

MINUTES

Oakdale, California
August 7, 2012

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
Herman Doornenbal

Absent: Al Bairos, Jr.

Staff Present: Steve Knell, General Manager/Secretary
Jason Jones, Support Services Manager
John Davids, District Engineer
Gary Jernigan, Contracts/Special Project Manager
Kathy Cook, Chief Financial Officer
Eric Thorburn, Water Operations Manager

Also Present: Water Counsel Tim O’Laughlin (arrived at 9:55 a.m.)

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.

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

PUBLIC COMMENT ITEM NO. 1

William Harvey was present at the Board Meeting and stated that he has lived on the Kearney Lateral his entire life and has never had any problem with his DSOs and/or his irrigation water until recently. He stated that lately the irrigation water is overflowing over the end of the ditch into his field and asked if there was something that could be done. Director Webb asked Water Operations Manager Eric Thorburn to look into Mr. Harvey’s problem.

Tom Orvis was present representing the Stanislaus Ag Advisory Board and wanted to thank Mr. Davids for attending the recent stakeholder meeting for the STANCO

Groundwater Export Ordinance. He stated that in attendance were MID, TID, Eastside Water District, SSJID, an OID.

Tom Orvis also stated that the Stanislaus County Sheriff's Office is getting feedback from the Rural Crime Site and are finding some common denominators.

There being no further Public Comment; Public Comment closed at 9:09 a.m. and the Board Meeting continued.

CONSENT ITEMS

ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18

ITEM NO. 2

APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF JULY 17, 2012 AND RESOLUTION NOS. 2012-29 AND 2012-30; AND MINUTES OF THE SPECIAL MEETING OF JULY 17, 2012

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of July, 17, 2012 and Resolution Nos. 2012-29 and 2012-30; and Minutes of the Special Meeting of July 17, 2012.

ITEM NO. 3

APPROVE OAKDALE IRRIGATION DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4

APPROVE THE TREASURER AND CHIEF FINANCIAL OFFICER'S REPORT FOR THE MONTH ENDING JUNE 30, 2012

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the Month Ending June 30, 2012.

ITEM NO. 5

APPROVE ASSIGNMENT OF CAPITAL WORK ORDER NUMBERS

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the following Assignment of Capital Work Order Numbers:

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
<u>NEW WORK ORDERS</u>			
Campbell Lateral	Remove and replace turnout gate with 24" Fresno 101C slide gate.	\$3,600	2012-031

REVISED WORK ORDERS

Two-Mile Bar Tunnel	Engineering Phase I – Third Stage Exploration and geotechnical surveys to support the 100% design.	Original: \$190,000 Revised: \$276,000	2012-009
Two-Mile Bar Tunnel	Permitting process for CEQA, NEPA and Right-of-Way acquisition.	Original: \$125,000 Revised: \$166,760	2012-010

ITEM NO. 6

APPROVE DISCLOSURE TO THE PUBLIC OF THE EXECUTION OF THE LETTER OF OFFER WITH HODGDON ENTERPRISES AND THE PAYMENT FOR THE PURCHASE OF A TUNNEL EASEMENT, CONSTRUCTION EASEMENT, AND A SERVICE ROAD FOR THE TWO MILE BAR TUNNEL PROJECT AS AUTHORIZED BY THE BOARD OF DIRECTORS

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve disclosure to the public of the execution of the Letter of Offer with Hodgdon Enterprises and the payment for the purchase of a tunnel easement, construction easement, and a service road for the Two Mile Bar Tunnel Project as authorized by the Board of Directors.

ITEM NO. 7

APPROVE CONSTRUCTION AGREEMENT 2012-CA-002 AND ANY SUBSEQUENT CHANGE ORDERS WITH AMERINE SYSTEMS, INC. TO DESTROY THE WATER WELL LOCATED AT 1110 KAUFMAN ROAD, OAKDALE, CA

Director Webb asked if the District was keeping a running tally of the expenses associated with the Kaufman Road properties. Contract and Special Projects Manager Gary Jernigan responded yes.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Construction Agreement 2012-CA-002 and any subsequent Change Order with Amerine Systems, Inc. to destroy the water well located at 1110 Kaufman Road, Oakdale, CA.

ITEM NO. 8

APPROVE WORK RELEASE NO. 001 TO THE GENERAL SERVICES AGREEMENT 2012-GSA-010 WITH GROVER TREE SERVICE TO REMOVE THREE LARGE EUCALYPTUS TREES AND GRIND THE STUMPS

Director Clark asked if the District has gone out recently for bids for a tree service company. Contracts and Special Projects Manager Gary Jernigan stated that it has been a couple of years, but the problem in the past was that the vendors could not meet the prevailing wage and insurance requirements of the District. Director Clark stated that maybe the District should try going out for bid again.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Work Release No. 001 to the General Services Agreement 2012-GSA-010 with Grover Tree Service to remove three large Eucalyptus trees and the stumps.

ITEM NO. 9
APPROVE WORK RELEASE NO. 019, AMENDMENT NO. 01 TO
PROFESSIONAL SERVICES AGREEMENT 2009-PSA-01 WITH
PROVOST & PRITCHARD TO CONTINUE WITH PHASE II DESIGN
DEVELOPMENT FOR THE KNIGHTS FERRY WATER DELIVERY SYSTEM

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Work Release No. 019, Amendment No. 01 to the Professional Services Agreement 2009-PSA-01 with Provost & Pritchard to Continue with Phase II Design Development for the Knights Ferry Water Delivery System.

ITEM NO. 10
APPROVE WORK RELEASE NO. 029 TO THE PROFESSIONAL
SERVICES AGREEMENT 2009-PSA-01 WITH PROVOST &
PRITCHARD TO DEVELOP AND EVALUATE THE PROJECT
ALTERNATIVES FOR THE REPLACEMENT OF THE GARR
PIPELINE BETWEEN THE HEADGATE AND THE CRANE PIPELINE

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Work Release No. 029 to the Professional Services Agreement 2009-PSA-01 with Provost & Pritchard to Develop and Evaluate the Project Alternatives for the Replacement of the Garr Pipeline between the headgate and the Crane Pipeline.

ITEM NO. 11
APPROVE WORK RELEASE NO. 030 TO THE PROFESSIONAL
SERVICES AGREEMENT 2009-PSA-01 WITH PROVOST &
PRITCHARD TO PROVIDE TECHNICAL SUPPORT
TO ACQUIRE EASEMENTS FOR THE WILLIS PIPELINE

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Work Release No. 030 to Professional Services Agreement 2009-PSA-01 with Provost & Pritchard to Provide Technical Support to Acquire Easements for the Willis Pipeline.

ITEM NO. 12
APPROVE GENERAL SERVICES AGREEMENT 2012-GSA-41
WITH TESCO CONTROLS, INC. FOR TECHNICAL AND
SCADA SUPPORT AND WORK RELEASE NO. 001 FOR SCADA SUPPORT

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve General Services Agreement 2012-GSA-41 with TESCO Controls, Inc. for technical and SCADA support and Work Release No. 001 for SCADA support.

ITEM NO. 13

APPROVE WORK RELEASE NO. 001 TO GENERAL SERVICES AGREEMENT 2012-GSA-032 WITH NORTHERN STEEL, INC. FOR CUTTING, BENDING, AND PLACEMENT OF REBAR FOR THE LOWER COMETA DELIVERY STRUCTURE

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Work Release No. 001 to General Services Agreement 2012-GSA-032 with Northern Steel, Inc. for cutting, bending, and placement of rebar for the Lower Cometa delivery structure.

ITEM NO. 14

APPROVE WORK RELEASE NO. 002 TO GENERAL SERVICES AGREEMENT 2012-GSA-032 WITH NORTHERN STEEL, INC. FOR CUTTING, BENDING, AND PLACEMENT OF REBAR FOR THE RIVERBANK LATERAL DELIVERY STRUCTURE

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Work Release No. 002 to General Services Agreement 2012-GSA-032 with Northern Steel, Inc. for cutting, bending, and placement of rebar for the Riverbank Lateral delivery structure.

ITEM NO. 15

APPROVE ENCROACHMENT AGREEMENT ON THE SWEET PIPELINE (APN: 207-030-014 – DUGO)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Encroachment Agreement on the Sweet Pipeline (APN: 207-030-014 – Dugo).

ITEM NO. 16

APPROVE AGRICULTURAL DISCHARGE PERMIT ON THE FAIRBANKS LATERAL (APN: 002-007-030 – KESTERSON)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Agricultural Discharge Permit on the Fairbanks Lateral (APN: 002-007-030 – Kesterson).

ITEM NO. 17

APPROVE ENCROACHMENT AGREEMENT ON THE FAIRBANKS LATERAL (APN: 002-007-030 – KESTERSON)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Encroachment Agreement on the Fairbanks Lateral (APN: 002-007-030 – Kesterson).

ITEM NO. 18
APPROVE ENCROACHMENT AGREEMENT ON THE
LOWER EATON LATERAL (APN: 002-049-006 – Haidlen)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve Encroachment Agreement on the Lower Eaton Lateral (APN: 002-049-006 – Haidlen).

ACTION CALENDAR
ITEM NOS. 19, 20, 21, 22, 23

ITEM NO. 19
REVIEW AND TAKE POSSIBLE ACTION ON
LANDOWNER'S REQUEST FOR CANCELLATION OF
LATE PAYMENT PENALTIES (APNS: 065-018-024/034/MUYRES)

Mr. Muyres is requesting that the second installment late penalties applied to his accounts (APNS: 064-018-024 and 064-018-034) be cancelled.

As stated in his July 11, 2012 correspondence, he was serving in the Army National Guard and was on military orders at the time that the second installment was due (June 20, 2012). This request is being submitted for the Board's consideration as requested.

In accordance with Board Policy and California Water Code section 26000, the Board shall order the Treasurer, to cancel or modify an assessment when it finds that any property has been either:

- (a) Assessed in any year more than once.
- (b) Assessed by reason of a clerical error for more than its cash value.
- (c) Computed for assessment on an excessive acreage.
- (d) Assessed while not in district.

Any other cancellation or modification to charges not mentioned in Section 26000 or in this resolution shall be submitted to the Board of Directors for consideration.

A motion was made by Director Alpers, seconded by Director Doornenbal, and unanimously supported to deny Mr. Muyres' request to cancel the late payment penalties.

ITEM NO. 20
REVIEW AND TAKE POSSIBLE ACTION ON
AWARD OF BID TO CALWATER DRILLING AS THE LOWEST
QUALIFIED RESPONSIVE BIDDER FOR THE NORTH SIDE
REGULATING RESERVOIR GROUNDWATER WELL DRILLING PROJECT

The North Side Regulating Reservoir Groundwater Well Bid package was sent to eight (8) contractors and bids were received from two (2) bidders. The eight contractors were Calwater Drilling Co., Masellis Drilling, Hennings Bros. Drilling, Myers Brothers Well Drilling, Arthur & Orum Well Drilling, Layne Christensen Co., Zim Industries and Farm

Pump and Irrigation. Calwater Drilling Co. and Hennings Bros. Drilling, Inc. were the two (2) bidders that submitted bids. The low bid was submitted by Calwater Drilling Co. for an amount of \$223,310. The Engineer's estimate was \$200,000 and the budget for 2012 is \$250,000.

Staff recommends authorizing the General Manager to award the contract to Calwater Drilling Co. in the amount of \$223,310 and issue a Notice of Award.

A motion was made by Director Alpers, seconded by Director Webb, and unanimously approved to award the bid to Calwater Drilling for the North Side Regulating Reservoir Groundwater Well Drilling Project in the sum of \$223,310.

ITEM NO. 21
REVIEW AND TAKE POSSIBLE ACTION
ON REQUEST FOR PROPOSALS FOR ANNUAL
AUDIT SERVICE FOR THE YEARS 2012, 2013, AND 2014

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 Governmental 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 18 CPA firms to submit a three-year proposal for furnishing the District's annual audit services for the years 2012, 2013 and 2014. The following 4 firms submitted qualified proposals:

James Marta & Company
Kemper CPA Group
Richardson & Company
Maze & Associates

Chief Financial Officer Kathy Cook stated that James Marta & Company has not had any experience in preparing an audit for a water utility.

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to award the RFP to Kemper CPA Group.

ITEM NO. 22
REVIEW AND TAKE POSSIBLE ACTION TO PURCHASE
REPLACEMENT VEHICLE FOR WATER UTILITIES
SUPERVISOR IN THE NOT TO EXCEED SUM OF \$20K

The Oakdale Irrigation District (OID) Water Utilities Supervisor was involved in a vehicular accident and as a result of the accident, the OID vehicle he was driving was deemed “totaled” by the insurance company. It has been determined that OID will not retain the salvage of the vehicle and will receive \$4,900.88 for the vehicle. Truck #142 is a 2000 Chevrolet Pickup with a utility box bed, a truck rack and had 124k miles. With the abundance of used vehicles on the market, it has been determined to replace truck #142 with a used one (1) ton truck outfitted with a utility box bed and a forklift accessible truck rack.

Unfortunately, as used vehicles are placed on the market they are being purchased before the required approval can be obtained by the Board of Directors. This agenda item approves the General Manager to purchase a utility truck for the not-to-exceed amount of \$20k. Prior to purchase of the used vehicle, it will be thoroughly inspected by the OID’s Auto Shop Chief.

A motion was made by Director Webb and seconded by Director Alpers to authorize the purchase of a used replacement vehicle for the Water Utilities Supervisor that would be most prudent to the District without any not to exceed amount and was voted as follows:

Ayes: Directors Webb, Alpers
Noes: Directors Clark, Doornenbal

The motion failed by a vote of 2-2.

A motion was made by Director Clark and seconded by Director Doornenbal to approve the purchase of a used replacement vehicle for the Water Utilities Supervisor in the not to exceed sum of \$20,000 and was voted as follows:

Ayes: Directors Clark, Doornenbal, Alpers
Noes: Director Webb

The motion passed by a vote of 3-1.

ITEM NO. 23
REVIEW AND TAKE POSSIBLE ACTION TO
APPOINT AN AD HOC COMMITTEE TO NEGOTIATE
RENEWAL OF THE GENERAL MANAGER’S CONTRACT

All contracts with renewal dates are required to be reported to the Board of Directors prior to their renewal date, hence this notification. Under the terms and conditions of the General Manager’s existing employment contract, the contract will renew automatically if no action is taken 90 days prior to its signature date, that being December 11th. Notification to the contrary of a contract renewal must be issued by September 11th.

An Ad Hoc Committee is requested to be appointed by the Board to engage in discussions with the GM in order to meet the compliance dates as set forth above.

A motion was made by Director Doornenbal, seconded by Director Alpers, and unanimously supported to refer this to the Personnel Committee to negotiate renewal of the General Manager's contract.

**DISCUSSION
ITEM NOS. 24, 25, 26**

**ITEM NO. 24
DISCUSSION ON DRAFT IRRIGATION AND
DRAINAGE INFRASTRUCTURE INSTALLATION POLICY**

This draft policy was discussed at the July 17, 2012 Board of Directors meeting and at the direction of the Board, Staff has deleted reference to "Private Irrigation Crossing District Facility" as an item to be completed by OID.

Staff was available to answer any questions of the Board.

This matter will be brought back to the Board on August 21, 2012 for adoption of the Irrigation and Drainage Infrastructure Installation Policy.

**ITEM NO. 25
DISCUSSION ON STANDARD & POOR'S CREDIT
REVIEW REPORT OF OAKDALE IRRIGATION DISTRICT**

Standard & Poor's conducts periodic reviews of its credit ratings and the goal of the review process is to maintain current ratings by identifying matters that may affect the creditworthiness of an issuer or the credit quality of an issue. The rating on the Oakdale Irrigation District certificates of participation was reviewed with S&P, Steve Knell, and Kathy Cook. S&P will be preparing a written report of its findings and forwarding to the District in the near future. S&P has reaffirmed OID's rating of AA and considers OID's Outlook "stable."

**ITEM NO. 26
DISCUSSION ON 2013 BUDGET**

The 2013 Budget preparation efforts are underway at OID. OID will be working with the Finance Committee as staff develops their departmental budgets and as management consolidates those budgets into the overall district budget for presentation to the Board.

As part of the budget development process there needs to be a "look-forward" at expected revenues and expenses beyond the immediate fiscal year so as to avoid financial shortfalls that may present themselves. Often times, in order to project forward, one needs to look backwards at "trend lines" to assist in these projections. Staff has done that at OID.

Coupled with that data, the GM will share some of his observations, perspectives and benchmarking that will be used in the development of the 2013 budget.

Big Picture View

If one were to look at the S&P Market trends since 1871 it is obvious to the viewer that there were three (3) significant market swings that occurred, coinciding with national recession/depression periods. The first (1906-1921) lasted 15 years, the second (1929-1949) lasted 20 years and the third (1968-1982) lasted 15 years. As we are told now, the nation (and likely the world) is experiencing the greatest recession of all. By market standards, this downturn started in 2000 and has been in effect since then, representing just 12 years. In going forward, one has to ask, "Will the "greatest recession since the depression" also be the *shortest recession*?" As a budget conservative sitting at the center of the economic crisis of the Central Valley, the answer is, "not likely."

OID's budget development will focus on a continuation of this economic stagnation lasting for 3-4 more years.

Impact on Tri-Dam Power Revenues

To build on that outlook; empty homes, closed factories, cheap natural gas prices, etc. do not bode well for a wholesale power producer like OID/SSJID selling into the market. When the TDP was relicensed into the names of SSJID and OID in 2005, the change in revenue streams were significant...for the first 3 years. It would appear the reality of hydro ownership is starting to set in for both districts based on the revenue stream TDP has generated over the last 4 years.

Where OID was once budgeting \$12 million a year in TDP revenues, we have backed off that optimism to a more realistic \$8 million a year. The trend line in the attached graph is a strong indicator that the current economy will not provide improvements to TDP revenues in the near-term.

An issue for the Tri-Dam Board to address in the Tri-Dam Budget this year will be their increased Operating Expenses at TD. While OID is seeing annual operating cost increases at just over 6.5%, TDP operating costs are well over 13% and consistently escalating at an alarming rate. A combination of factors contributes to this number, but not correcting this trend will inhibit revenue flow to the Districts at a time when OID will be pulling from its reserves.

Impact on Lack of Water Transfer Revenues

A statement we have used repetitively at OID is, "Tri-Dam revenues pay the bills and water transfer revenues rebuild and modernize the OID." The phrase "rebuild and modernize" refers to capital replacement and improvement projects within the water delivery system. As a budget perspective, with lower TD revenues and no water transfers OID will have a limited CIP program and likely will be in a deferred maintenance posture until we see positive fiscal change to the contrary. We will anticipate drawing out of our significant reserves to maintain a minimalist position, however barring emergency replacements we will draw upon our reserves sparingly.

The Trinitas annexation once completed is a net positive to the lack of water transfers currently being experienced. That “ramp up” period for water however will take 2-4 years to see any affects until the new trees get planted and mature.

System Needs of OID

From the OID’s Water Resources Plan, the annual life cycle replacement needs of OID’s canal/lateral/drain system is about \$3 million a year. Reducing that annual expenditure for too long will drive OID into a failure mode replacement cycle, and “failure replacements” costs 30-40% more than “planned replacements”, creating more budget issues.

Summary of Budget Outlook

The effects of the recession are now impacting OID. The inconsistent revenues being generated at TD, poor power prices due to the recession, escalating TD operating costs coupled with the loss of water transfer revenues are all revenue impacts that will be taken into account during the budget process. OID will be budgeting for some lean times until there are visible signs of a change to the upside. The good news, OID has built healthy reserves over this period of prosperity and we will insure they stay healthy as we go forward.

ITEM NO. 27 **COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID has gone 64 days without a lost time injury accident.

Administration Activities

1. Bargaining Groups continue to meet.
2. A Settlement Agreement was reached in the Walliman case before trial. No dollar impact to the OID.
3. CH2M Hill here on August 10th to begin updating the OID’s Financial Model developed for the Water Resources Plan in 2006.
4. Meeting with Art Baggett scheduled for August 8th. Mr. Baggett, as reported previously, is serving as the group facilitator on SJ River Settlement Talks.
5. SED (Substitute Environmental Document) in support of the State’s “unimpaired flow” criteria will not be out now until the end of August.
6. The BDCP released their two pipeline proposal, as opposed to the peripheral canal option, as their best choice to meet the dual goals of water supply reliability and an improved delta environment.
7. San Joaquin River Group Commissioner’s meeting met on Monday, July 30th, at TID. Tim O’Laughlin gave a very good presentation on the water litigation potentials coming our way. The GM prepared a memo that attempts to summarize the important content of his presentation.
8. On July 18th the OID Board sent a notice to the SSJID Board requesting a cure to a position taken by their Board President that could result in a Brown Act violation. To date, there has not been a response to the SSJID letter.

Contract and Special Project Activities

1. Two-Mile Bar Tunnel (CEQA & Engineering) – Agreement with Hodgdon Enterprises has been accepted and signed. The final agreement is in for Board Approval and authorization to execute and record. The Letter of Offer is for three (3) easements, one for the new Two-Mile Bar Tunnel, one for the proposed Service Road over the top of the existing South Main being replaced by the new tunnel and a Construction Easement require for the access road and construction laydown area.
2. The Corps of Engineers, Sacramento Section, has responded to the District request for a construction and tunnel easement by granting, in principle, the construction and operation easements on government land. The District has completed their review of the revised draft of the NEPA and returned it to CH2MHILL for finalizing and submitted to the Corps. A deposit of \$41,760.00 has been made to the Corps for its cost to review the NEPA document. The review should be completed in the next two to three months.
3. New Office Project Development – Contact with Byron Bethany was made and a review of their facilities will be conducted on August 10, 2012. They completed a new facility in 2009 for a total cost of \$7.1M which includes all furnishings, computers, AV, Telemetry, Security/Camera Systems, Permitting, etc. Contact is being made with three (3) Irrigation Districts and one (1) public works who have recently constructed new office complexes to review their facility. The review process will continue with the Ripon city Complex after the tour of the Byron Bethany District has been completed.
4. South Main Rehabilitation from the 2nd Concrete Flume to, and including, the Willms Siphon, the initial field investigation by the engineers and surveyors was completed. The system was reviewed again during the peak flows of July 16 through July 20 to finalize the data to complete the extent of rehabilitation needed for the South Main in this area of the 2nd Concrete Flume and the Willms Siphon.
5. Two-Mile Bar Tunnel Design continuation started on February 2, 2012. The drilling company mobilized on May 2, 2012 and demobilized on May 18, 2012 completing drilling four (4) bore holes. The core samples were reviewed on May 31, 2012. Condor has been released to continue with the Data Analysis and Study from the core samples and the final report writing. The Final Report should be completed by August 31, 2012.
6. North Side Regulating Reservoir Deep Well – Bid Package was mailed to eight (8) contractors on July 3, 2012. The mandatory pre-bid meeting was held on July 18, 2012. There were only two bidders attending the Pre-Bid meeting. The Bidders were instructed if the cost exceeds the Engineer's estimate, then all the bids could be rejected. If this is the case, the District will determine if re-bidding would be beneficial. The award will occur after presenting to the Board for approval on August 7, 2012.
7. Water Resource Plan / Options Study – A meeting and system review was conducted with the CH2MHILL on July 9 and 10, 2012. A trip report was prepared, reviewed and edited. Staff continues to provide information to CH2MHILL to assist them in the preparation of the various alternatives previously presented.
8. Water Resources Plan Update – As part of the July 9, 2012 meeting, information was reviewed as well as the system operational changes since the original Water Resources Plan was drafted, adopted and implemented. Staff has been providing information to CH2MHILL to assist them in the preparation of the WRP Update.
9. District Standard Specifications – Work continues on the draft of the District's Standard Specification and Contracts Manual. Some work was completed this period but it was insignificant. The work will continue.

10. Contract Administration activities on contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction Activities

1. C&M crews and operators are working on routine maintenance and JSF's generated by Water Dept. Staff.
2. San Joaquin Valley Air Pollution Control District conducted a random unleaded gas vapor recovery inspection on the fuel island on 7/16. No major issues were reported.
3. Tested two potential borrow sites on July 24th. Both sites were on the north side of the District and neither was conducive to OID's needs.
4. Attended Communication Training on July 25th at the OID office instructed by ACWA/JPIA.
5. C&M Worker written test was conducted on July 27th. Interviews will be scheduled in the next few days.
6. Fleet Equipment Mechanic interviews were completed on July 30th. Four candidates were interviewed and a job offer is being prepared.
7. Received two quotes for the abandonment of the existing well on the Kaufman & Greger parcels from Amerine Systems Inc. & Don Pedro Pump.
8. Honolulu Bar Project – OID forces have been separating the material on the island and obtaining the suitable material. Gravel augmentation into the river channel began on August 1st. The project is progressing well and at this point is anticipated to be completed within the time frame allotted per the permits. Vandals broke out six windows on various pieces of equipment at the project site sometime between July 27th and July 30th. Assisted Engineering Dept. with a tour of the project on July 30th with Melinda Owens who writes for a local paper.
9. C&M crews conducted two emergency canal gate replacements on July 27th. One on the River Road Lateral and the other on the Riverbank Lateral.

Engineering Activities

1. Honolulu Bar Mitigation Project – Construction progressing. Engineering and Support Services gave Melinda Owens a tour of the project site on 7/30/12. Melinda writes for one of the local foothill papers and is an Oakdale resident.
2. SBX7-7 – Measurement Regulation approved by OAL. Engineering and Water Ops currently reviewing ITRC memo concerning compliance and moving forward with establishment of testing criteria for the 2012 water season.
3. Irrigated Lands Coalition – Continued participation at both the ESJWQC and Delta Coalition. JBD working with several growers concerning enrollment.
4. STRGBA – 8/2/12 meeting cancelled.
5. Knights Ferry/Boatright – Legal descriptions complete. Update to be given today in closed session.
6. Willms – Staff has not seen a revised subdivision map for the project as of 7/31/12.
7. Trinitas – Revised MND to GM and Legal for review. DRAFT Annexation Agreement reviewed and comments submitted. Met with Trinitas, Landmark, Diane Moore and P&P on 7/25/12 to discuss two new proposed turnout locations.
8. Hinds Lateral Relocation – DRAFT Term Sheet to GM for review. Preliminary design currently being reviewed.
9. Rate Study – Support documentation delivered to Allan Highstreet with CH on 7/6/12.
10. Asset Management – Project progressing well.

11. CCWD – LGA Application submitted 7/13/12.
12. Fields Ranch – DRAFT Term Sheet reviewed by Water Committee on 7/3/12. JBD currently preparing final agreement and reviewing past documentation.
13. Landuse Conversion – Continuing to work with landowners, tenants, irrigation design companies and Support Services/Water Operations concerning ongoing and future landuse conversion projects.
14. STANCO Groundwater Export Ordinance – Reviewed DRAFT correspondence as prepared by Art and prepared OID specific letter for GM review. JBD attended stakeholder meeting on 7/31/12.

Water Operations Activities

Ag Water

1. Continued to review, document and address numerous private irrigation, flooding and maintenance issues throughout the District.
2. The Water Operations Manager and SCADA Coordinator provided a tour of the Rubicon TCC and SCADAConnect system on 07-26-12 for several Rio Yaqui Water District and Nortech Water Specialties staff out of Mexico.
3. The Water Operations Supervisors, Water Utilities Supervisor, SCADA Coordinator and Water Operations Manager attended the JPIA Communication Training course on 07-25-12.
4. Pest Department concentrating on post emergent, thistle control and squirrel control. Between two and four Mag-H applications per week were also completed in various open ditch facilities on both the north and south side of the District.
5. Completed review of the rough draft of the updated AWMP.
6. Compiled various data for the Contracts and Special Projects Manager as requested by CH2M Hill to complete the south side boundary outflow analysis and update of the WRP.
7. The fourteenth rotation of the 2012 irrigation season will be a twelve (12) day rotation and begin on or about August 6th, ten (10) days after rotation thirteen. The fifteenth rotation will be another twelve (12) day rotation beginning on or about August 18th.

Water Utilities

1. Improvement District No. 41:
 - Pumping Station No. 3 remains out of service due to high turbidity issues.
 - OID continues to wait on the City of Oakdale to complete and submit their requirements for supplying the system with water.
2. Improvement District No. 51:
 - Staff has been working with the ID committee members on looking for sites which could be used as future well sites.
3. Domestic Water Pumping Stations:
 - Staff continues to conduct weekly inspection, servicing and security checks of the pumping stations. There is nothing unusual or out of the ordinary to report.
4. Aquatic Pesticide Water Quality Testing :
 - Primary water samples were collected on Monday, July 16th on the Fairbanks Lateral and Tuesday, July 17th on the South Main Canal.
 - Follow up water samples on the Fairbanks Lateral and South Main Canal were collected on Monday, July 23rd.

- Another set of primary water samples were collected on the Sweet Lateral on Monday, July 30th.
5. Rural System No. 1:
 - Monthly customer meter readings were collected on Monday, July 30th.
 6. On-Call Activities:
 - Nothing to Report.
 7. Irrigation Pumping Stations:
 - Clavey #1 Booster Pump – The VFD control module failed. A new unit was installed.
 - Wyatt Deep Well Pump – The flow meter has been pulled and set in for repairs. A faulty hour meter on the motor control panel was also replaced. The site remains operational.
 - Staff continues with the annual performance and flow testing of each pumping station.

Financing Activities

1. Prepared workers' compensation actual payroll report to SDRMA for the period July 2011-June 2012.
2. Standard & Poor's conducts periodic reviews of its credit ratings and the goal of the review process is to maintain current ratings by identifying matters that may affect the creditworthiness of an issuer or the credit quality of an issue. The rating on the Oakdale Irrigation District certificates of participation was reviewed with S&P, Steve Knell, and Kathy Cook. S&P will be preparing a written report of its findings and forwarding to the District in the near future. S&P has reaffirmed OID's rating of AA and considers OID's Outlook "stable."
3. Prepared four (4) Out-of-District applications for R. Hunter.
4. Follow-up and management of two workers' compensation claims.
5. Started preparation for the 2013 Budget.
6. Anticipate that CalPERS will provide a termination actuary in 3 – 6 months.
7. Continue assist General Manager on renewal of labor contracts.
8. Request for Proposals for Annual Audit Services for 2012, 2013, and 2014 were sent out in June. Five out of eighteen audit firms submitted proposals. These five are being submitted on August 7, 2012 for the Board's consideration.
9. Delinquent irrigation water charges will be forwarded to San Joaquin County on July 31, 2012 in the amount of \$1,553 and Stanislaus County on August 15, 2012 in the amount of \$38,000 (estimated).
10. Routine accounting functions (AP, AR, PR, billing, reconciliations, etc.)

IT Activities

1. Troubleshoot several user computer issues
2. Installed 6 patches for virtual server environment
3. Installed Service Pack and hotfixes for Trend Micro Antivirus
4. Completed return of KIP printer
5. Setup replacement DSO phone and transferred phone numbers
6. Resolved several folder permissions issues on server
7. Ongoing troubleshooting of excel sharing violation issue
8. Ongoing troubleshooting issue with phone server
9. Routine maintenance checks on antivirus, WSUS applications

B. **COMMITTEE REPORTS**

There were no Committee Meetings.

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

There were no Directors' comments.

At the hour of 10:43 a.m. the Board adjourned to Closed Session

CLOSED SESSION
ITEM NO. 28

- A. **Government Code §54957.6** – Conference with Labor Negotiator
Agency Negotiator: General Manager
Unrepresented Employee Organization: Operations Employees, Exempt Management, Exempt Supervisory, and Confidential Employees
- B. **Government Code §54957.6** - Conference with Labor Negotiator
Agency Negotiator: Board of Directors
Unrepresented Employee Organization: IBEW and All Employees of the Tri-Dam Project
- C. **Government Code §54956.8** – Conference with Real Property Negotiator
Negotiating Parties: OID and City of Brisbane
Property: Water
Agency Negotiators: General Manager and Counsel
Under Negotiations: Price and Terms
- D. **Government Code §54956.9(b)** - Anticipated Litigation
Six (6) Cases

At the hour of 12:01 p.m. the Board adjourned to open session

Coming out of Closed Session President Frank Clark stated that there was no reportable action.

OTHER ACTION
ITEM NO. 29

The Board Meeting adjourned at the hour of 12:01 p.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, August 21, 2012 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, August 16, 2012 at 9:00 a.m.** in the board room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, CA.

Frank Clark, President

Attest:

Steve Knell, P.E., Secretary