

MINUTES

Oakdale, California
September 7, 2004

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

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, P.E., Support Services Manager
Kathy Cook, Chief Financial Officer
Kevin King, Special Projects Coordinator
Tom Laidlaw, Assistant Watermaster

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

Director Brichetto requested that Item No. 5 be heard first on the Action Calendar since Bill Kull, of Giuliani and Kull was present to discuss the annexation issues. A motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to have this item first on the Action Calendar.

CONSENT ITEMS ITEMS NO. 2, 3

ITEM NO. 2 APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF AUGUST 17, 2004

A motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to approve the Board of Directors' Minutes of the regular meeting of August 17, 2004.

ITEM NO. 3 APPROVE OAKDALE IRRIGATION DISTRICT STATEMENT OF OBLIGATIONS

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

**ACTION ITEMS
ITEMS NO. 5, 4, 6, 7**

**ITEM NO. 5
REVIEW AND TAKE POSSIBLE ACTION ON PRESENTATION FROM GIULLIANI AND
KULL ON LANDS SEEKING ANNEXATION TO OID**

Bill Kull explained the screening process regarding annexations and the next step with LAFCO. Bill explained the issues with each of the six properties that were being looked at for annexation and explained that two of the properties would not be able to move forward because they were out of OID's sphere of influence and that he would be requesting reimbursement of a portion of their fees. The properties that staff feels are unable to move forward are Tony and Betty Cenbrano and Joe and Ana Da Silva.

After some discussion the board agreed to review each property as a separate issue and vote on them individually.

Gillum Property – After discussion with Mr. Gillum, staff, Bill Kull and Board members a motion was made by Director Webb, seconded by Director Alpers and unanimously supported to table until Mr. Gillum brings proof of all required information and/or permits regarding irrigation use from Little Johns Creek and bring back to next Board Meeting for further review.

Carla Verburg - A motion was made by Brichetto, seconded by Taro and unanimously supported to move to next phase of the annexation process.

Golden West Nuts – A motion was made by Director Brichetto, seconded by Director Taro to move to next phase of the annexation process and was voted as follows:

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

Haydn-Myer – A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to move to the next phase of the annexation process.

Cenbrano and Da Silva - A motion was made by Director Webb, seconded by Director Clark to not include the properties of Tony and Betty Cenbrano and Joe and Ana Da Silva in the annexation process due to the fact that they are out of the OID sphere of influence. The vote was as follows:

Ayes: Brichetto, Webb, Clark
Noes: Alpers
Abstained: Taro (without reason)

**ITEM NO. 4
REVIEW AND TAKE POSSIBLE ACTION ON PROVIDING AN OCTOBER ROTATION
FOR IRRIGATION WATER DELIVERY**

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve providing October rotation for irrigation water delivery with the following conditions: To include Out of District Service Agreements, and if one inch of rain falls by October 5th we will shut off water delivery.

ITEM NO. 6
**REVIEW AND TAKE POSSIBLE ACTION ON TO ADOPT A REVISED SUBDIVISION-
PARCEL MAP POLICY**

A motion was made by Director Alpers, seconded by Director Webb to approve to adopt a revised subdivision-parcel map policy.

ITEM NO. 7
**REVIEW AND TAKE POSSIBLE ACTION ON THE PURSUIT OF PROPOSITION 50
GRANT FUNDING**

The General Manager wanted to correct the subject line to read - Review and take possible action on **the pursuit of Grant Funding**

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to pursue Grant Funding available utilizing Bookman/Edmonson Engineering.

DISCUSSION ITEMS
ITEMS NO. 8, 9, 10, 11, 12

ITEM NO. 8
**DISCUSSION ON APPOINTMENT OF TWO BOARD MEMBERS TO THE PAST
PRESIDENT'S COMMITTEE**

After an explanation of the Past President's Committee by Director Clark he stated that the two past presidents' were Director Alpers and Director Webb, therefore they are the Past President's Committee.

ITEM NO. 9
**DISCUSS THE PURCHASE OF PROPERTIES BY OID TO FACILITATE / RESOLVE WATER
RIGHTS ISSUES AND ENCROACHMENT / EASEMENT ISSUES**

Director Webb commented that in the past we have had places that have caused us to have issues where we either did or didn't have an easement and it seems to him that if that property came up for sale we could buy it; give ourselves an easement or deeded right-of-way through it and then resale the property and probably wouldn't loose any money in the process and we would be further ahead. We could also use it to resolve water rights issues. The District could find itself further ahead in trying this rather versus trying to force people into easement issues. I am only speaking about lands that we know we have issues on and they come up for sale. We purchase solve our issues and resale the property with our easement/right-of-ways in place.

Director Alpers stated that he agreed with Director Webb, because there was an opportunity where OID should have bought a piece of property when it was for sale because it would have saved in attorney fees later.

Director Bricchetto asked if it would be on a case by case basis. Director Webb stated yes it would be.

ITEM NO. 10
DISCUSSION OF THE FINDINGS FROM THE TOWN WATER SYSTEM SURVEY

Kevin King presented to the board the recent survey on the Town Water System. Staff member Lee Scully went door to door in town to find out how many people would like to disconnect from OID water or not. There are 556 accounts for town water; of those, 37 accounts decided to disconnect; 170 desired to keep town water; 201 were non-responsive and 148 of those properties were determined to be rental properties. These properties were sent letters regarding town water and from those letters we have received 15 to 20 disconnects. The town water system has 68,000 linear feet of pipeline within the whole delivery system; 20,000 feet of that is essential for Ag water down-stream. That leaves 48,000 feet that is dedicated to the delivery of town water; 19,000 feet of that 48,000 feet are OID pipelines, the remaining 29,000 feet of those pipelines are private. The estimated replacement cost to replace the 19,000 feet of OID pipelines is somewhere between \$1.5 to \$2.5 million dollars assuming (\$70-\$100/l.f.). The private lines would be about \$2 and \$3 million dollars or \$4,500 per account which would be their direct cost, not OID's.

Director Alpers stated that the Domestic Water Committee had met on this issue and there are other costs such as revenues from Town Water were \$4,000, while maintenance is \$40,000 and we have a ditchtender committed every other weekend. As far as trying to get the private pipelines improved, if you look at the maps they run under houses, garages, fences and swimming pools. It would be virtually impossible for them to afford to upgrade it. In fact, OID would have to go down the street to furnish these systems, we can't go back where the lines are and repair them in most places. We have liability from flooding and it is difficult to access the system and the public health hazard with the California Code which is not being enforced by the city and we don't really know what those risks are. The most important thing is water rights, is this considered a beneficial use by the State of California, probably not. It is the Water Committee's consideration that after this discussion we put it on as an Action Item for the next Agenda to make a decision if we want to close down the in town water system or not.

ITEM NO. 11
DISCUSS STATUS OF THE TRI-DAM POWER MARKETING PLAN

Steve Knell stated that negotiations for purchase of Tri-Dam Power Generation are down to three finalists, Constellation, Coral Energy & PG&E. Steve Knell stated that he believes that the Board will be asked on September 17th to take the three finalists down to one according to Steve Felte's timeline. The Board has the contracts to review and there will be a special meeting September 8th to go over the contracts with South San Joaquin.

Director Alpers stated that he and Director Taro would be attending the special meeting and would like some input from the other board members. He stated that one of the concerns that had been expressed was what is South San Joaquin's response going to be to these offers. It is no secret that they are considering developing their own retail power business. One of the options was they were going to buy out PG&E's infrastructure and another was they were going to compete with PG&E. We want to be sure that these items are kept separate: A. PG&E purchasing our Tri-Dam and B. Any feelings they have about PG&E and their own district. We are going to have to get a guarantee from them that they are going to consider them as two separate items and if PG&E makes us the best offer for Oakdale they are going to have to consider it and if they don't they are going to have to pay us the differential and that needs to be spelled out at tomorrow's meeting.

ITEM NO. 12
DISCUSS ON THE STATUS OF NEGOTIATIONS FOR A WATER RESOURCES PLAN
CONTRACTOR

Director Alpers stated that they had met with CH2M Hill regarding the Water Resources Plan and their game plan on how to start this plan differed from what the Board had in mind. After the meeting which involved some OID staff, Director Clark and Director Alpers we sent them back to the drawing board to come up with a more condensed version and a clearer view of what we would be spending in each phase. The board as a whole wanted to make sure CH2M Hill put this plan together the way the Board wants it and not how CH2M Hill thinks it should be done.

ITEM NO. 13
COMMUNICATIONS
ORAL REPORTS AND COMMENTS

A. GENERAL MANAGER'S REPORT

Irrigation Issues

1. Review Rotation Schedule and CIMIS data with the Board.

Current Internal Activities

1. San Joaquin County's Ag Coalition refunded OID's "start up" monies it sent the Coalition earlier this year.
 - a. RWQCB is threatening to withdraw NOA's from the Coalitions who are non-compliant with the program.
2. Pursuing a replacement for the vacant Administrative Assistant position. One candidate is in the last steps of the hiring process.
3. Water measurement data from March-August will be ready for the September 21st Board meeting.
4. Per Director comments at the last meeting, Tom Laidlaw and GM addressed residents on Eleanor and California. This is a private flooding issue amongst residents and does not involve the OID. However, discussed with residents the formation of a Drainage Improvement District to resolve some of the issues. Staff is putting this together for their consideration.
5. Carrie O'Donnell flooding; We have not received a claim form from her.
6. Lester Williams; Reviewed again billing of work and some hours were charged to waiting for equipment. Justified to reduce billing by a few dollars.
7. Dog Day held September 3. Closing in on 120 days without a lost time injury accident.
8. Knight's Ferry by-pass line in. Cost to be recouped from KFCSD is goal.
9. Water Resources Plan negotiation session set for Friday, September 10th.
10. TDP Special Meeting scheduled for September 8th in Manteca.
11. Development of a Regional Groundwater Management Plan is progressing. A draft should be available November/December of this year. Looking at acquiring grant funding to accomplish elements of the Plan next year.

Legal Activities

1. Cantel Settlement negotiations continue. The last holdup is an existing lien for back child support on the property that would complicate an easement written on the property.
2. St. Andrews Court letter sent to residents. Residents don't want to go to court and willing to discuss ways to remedy the situation. GM will present a proposal to Board for consideration.

3. DeltaKeepers lawsuit against the SWRCB on the Statewide NPDES permit for Aquatic Pesticides has briefs beginning September 17, 2004.
4. DeltaKeepers lawsuit against OID and the other 5 IDs may be mute depending on the State's lawsuit, and it may not.
5. Judges decision on restoration of San Joaquin River will have little impact on OID.
6. Triennial Review process by RWQCB underway. Our focus through the SJRG is;
 - a. Protect the VAMP agreement
 - b. Change the Salinity standard in the SJR
 - c. Change the Fish Flow release criteria to better match the Central Valley's needs as opposed to current north valley index.

B. **COMMITTEE REPORTS**

None.

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Taro:

Director Taro questioned if anyone knew about an article in the paper as to which water district was suing the federal government for not fulfilling their water obligation.

Director Clark stated that it was Stockton East Water District and Stockton Water Reclamation District claims that they are entitled to 158,000 acre feet out of New Melones that they never got.

Director Webb:

Director Webb questioned why OID bought a used long bed Ford pickup. The General Manager Steve Knell stated because the board authorized the purchase. Director Webb wants to revisit the purchase of used vehicles because he thought it was for larger purchases and would like it on the next board agenda.

Director Webb also wanted the board to take a tour of the Knights' Ferry Facilities after the next board meeting.

Director Alpers:

Director Alpers stated that he agreed to have a tour of the Knights' Ferry Facilities.

Director Brichetto:

Director Brichetto asked what was going on with the Airport issues; he had heard rumors that it was coming back. General Manager Steve Knell stated that he had heard the same rumors.

ITEM NO. 14
PUBLIC COMMENTS

None.

ITEM NO. 15
CLOSED SESSION

Director Clark stated that during Closed Session they would discuss Tri-Dam Power Generation, price, terms and contract documents.

At the hour of 11:40 A.M. a motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to adjourn to Closed Session.

At the hour of 12:05 P.M. a motion was made by Director Webb, seconded by Director Alpers and unanimously supported to adjourn the Closed Session and return to the regular meeting.

Director Clark stated that no action had taken place during the Closed Session

At the hour of 12:06 A.M. a motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, September 21, 2004 at 9:00 A.M.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next regular Joint Board Meeting for the Tri-Dam Project is scheduled for **Thursday, September 16, 2004** at 9:00 A.M. at the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Attest:

Steve Knell, P.E.
General Manager/Secretary