

MINUTES

Oakdale, California
October 19, 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

ADDITION OR DELETION OF AGENDA ITEMS

General Manager Steve Knell requested that item number 5 be removed from the agenda. Motion was made by Director Webb and seconded by Taro, and unanimously supported to remove item number 5.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

Director Brichetto requested that Item No. 1 be moved to the action calendar for further discussion.

Director Clark requested that Item No. 8 be moved to the first action on the action calendar. Motion was made by Director Webb and seconded by Director Brichetto, and unanimously supported to move Item No. 8.

CONSENT ITEMS ITEM NOS.: 2, 3, 4,

ITEM NO. 2

APPROVE OAKDALE IRRIGATION DISTRICT'S STATEMENT OF OBLIGATIONS

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

ITEM NO. 3
APPROVE IMPROVEMENT DISTRICT'S STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
TREASURER AND CHIEF FINANCIAL OFFICER'S REPORT FOR THE
MONTH ENDING SEPTEMBER 30, 2004

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending September 30, 2004.

ACTION ITEMS
ITEM NOS.: 6, 7, 8, 9, 10, 11, 12, 13, 14, 15

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION SETTING 2005
IMPROVEMENT DISTRICT OPERATION AND MAINTENANCE CHARGES

The attached resolution provides for setting ID Operations and Maintenance (O&M) rates for 2005. Each ID landowner will be assessed according to their respective acreage/lot/sq. feet. The basis for the proposed 2005 rates is different than in past years. The 2005 rates provide for establishment of a maintenance reserve fund account sufficient to meet one (1) year of O & M expenditures, as recommended by ACWA. The 2005 rate has been calculated to fully fund this reserve account over the next 5 years, at which time these rates will be re-evaluated. The advantage for the ID's in doing this is that the rate set for 2005 will remain unchanged and be consistent over the next 5 year period.

These rates fund only normal O&M expenses, not capital repairs or replacement expenses. ID landowners were sent letters regarding the aforementioned, and given an opportunity to respond. To date, five landowners have contacted the OID with questions and all seemed to understand and agree with the intent of the new rate.

A motion was made by Director Alpers, seconded by Director Brichetto, and unanimously supported to approve the resolution setting 2005 Improvement District operation and maintenance charges with the exception of ID 46 in order to make a determination on the \$6,000.00 discrepancy.

ITEM NO. 6
REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION SETTING WATER
DELIVERY FEES FOR THE YEAR 2005

A resolution is submitted to set the water rates for 2005.

General Manager Knell stated numerous points regarding the motion to lower the water rate;

- That this District is one of the few Districts that have not raised rates over the years. This is an indication that we are managing our resources properly and we are managing our funds properly.
- We likely could not see any Tri Dam revenue changes until January 2006.
- We are going to have water users here who are getting a year's use of agriculture water for \$1.50. Not good politically.
- Water sales provide about \$1.4 million of our \$8 million dollar budget which is about 17% of our revenues. WE could lose \$400k out of that budget for next year.
- Prop 218 issues may arise later.
- Prefer rebates as opposed to lowering the rate.

Director Alpers stated;

- Lowered the rate a \$1 a while back and revenues still grew.
- The \$10.00 recommended by Mr. Burtchi is too much and thinks \$5.00 is appropriate.
- Thinks reserves can handle it this year and quite possibly next year, after we have some more revenue.
- Maybe chop it down another \$5.00 or \$7.00 whatever the number looks like later again.
- There is a little problem whether the State is going to take another \$500K from our property tax revenues. That should disappear next year.
- Therefore, a little reluctantly, but I think it is a good idea to show the farmers that have paid into this District and paid for Tri-Dam that we can lower the rate by \$5.00. I think it is quite fair and the larger landowners are actually getting a bigger percentage (i.e. \$5.00 off \$24.00 versus \$5.00 off of a \$35.00).
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Director Webb states that he stills sticks with his original \$5.00, but Mr. Knell might have hit on something on the rebate thing rather than completely lowering it.

Director Brichetto states: What I have heard out in the country is that our agricultural contingents would like to see the District provide improvements. They are not concerned with \$25.00 on the current charge. It is basically \$5.00 per acre foot. I don't agree with the \$5.00 reduction. I don't think we are going to be very good custodians of the district if we drop the rate. I think we are doing a good job to keep it where it is and in the future based on everybody's water usage and our efficiency I think that is where it should go. If you have people that are not wasting water then you give them a rebate. You reward the efficient water users.

Director Taro states: A few years back the District raised the rate \$5.00 per acre with the understanding that they would return that money. We are still waiting for that \$5.00 rebate. I realize that we have a lot of improvements to make in this District, but we don't need to make them all in one year. Whether you want to say so or not everything that farmers do in keeps going up and the farmer's income has not gone up.

Director Clark states that currently the average charge per acre foot in the State of California for agricultural water is \$70 an acre foot and OID is paying about \$6.50. I think that casts a lot of eyes on our District from people in Sacramento, legislatures, and people who want our water. They look at it and say how in the world can they take California's

water and sell it that cheap for their own customers' benefits. The state is going to take anywhere from \$450,000 to \$500,000 this year and next from our budget. There are bills in Sacramento to charge us so many cents per acre foot of water that we have stored behind New Melones. There are bills in the State they are trying to get through now that are going to charge us so many cents for every bit of power we generate so everybody is after our money and until we get a contract signed for the sale of our power we don't know what our income will be. We don't know how much money we are going to make from our power generation. We don't know if next year is going to be a dry year. If next year is a dry year we are not going to have a lot of water to generate power. So I would personally, before lowering the rates, prefer that we wait another year until we get the contract done and if it looks like the contract is a good deal and we are going to make \$8 to \$10 million dollars that Henry mentioned than I would rather go back and give the farmers a rebate rather than lower the rate.

A motion was made by Director Brichetto, seconded by Director Taro to approve a resolution setting water delivery fees for the year 2005. The motion failed and was voted as follows:

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

A motion was made by Director Alpers, and seconded by Director Webb to approve lowering the rates by \$5.00 per acre across the board, and was voted as follows:

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

ITEM NO. 7

REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION FOR IMPROVEMENT DISTRICT NO. 22 CALL FOR THE INSTALLMENT OF A 2004/2005 ASSESSMENT ON THE DEPARTMENT OF WATER RESOURCES NEW WELL LOAN PAYMENT

The annual payment for ID No. 22's DWR New Well Loan is \$3,198. The rate of \$0.38 (38 cents) per 100 square foot is needed to adequately fund for the payment of the remaining 4 semi-annual installments on this loan.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the resolution for the payment of the installment for the 2004/2005 assessment from the Department of Water Resources new well loan payment for Improvement District No. 22.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION FOR CHARGES
RELATED TO IRRIGATION WATER SERVICE FOR THE YEAR 2005

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.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the resolution for charges related to irrigation water service for the year 2005.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION DECLARING
THE ABANDONMENT OF SEVEN (7) UNUSED WELLS

Section 21 of DWR Bulletin 74-81 and revisions contained in Part II of Bulletin 74-90 allow classification of unused wells into two types, abandoned and inactive. An abandoned well is defined as one which has not been used for a period of one year, and whose owner has declared the well will not be used again. If the well has not been used during the past year, but the owner demonstrates his intention to use the well again for supplying water, the well is considered inactive. Four criteria must be met in order for a well to maintain the inactive, rather than abandoned, classification. These criteria are:

1. The well has no defects;
2. The well is securely covered;
3. The well is clearly marked, and
4. The surrounding area is kept clear of brush or debris.

Failure to meet these criteria could result in the well being classified as abandoned under current regulations. All abandoned wells, exploration or test holes, and monitoring wells must be destroyed as stated in Section 22 of Bulletin 74-81 and revisions contained in Bulletin 74-90. Currently any OID well that has been "officially" abandoned has been destroyed to State & County standards.

OID has four (4) deep wells that have been inactive for a minimum of 10 years. The sites have no electrical service to them and most have been cannibalized for parts. Both Water Operations and the Water Utilities Department which provides the maintenance to the sites concur that the sites need to be declared abandoned and the wells destroyed. The four (4) well sites are:

1. California Deep Well, California Ave. in Riverbank next to the California Elementary School. This well is no longer used because there is no place to put the water.
2. Santa Fe Deep Well, Claus Rd. in Riverbank, across the street from the high school. This well is no longer used because there is no place to put the water.
3. Liberini Deep Well, Liberini Rd. In Oakdale next to the City of Oakdale's sewage treatment plant. This well is no longer used because there is no place to put the water.

4. Van Norman Deep Well, east of the intersection of Hwy 108 and Langworth Rd. in Oakdale. This well is no longer used because of its small capacity and the electrical costs outweigh the production benefits.

Staff has reviewed the above wells and recommends the Board abandon the wells listed and proceed with appropriate well destruction measures for the protection of the areas groundwater.

A motion was made by Director Alpers, seconded by Director Brichetto and unanimously supported to table this item in order to turn it over to the Water Committee. They will review the criteria on a well by well basis and come back with a recommendation.

ITEM NO. 11

REVIEW AND TAKE POSSIBLE ACTION ON A REQUEST FOR A VARIANCE FROM THE DISTRICT'S SUBDIVISION AND PARCEL MAP POLICY-CAMPBELL LAT – INMAN

Mr. Darwin Inman, the property owner, is splitting an 18.02 acre parcel into two parcels, each of 9.01 acres in size. Under OID's new Subdivision and Parcel Map Policy, parcels of 10 acres or less must receive a variance in order to continue to receive irrigation water. Mr. Inman has requested to come before the Board, prior to the final map stage, requesting this variance.

Although the proposed parcel split would create two parcels of 9.01 acres, the property is already irrigated as two parcels, each with its own turnout. Hence the parcel split would not change the current irrigation practices (one valve would be responsible for each parcel). The newly created parcels would irrigate the same as they do today.

The newly created parcels must still comply with all other requirements of the Subdivision and Parcel Map Policy, one requirement being the self containment of irrigation drainage water. Other policy requirements may be imposed as necessary.

Mr. Inman was present at the October 19, 2004 Board Meeting and stated that the property is zoned AL10 so we had to submit a variance to get it two nines. Basically the County is looking at it as an equal parcel so in two years nobody is going to try to put nine one-acre parcels out there. That is not our intention.

Motion was made by Director Webb, seconded by Director Brichetto, and unanimously supported to approve the request for a variance from the District's Subdivision and Parcel Map Policy (Campbell Lateral-Inman).

ITEM NO. 12

REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF BID TO COMPUTER WARE FOR A LASER PRINTER

The existing laser printer was purchased in October 1996 and is fully depreciated. It is experiencing multiple problems and causing unanticipated down time. The 2004 budget includes the cost of replacement of \$4,500. Request for quotes were sent out to 7 vendors of which 5 responded

Motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to approve the purchase of a laser printer from Computer Ware.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF BID TO RTC
FOR THE CLAVEY PUMP STATION PROJECT

The Clavey Booster Pump was installed to supply water to the landowners on the north side of Highway 120. Four years ago a smaller booster pump was installed in order to provide less water when necessary than the larger pump supplies in order to reduce spills to the river. Last year emergency repairs were conducted on the underground piping by Richard Townsend Construction dba RTC.

Four contractors were invited to bid on the project. Two contractors submitted bids for the project and the lowest responsible bidder was RTC.

Motion was made by Director Brichetto, seconded by Director Webb, and unanimously supported to approve the bid to RTC for the Clavey Pump Station project.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION TO AMEND SERVICES AGREEMENT
WITH BROWNING RESERVE GROUP TO INCLUDE A RESERVE
STUDY FOR OID'S RURAL WATER SYSTEM NO. 1 AND NO. 2

The Oakdale Irrigation District's Rural Water System's Policy was last updated in January 1997. This policy includes such items as: new customer deposits, delinquent fees, immediate availability charges, water use fees, and water connection fees. The Board recently commented about the updating of the connection fee, which has not changed since 1995.

Staff is recommending that all these fees be reviewed and updated to reflect the current cost of providing this service. The reserve studies will provide the necessary information for the review and update of Rural Water System's Policy and the fees associated with providing this service.

Motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve an amend the services agreement with Browning Reserve Group to include a reserve study for OID's rural water system No. 1 and No. 2.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON GRANTING AN EXTENSION
OF A "WILL SERVE LETTER" TO THE LANDS FOR SCHUTZ PROJECT

On November 5, 2002, the Oakdale Irrigation District issued the developer a will serve letter for the Hillsborough Estates 1A Subdivision (aka: Land of Schutz). The subdivision consists of 8 residential lots between OID's Rural Water System No. 1 and the planned Hillsborough Estates No. 2 private water system located at the east end of Foxborough Drive.

This is one of three residential systems that was lumped together by the developer when he applied to the State and County. It took an extended amount of time for the County to separate these systems into three individual projects. The developer is now ready to proceed but will require an extension to the current will serve letter in order to complete the project.

General Manager Steve Knell stated that this action item was on the last agenda and on the last agenda the Will Serve letter had the \$5,000 rate that was established in the early 90's and had not changed since then. In order to meet the Will Serve letter resubmission time table the revised Will Serve letter states that they will pay the appropriate rate at the time of the dedication of the subdivision to OID. That will give us time to evaluate what the true hook-up rate ought to be. Depending on what index you use to bring costs forward it is pretty variable and we need to sit down and determine what is going to be the best rate for the interests of the District. The rate is set not to exceed \$10,000. Because of all of the indexes that I looked at none of them went above \$10,000 for a hook-up fee.

Director Alpers states that he was not in favor of \$5,000 anymore especially where they did not have to dig a well. Some of the others had to pay \$5,000 plus the cost of a deep well. As far as the indexing you can say that the cost of living has gone up 10% since then or the price of real estate has gone up five times so the indexing is going to be a problem. If you use the real estate index it would be \$25,000. Instead of tying it to an index I would rather change it to \$10,000 and review it every three or four months. Director Alpers requested that the language contained in paragraph 7, on page 2, be modified to read as follows:

7. OID shall supply domestic water for eight (8), 1-inch metered domestic water services and fire flow capability for the subject water system. The Developer shall pay the District, upon dedication of the completed system a fee of \$10,000 per lot. These funds are to be placed into the District's Designated Domestic Water Project Fund;

General Manager Steve Knell questioned the action stating that he believed that the fee had to be commensurate with the ability to identify the costs associated with the fees.

Motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the request for an extension of a "Will Serve Letter" to the lands for Schutz Project with the modification to paragraph 7, on page 2 and to also modify the letter to include a cc to the Oakdale Rural Fire.District.

PUBLIC COMMENT

None.

**DISCUSSION ITEMS
ITEM NOS.: 16, 17**

**ITEM NO. 16
DISCUSSION OF THE STATUS
OF THE 2005 BUDGET PREPARATION**

The General Manager, Steve Knell, and the Chief Financial Officer, Kathy Cook, discussed the status of the 2005 budget preparation and outlined some of the expenses that may be in store for 2005.

**ITEM NO. 17
DISCUSSION ON A WELLFIELD
OPERATIONS OPTIMIZATION PROGRAM**

MID and OID have been working on securing a DWR Grant to do a well field optimization program. Although each agency has separate interests to accomplish, much of the data development is similar in nature and scope.

OID's interest are in gathering sufficient groundwater and surface water data to determine how best to integrate their use in the design of water conservation systems. The end result sought is a discharge free water delivery system, integrated with the underlain groundwater supply, and coupled with a winter recharge system to make up for deficit water use.

A. GENERAL MANAGER'S REPORT

Irrigation Season Update

1. We have finished October water deliveries and all DSO's have reported to C&M.

Safety Activities

1. It has been 163 Days since OID's last lost-time-injury accident.
2. A Dog Day is scheduled for November 1, 2004 barring any lost time injury accidents
3. Drug and Alcohol Policy training will occur with all employees on October 22.

Administration Activities

1. SSJID has scheduled about \$290,000 of repairs this winter to the Long Tunnel. OID's share of this will be 28% or about \$80,000. This will end up being a 2005 Budget cost.
2. The Tuolumne-Stanislous Groundwater Management Association signed an MOU with the Department of Water Resources to look at cooperative programs to benefit groundwater in the Modesto Basin.
3. Final contract documents were sent to CH2M Hill for signatures on Friday, the 15th.

Accounting Activities

1. 2005 Budget preparation is underway

Water Operations Activities

1. Developing a winter work plan for patrol of facilities and to do some one on one contact work.

2. Operations will be draining Rodden Dam for the gate replacement
3. DSO's are turning in keys and trucks as the season wings down

C&M Operations Activities

1. Testing the winter work scheduling plan now that all crews have reported to C&M
2. Claribel concrete lining contract is near ready to release for bids
3. Several General Services Contracts are coming in

Engineering Activities

1. Condor has submitted a recommendation for a realignment of the South Main Canal and has submitted a Scope of Work for that work. They will be attending a November Board meeting for a presentation.

Water Utility Activities

1. Routine activities

B. COMMITTEE REPORTS

None.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Domestic Water Committee is meeting on almost a weekly basis and the headway is going slow, but I think that we are getting our point across to them. Also there is a conference that the County is putting at the AG Center on November 6, 2004 for about four hours in the morning. This seminar includes such topics like: (1) how development occurs (which is happening in our district); (2) environmental issues; (3) Brown Act basics; (4) Public Meeting; (5) connecting with Stanislaus' different community groups, (6) success in our communities, plus some other things that I don't think we are worried about. I think it is a great program.

Director Webb:

None.

Director Clark:

We are going to have a Tri-Dam meeting here to go over the P.G.&E. contract, and I think it would be a good thing if the public could be there.

Director Brichetto:

I would like to have placed on the agenda the specs for the ditches and drains on the canals as an action item at the next board meeting. Also, I would like to discuss the farmers that go off the water use and come back on and they have to pay a two year fee. In many instances they double their efficiency, which is a benefit to the District, but they are getting penalized for going off and coming back on. I would like to get that changed.

Director Taro:

When we are looking at the budget I would hope that we would give some more consideration to the moss because this year we really fell short.

I also read in the newspaper that OID, MID, and TID is going to be honored in Modesto. Are we going to have a delegation there?

At the hour of 11:39 A.M. a motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, November 2, 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, October 21, 2004** at 9:00 A.M. at the Oakdale Irrigation District, 1205 East F Street, Oakdale, CA 95361.

Attest:

Steve Knell, P.E.
General Manager/Secretary