

MINUTES

Oakdale, California
April 18, 2006

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

Directors: Steve Webb, President
Jack D. Alpers
Louis Brichetto
Tony Taro
Frank B. Clark

Staff Present: Steve Knell, P.E., General Manager/Secretary
Kathy Cook, Chief Financial Officer
Gary Jernigan, Support Services Manager
Kevin King, Water Operations Manager
Bob Nielsen, Water Utilities Supervisor

Also Present: Tim O’Laughlin, Water Counsel

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of Agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

Director Brichetto requested that Consent Item No. 10 be pulled from the Consent Calendar.

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

PUBLIC COMMENT ITEM NO. 1

Henry Burtschi stated that in review of the financial situation of the District the District should share the income with the people.

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

Tom Gookin commented on the “Katrina Two” on Horseshoe Road. He also asked about the removal of the Oleander bushes on the Tulloch Pipeline. Director Clark suggested that the District look into the location of the Oleander bushes and whether or not they are in fact

encroaching on our easement and bring this matter back before the Board in one month. Director Webb stated that he will speak with the owner of the Oleander bushes as well.

Larry Foard questioned whether or not the District is to have an audit report by this time. Chief Financial Officer, Kathy Cook, responded yes; however, the auditor has been ill and the report was not finalized. The audit report will be presented at the next Board Meeting.

Roger Beymer commented on "Little Katrina" on Horseshoe Road and stated that he believed the railroad ties did not belong to the District. He also wanted to know if the District had determined what the total cost of the damage was to the District's infrastructure by the flooding.

Public Comment was closed at 9:20 a.m. and the Board Meeting continued.

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

ITEM NO. 2
APPROVE THE BOARD OF DIRECTOR'S MINUTES OF THE
REGULAR MEETING OF APRIL 4, 2006
AND RESOLUTION NOS. 2006-22 THROUGH 2006-25

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Board of Director's Minutes of the Regular Meeting of April 4, 2006 and Resolution Nos. 2006-22 through 2006-25.

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 Oakdale Irrigation District Statement of Obligations.

ITEM NO. 4
APPROVE IMPROVEMENT DISTRICT
STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE THE TREASURER'S AND CHIEF FINANCIAL
OFFICER'S REPORT FOR THE MONTH ENDING MARCH 31, 2006.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Treasurer's and Chief Financial Officer's Report for the month ending March 31, 2006.

ITEM NO. 6
APPROVE GENERAL SERVICES CONTRACTS
FOR VARIOUS VENDORS AND CONTRACTORS

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the General Services Contracts for Various Vendors and Contractors.

ITEM NO. 7
APPROVE RESOLUTION TO SURPLUS
PROPERTY (OBSOLETE FUEL STORAGE CONTAINER)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Resolution to Surplus Property (Obsolete Fuel Storage Container).

ITEM NO. 8
APPROVE INCREASE IN
DEL-TECH GENERAL SERVICES CONTRACT

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the increase in Del-Tech General Services Contract.

ITEM NO. 9
APPROVE ENCROACHMENT AGREEMENT
ON THE CRANE PIPELINE (APN: 063-025-007 - HUDELSON)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Crane Pipeline (APN: 063-025-007 – Hudelson).

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

ITEM NO. 10
APPROVE CHANGE ORDER
TO CONDOR/BECK ENTERPRISES

Director Brichetto asked if Condor wanted the change order due to the delays that Beck Enterprises caused to Condor. General Manager, Steve Knell, stated that due to rain we impacted their work schedule and they are claiming damages suffered as a result of the delay caused by the District. Thereafter, a motion was made by Director Clark, and seconded by Director Alpers to approve the change order to Condor/Beck Enterprises, and was voted as follows:

Ayes: Directors Alpers, Clark, Webb
Noes: Directors Brichetto, Taro

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION TO CERTIFY
THE VOTE OF THE IMPROVEMENT DISTRICT NO. 46
MEMBERSHIP REGARDING THE CREATION OF NEW LOTS
AND THE EXPENDITURE OF FUNDS FOR A NEW WELL SITE

To certify the vote of the improvement district membership regarding the approval or disapproval of the creation of eleven (11) new residential lots and the expenditure of funds for the installation of a new well/pumping station.

Improvement District No. 46 voted for the creation of new lots and the expenditure of funds for a new well by the following vote:

Disagree	17
Agree	61

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to certify the vote of Improvement District No. 46.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON CLAIM
FOR DAMAGES ON THE MOULTON PIPELINE (WILLIAM MERKEL)

In February of 2005, RTC started work on the replacement of the Moulton Pipeline. This work started at the S/E property corner of Mr. Merkle's property and ran the length of the east property line of Mr. Merkel. Due to the rains, this project was not completed prior to the start of the water season. Remaining to be completed was the backfill on Mr. Merkle's property and the repair of some leaks that were discovered after the irrigation season began. Efforts were made by RTC to try and repair these leaks during the irrigation season, but the work was halted. The work was re-scheduled following the irrigation season. Once the irrigation season ended, the leaks were repaired as well as the leaks in the existing structures. OID was responsible for the backfill material which was hauled to Mr. Merkel's property. However, the rains came again and the work was halted. All of this repair work was completed in early February of 2006, except for the grading.

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

After discussion by the Board, a motion was made by Director Alpers, seconded by Director Brichetto, and unanimously supported to approve the payment of Mr. Merkel's claim in the amount of \$3,000.00.

President, Steve Webb, also requested the Water/Engineering Committee meet with Gary Jernigan and Mr. Merkel to discuss how to bring Mr. Merkel's property back to the condition it was in prior to the work being done on the pipeline. Director Clark also asked the Water/Engineering Committee to look at the issue involving the fact that Mr. Merkel had two pots to irrigate out of originally and now he only has one. Director Clark stated that he knows what our policy states, but Mr. Merkel claims that he cannot irrigate out of one pot.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
ENCROACHMENT AGREEMENT ON THE ADAMS NO. 1
PIPELINE (APN: 064-058-010/012 – PALLIOS PROPERTIES, INC.)

The Oakdale Irrigation District (OID) Adams No. 1 Pipeline is located (within a twenty (20) foot easement) on the aforementioned parcel owned by Pallios Properties, LLC, as shown on the attached Exhibit "C". Pallios Properties, LLC proposes to develop a tractor supply company on the aforementioned parcels. The eastern portion of the parcel has been designed to incorporate an outdoor display area. For specific site plan details, please refer to Exhibit "C". The outdoor display will consist of nonpermanent encroachments such as tractors, implements and misc. additional equipment. The aforementioned nonpermanent encroachments will have no additional impact to OID's water delivery system and the completed Encroachment Agreement allows for its removal at any time should OID deem it necessary.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Encroachment Agreement on the Adams No. 1 Pipeline (APN: 064-058-010/012 – Pallios Properties, Inc.).

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF BID
FOR THE PURCHASE OF A USED/NEW HEAVY DUTY TRAILER

At the previous Board meeting Staff submitted for approval the purchase of a Heavy Haul Transport and Equipment Trailer. During the discussion process, the approval was given for the purchase of the Heavy Haul Transport but the Board's direction was to research the availability of a used Heavy Haul Trailer.

Staff researched the availability of a used trailer with several auction brokers as well as used equipment companies. Staff located two (2) trailers available; one is in Las Vegas, NV, 15 years old and for a price of \$52,500. The second was located in Berkley, CA and is 19 years old with a price of \$42,500. Other brokers would not provide any information unless the District committed to a purchase agreement prior to locating an available trailer. They indicated these types of trailers are hard to find and did not want to waste any time without a P.O. before they researched the market. The principal reason is once a trailer is located, it must be purchased immediately.

The Cozad trailer previously quoted from California Kenworth is new and under warranty. The price of the Cozad trailer is \$75,480. Staff still stands behind its previous recommendation that the new trailer purchase is the best long-term investment for OID. Director Brichetto stated that he looked at both of the bids and they are not the same. One is without taxes and the other bid is with taxes. He also stated that he believed that we do not pay the Federal Excise Tax. He stated that he talked to Dave Murray who advised him that you do not use disc brakes on a trailer that is off road all of the time due to the fact that you will wear out the rotors – we should use drum brakes on the trailer. Director Brichetto stated that if you go with drum brakes you will save \$6,200 on the Murray bid. He also stated that if we get rid of the four aluminum wheels that will save another \$1,620 because

they get hit on curbs and will not last. Director Brichetto stated that if we delete these two things it will bring the Murray trailer bid down to \$72,800 and will probably be a little less than that without the taxes. Director Brichetto also said that it is a wide neck gooseneck and anyone that knows anything about goosenecks knows the wide goosenecks are safer. Director Brichetto stated that Murray has an excellent reputation and he feels that we should give Murray the award with those adjustments. He further stated that on the options on the Cozad trailer regarding the three pin settings for the king pins those are not needed on a standard trailer like this.

Director Webb asked if Director Brichetto spoke with both trailer manufacturers or just one. Director Brichetto stated that he spoke to Murray. Director Webb stated that his vote is tainted because he spoke to only one of the manufacturers. Director Brichetto stated that yes it was and he spoke with Murray because he had a lot of experience with Murray and they have a good reputation. Director Webb responded Cozad does not? Director Brichetto stated they make good trailers too, but he would rather have a wide gooseneck over a narrow gooseneck. They are a lot safer.

Director Alpers stated that he thinks that this is a conflict of interest to some degree for one Director to talk to one owner and start rewriting specs after both parties have bid. He stated that he is against going this way and thinks that we should make a decision today and go on.

A motion was made by Director Clark to incorporate Director Brichetto's concerns and do away with the disc brakes, go with the steel wheels, and the wide gooseneck and give these specifications to both manufacturers and the one who comes up with the lowest bid will be the one that we purchase. This was seconded by Director Brichetto, and was voted as follows:

Ayes: Directors Clark, Brichetto, Taro
Noes: Directors Alpers, Webb

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON
AWARD OF BID FOR THE PURCHASE OF TWO SMALL TRAILERS

This item was pulled from the Action Calendar.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION AWARD OF BID FOR
THE PURCHASE OF STORAGE CONTAINER FOR SOUTH MAIN CORE SAMPLES

This item was pulled from the action Calendar.

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION ON
DEVELOPMENT OF AGRICULTURAL WATER
CONTRACTS FOR USE IN OID'S SPHERE OF INFLUENCE

This item was discussed at the April 4, 2006 Board meeting and placed on this agenda for action.

Staff's opinion on the timing of this request for action is that it is premature. Upon conclusion of the Water Resources Plan, after which all issues concerning this subject will have been fleshed out, at that point would it seem logical to begin developing an all inclusive and comprehensive water contract to meet the intended purposes of the Board.

Staff had subsequent discussions with its water counsel and the estimated cost to develop this contract is significantly higher than previously estimated.

Directors Alpers and Clark stated that they felt the development of an agricultural water contract for use in OID's Sphere of Influence is premature and the development of this contract should wait until after the WRP is in place.

Director Brichetto stated that our main direction should be to provide water and this would be an avenue to provide a water supply to the people who have been waiting for years to receive water without going through the annexation process.

Director Brichetto made a motion to amend the out of district water sales time term to 25 years and was seconded by Director Taro, and was voted as follows:

Ayes:	Directors Brichetto, Taro
Noes:	Directors Alpers, Clark, Webb

The motion failed.

Water Counsel, Tim O'Laughlin, was present at the Board Meeting and commented on Director Brichetto's request to change the time term to 25 years.

ITEM NO. 18
REVIEW AND TAKE POSSIBLE ACTION TO
AMEND P.R.&R.S REGARDING SAFETY COORDINATOR COMPENSATION

Section 8, B. (d), of OID's P.R.&R.s, adopted in 1995, authorizes the General Manager to appoint and set the level of compensation for the Safety Coordinator. In 1995 that compensation level was limited to \$1.00 per hour above the base wage. It is being requested that the policy be changed to authorize the General Manager to approve up to \$3.00 per hour above the base wage.

A motion was made by Director Alpers and seconded by Director Clark to amend the P.R.&R.s regarding safety coordinator compensation and authorize the General Manager to approve up to \$3.00 per hour above the base wage, and was voted as follows:

Ayes: Directors Alpers, Clark, Webb
Noes: Directors Brichetto, Taro

DISCUSSION ITEMS
NOS. 19, 20

ITEM NO. 19

**DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR ON THE
TRI-DAM BOARD AGENDA FOR THURSDAY, APRIL 20, 2006**

This item is placed on the agenda to allow Board members an opportunity to openly discuss issues related to the upcoming Tri-Dam Board meeting.

The Tri-Dam Board packets were not received prior to this meeting so there was no discussion on any business items.

ITEM NO. 20

**DISCUSSION BY CH2M HILL ON (A) REVIEW AND CONFIRMATION
OF PREFERRED ALTERNATIVE FOR THE ENVIRONMENTAL
IMPACT REPORT; AND (B) REVIEW OF FINANCIAL MODEL**

This will be a general presentation and discussion on re-affirming the Preferred Alternative for the purposes of writing the Environmental Impact Report (EIR) for the Water Resources Plan.

In addition, CH2M Hill's agricultural economist will be down to provide a refresher on the Financial Model used as a basis for much of the Plan's direction.

Greg Eldridge, Alan Highstreet, and Mark Oliver of CH2M Hill were present at the Board Meeting. Greg Eldridge gave a PowerPoint presentation recapping the WRP and affirming the Preferred Alternative for the Environmental Impact Report; Alan Highstreet gave a PowerPoint presentation in review of the Financial Model; and Mark Oliver gave a PowerPoint presentation on the CEQA process.

COMMUNICATIONS
ITEM NO. 21

A. **GENERAL MANAGER'S REPORT**

Safety Activities

1. CHP Training this week on changes to the tie-down requirements on commercial vehicles
2. To date, we have gone 130 days since our last lost-time injury accident.

Water Operations Activities

1. Start of water season is still in flux. More information to be provided at the meeting.

Administration Activities

1. Reminder that the Stanislaus County Water Summit has been scheduled for April 26th.
2. A Union meet and confer session was held Wednesday, March 15th. OID's negotiating team continues to meet regularly, the third meeting has not been scheduled.
3. Tri-Dam will be at Manteca this Thursday .
4. OID's Irrigation Workshop is scheduled for April 29th. A good response has been received.
5. ACWA Conference in Monterrey May 9th-11th

Finance Activities

1. Preparing and coordinating 2005 Annual Report.
2. Review of Financial Model from CH2M Hill
3. Processing flooding claims.
4. Prepared VAMP expenditure history on water conservation projects for BOR

C&M Operations Activities

1. Addressing flood repair work and completion of existing projects in readiness of the upcoming water season.

Engineering Activities

1. Engineering RFQ released for the design of upcoming water resource projects. Thirteen firms solicited for engineering design services.
2. Assisting CH2M Hill in project planning of future CIP.
3. Cataloging OID's historical aerial photographs

B. WATER COUNSEL'S REPORT

Water Counsel, Tim O'Laughlin, was present and gave his quarterly report.

C. COMMITTEE REPORTS

There were no Committee Reports.

D. DIRECTORS' COMMENTS/SUGGESTIONS

There were no Directors' Comments.

OTHER ACTION
ITEM NO. 21

At the hour of 12:03 p.m. a motion was made by Director Clark, and seconded by Director Alpers, to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, May 2, 2006, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361, and was voted as follows:

Ayes: Directors, Albers, Clark, Webb, Taro
Noes:

Director Brichetto left the Board Meeting prior to it being adjourned, time unknown.

The next **regular Joint Board Meeting for the Tri-Dam Project** is scheduled for **Thursday, April 20, 2006, at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary