry landowners.
3. Started the bid package preparation for the Brichetto/Claribel Control Structure Modifications, Burnett/Tulloch Control Structure Modifications, Grider Pipeline Recapture Project and the Reed Pipeline Canal Crossing at SSJID.
4. Continued field investigations for the Water Loss Recovery Program
5. Continued field investigations to support CH2MHILL on the water conveyance to the Modesto Reservoir.
6. Continued document review of PEIR for the CCSF Water System Improvement Project.
7. Contract Administration on issued contracts and contracts to be renewed and/or issued.
8. Update on consultant's contract status for engineering services.

### **Construction and Engineering Activities**

1. Mr. John Davids got married on August 11<sup>th</sup> and has been on a honeymoon in Hawaii. We wish him and his new wife all the best.



## **B. COMMITTEE REPORTS**

### Water/Engineering Committee Meetings

Tuesday, August 7, 2007, @ 10:30 a.m.

- Determine Ownership of Grey Pipeline on Regan Amerine Property

Director Webb discussed the Water/Engineering Committee Meeting. Director Webb stated that since the Committee Meeting on August 7, 2007 at which Mr. Amerine was present, he had been contacted by Mr. Amerine who requested that he come out to his property. Director Webb stated that he felt the entire Water/Engineering Committee should go out to his property. General Manager, Steve Knell, stated that the Committee made a decision and if Mr. Amerine is not happy with the Committee's decision he needs to take this matter up with the Board of Directors. Support Services Manager, John Davids, will send a letter to Mr. Amerine confirming the Committee's decision and advising him that this matter will be on the Board's agenda for September 4, 2007 and invite his attendance.

## **C. DIRECTORS' COMMENTS/SUGGESTIONS**

### Director Alpers

Director Alpers discussed several topics:

- The stripes in the parking lot should be repainted;
- He has the San Joaquin River Group reports and there is some information in the reports that is rather important. He will provide copies for the Directors who are interested;
- Roger Beymer wrote another letter to the Oakdale Leader;
- There was an article in the Modesto Bee concerning the TID co-generation plants. In this article TID states that OID's conveyances are being used by TID; and
- The landowners on the Keeley Pipeline should be sent a notice advising them that they need to repair their private pipeline. General Manager, Steve Knell, stated that the County of Stanislaus sent a notice to the landowners advising them that they needed to fix the pipeline and stated they would ask OID to stop irrigation water if it is not fixed.

### Director Clark

Director Clark had no comments.

### Director Bairos

Director Bairos apologized for his tardiness in arriving late to the meeting today. Director Bairos also asked the District to review its general counsel because the attorneys' fees are high. Director Bairos asked if this needs to go to the Committee for review. Director Webb requested that this matter be placed on the Finance Committee Meeting for August 24, 2007.

Director Taro

Director Taro had no comments.

Director Webb

Director Webb stated that there is still a landowner in Riverbank whose grass is always green and asked if the box had been sealed off. Water Operations Manager, Kevin King, stated that he would look into it.

At the hour of 10:35 a.m. the Board moved to closed session.

**CLOSED SESSION**  
**ITEM NO. 17**

**A. Government Code §54956.9(b) Anticipated Litigation**  
One (1) Case

At the hour of 11:30 a.m. the Board returned to open session.

General Manager, Steve Knell, reported that by a vote of 5 to 0 the Board authorized Water Counsel, Tim O'Laughlin, to file the Declaratory Relief action on the Knights Ferry water issue.

**OTHER ACTION**  
**ITEM NO. 18**

At the hour of 11:35 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, September 4, 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 **Tuesday, September 20, 2007, at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District 11011 East Highway 120, Manteca, California.

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Steven A. Webb, President

Attest:

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Steve Knell, P.E., Secretary