

MINUTES

Oakdale, California
July 15, 2014

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
Herman Doornenbal, Vice President
Frank Clark
Al Bairos, Jr.

Absent: Jack D. Alpers

Staff Present: Steve Knell, General Manager/Secretary
Gary Jernigan, Contract/Special Projects Manager
Kathy Cook, Chief Financial Officer
Eric Thorburn, Water Operations Manager

ADDITION OR DELETION OF AGENDA ITEMS

General Manager Steve Knell requested that Item No. 20 be deleted from the Agenda.

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

Mr. Joseph Perez who resides at 4649 Pleasant Valley Road was present and expressed his concern with landowners' deep wells going dry. General Manager Steve Knell stated that he would place on the Board's next agenda a discussion item on what the District's duties are regarding deep wells.

There being no Public Comment; Public comment closed at 9:09 a.m.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE SPECIAL
MEETING OF JULY 2, 2014 AND RESOLUTION NOS. 2014-45,
2014-46, 2014-47, 2014-48, 2014-49, 2014-50, 2014-51, 2014-52, AND 2014-53

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve the Board of Directors' Minutes of the Special Meeting of July 2, 2014 and Resolution Nos. 2014-45, 2014-46, 2014-47, 2014-48, 2014-49, 2014-50, 2014-51, 2014-52 and 2014-53.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE RESOLUTIONS AND CONTRACTS WITH STANISLAUS
AND SAN JOAQUIN COUNTIES FOR PLACEMENT OF
DELINQUENT FIXED CHARGES ON THE 2014/2015 TAX ROLLS

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve the Resolutions and Contracts with Stanislaus and San Joaquin Counties for Placement of Delinquent Fixed Charges on the 2014/2015 Tax Rolls.

ITEM NO. 6
APPROVE BOARD ATTENDANCE AT THE 2014 CSDA ANNUAL
CONFERENCE AND EXHIBITOR SHOWCASE FROM
SEPTEMBER 29 – OCTOBER 2, 2014 IN PALM SPRINGS, CALIFORNIA

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve Board attendance at the 2014 CSDA Annual Conference and Exhibitor Showcase from September 29 – October 2, 2014 in Palm Springs, California.

ITEM NO. 7
APPROVE AMENDMENT NO. 2 TO GENERAL SERVICES AGREEMENT
WITH HOLT OF CALIFORNIA FOR REVISED HOURLY RATE SCHEDULE

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve Amendment No. 2 to General Services Agreement with HOLT of California for revised hourly rate schedule.

ITEM NO. 8
APPROVE AG DISCHARGE PERMIT ON THE
TULLOCH LATERAL (APN: 002-059-013 – QUACCIA)

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve the Ag Discharge Permit on the Tulloch Lateral (APN: 002-059-013 – Quaccia).

ITEM NO. 9
APPROVE ENCROACHMENT PERMIT ON THE EAST
STUB AND TULLOCH LATERALS (APN: 002-059-013 – QUACCIA)

A motion was made by Director Bairos, second by Director Doornenbal, and unanimously supported to approve the Encroachment Permit on the East Stub and Tulloch Laterals (APN: 002-059-013 – Quaccia).

ITEM NO. 10
APPROVE AG DISCHARGE PERMIT ON THE
TULLOCH LATERAL (APN: 002-014-065 – BRICHETTO)

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve the Ag Discharge Permit on the Tulloch Lateral (APN: 002-014-065 – Brichetto).

ITEM NO. 11
APPROVE ENCROACHMENT PERMIT ON THE EAST
STUB AND TULLOCH LATERALS (APN: 002-014-065 – BRICHETTO)

A motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to approve the Encroachment Permit on the East Stub and Tulloch Laterals (APN: 002-014-065 – Brichetto).

ACTION ITEMS
ITEM NO. 12, 13

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON LANDOWNER'S
REQUEST FOR CANCELLATION OF LATE PENALTIES (CLIFTON HEDRICK)

Mr. Hedrick is requesting that the first installment penalties on his account be waived. Historically, his statement has been sent to the parcel address on file with the District and Stanislaus County. However, his December statement was returned to the District indicating that there was no mail receptacle. This is the first time that mail has been returned to the District. Mr. Hedrick has now provided the District with a new mailing address for the future bills.

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 Clark to cancel the late payment penalty and failed due to a lack of a second. Thereafter, a motion was made by Director Bairos, seconded by Director Doornenbal, and unanimously supported to deny the landowner's request for cancellation of late penalties (Clifton Hedrick).

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION TO AWARD BID
TO REPLACE TWO EXISTING FUEL TANKS TO BANKS & CO.

Staff solicited bids from three (3) vendors, Donlee Pump, George Lowry, Inc., and W.H. Breshears (Banks & Co.). Of the three (3) vendors only two (2) responded with W.H. Breshears (Banks & Co.) providing the low bid of \$31,789.00.

The scope of work will require the old tanks be removed and replaced with new tanks. The vendor will be required to remove the old pumps and replace on the new fuel tanks once they have been installed.

Staff recommends awarding Banks & Co. the bid in the amount of \$31,789.00.

A motion was made by Director Bairos, seconded by Director Webb, and unanimously supported to award the bid to replace the existing fuel tanks to Banks & Co. in the amount of \$31,789.00.

**DISCUSSION
ITEM NOS. 14, 15, 16, 17**

**ITEM NO. 14
DISCUSSION/PRESENTATION BY CORY
FARWELL OF HIGHMARK CAPITAL MANAGEMENT**

Cori Farwell will be present and will provide the Board with a Presentation on the status of the District's Investment Portfolio.

The Board may wish to provide direction to HighMark on changes it sees as necessary to the OID investments, all keeping within the scope of the Investment Policy.

Cori Farwell of HighMark Capital Management was present and reported on the District's portfolio.

**ITEM NO. 15
DISCUSSION ON REVISION OF AG RATE IN COMPLIANCE WITH
SENATE BILL x7-7 (SBx7-7) AND TO MEET OTHER BUDGETARY NEEDS**

OID needs to amend its water rate structure to be compliant with the provisions of Senate Bill x7-7 (SBx7-7), called the Urban and Agricultural Water Conservation Act, which was enacted in November 2009. There are a number of provisions in the Act that will add cost to the operations of the OID that will need to be passed on to the water rate payers of OID. Staff will be addressing those costs in this presentation.

Additionally, staff will be discussing other revenue issues affecting OID's budget that may also require a further adjustment to the water rate.

An adjustment in the water rate will necessitate complying with the Proposition 218.

Staff will provide a presentation on the SB x7-7 requirements, OID revenue projections and the types of rate structures OID is considering. Allan Highstreet, an agricultural economist with CH2M Hill, will be present to discuss the 218 process and provide insight into the financial model that will be used to develop the new water rate once a rate structure has been selected.

Allan Highstreet, Ag Economist with CH2M Hill was present and gave a PowerPoint presentation on the District's need to amend its water rate structure to be compliant with the provisions of SBx7-7.

Members of the public, John Brichetto, Joseph Perez, and others commented on the presentation.

ITEM NO. 16
DISCUSSION ON STATE WATER RESOURCES CONTROL
BOARD'S PROPOSED PROHIBITION OF ACTIVITIES
AND MANDATORY ACTIONS DURING DROUGHT EMERGENCY

The State Water Resources Control Board issued a Notice of Proposed Emergency Rulemaking on July 8, 2014 regarding prohibition of activities and mandatory actions during drought emergency.

The General Manager will brief the Board.

ITEM NO. 17
DISCUSSION ON TRI-DAM BUSINESS ITEMS AS THEY
APPEAR ON THE TRI-DAM BOARD AGENDA FOR THURSDAY, JULY 17, 2014

This item was placed here for the Board to discuss Tri-Dam business items

ITEM NO. 18
COMMUNICATIONS

A. GENERAL MANAGERS REPORT

The General Manager also informed the Board that his presentation *Water Transfers 101* is scheduled for tonight at 6:00 p.m. as well as for Thursday, July 17, 2014 @ 6:00 p.m.

He also discussed an invitation from Marjorie Blom, Executive Officer with Stanislaus LAFCO to attend a special district's workshop on the benefits of special district representation on Stanislaus LAFCO to be held on July 23, 2014 @ 6:00 p.m.

Safety Activities

1. OID has gone 409 days without a lost time injury accident.

Administration Activities

1. Spoke to Modesto Realtors Association on July 2nd.
2. Met with CH2M Hill on July 3rd to develop a rate structure for presentation at the July 15th meeting.
3. Spoke to the County Ag Advisory Board on July 7th with TID, MID and SSJID GMs on the State Water Resources Control Board's pending SED on the Basin Plan Amendment.
4. Participated in a conference call on Settlement Talks on the Stanislaus River, to avoid the SED, on July 9th.
5. GM planning to be out of town July 18th - 25th on vacation

Contract and Special Project Activities

1. Two –Mile Bar Tunnel (CEQA & Engineering) - An updated status was received from the Corps of Engineers on June 6, 2014 stating the EA will go out for Public Comment by June 13, 2014. The Corps posted the EA on their website for Public Comment as promised on June 13, 2014. The Public Comment period is 30 days and will expire on July 12, 2014. The FONSI is still on schedule to be issued in mid-August. As of July 1st there we no comments. Will continue to monitor the website for any comments.
2. Beardsley Recreational Improvements-Phase I & II – Phase II close out is in progress. CSG still has not completed the reconciling of their invoices for Change Order #02 after errors were found in the first submittal. All field contract and change order work has been completed. Once the Change Order #2 information has been received, the Final Closeout Agreement and Notice of Completion can be completed and submitted to the Board for approval.
3. Paulsell Valley Rehabilitation Project – A second land owner meeting was conducted on June 26, 2014 to discuss options. The GM was contacted and asked to review the possibilities of drilling a new tunnel further upstream of the Paulsell Lateral head gate. An investigation was conducted and it was determined the best option would be to drill the tunnel from a point near the Upstream Portal of Tunnel 9 to the high point on Warnerville Road located at the Southeast Corner of the Trinitas Property. At that point there would be approximately 60-70 feet head which would allow water to be delivered in any direction. Water could be delivered to Crabtree Road to the East, Dry Creek to the South, and areas to the west. CH2MHILL was notified there would be an amendment to their existing Work Release to increase the scope to include a tunnel from Tunnel 9 to Warnerville Road.
4. City of Oakdale Water Recycling Project – A project description was developed and reviewed. A cost estimate is in progress, along with preliminary layouts being assembled.
5. Rubicon Expansion Project – A project description was assembled and the Grant Application process is being discussed with Provost & Pritchard and GEI Engineering. Both firms have a Grant Application department that prepares the applications for Grants. Provost & Pritchard was the firm that completed the Grant application for the Cashman Dam when was granted to OID but never used. The Grant application is being completed for submittal to the OES Grant Program that is due in the first quarter of 2015.
6. Request for Proposal to Re-Bid the Supply of Two (2) Fuel Tanks to replace the one tank that is out of compliance and one tank that is unusable. Bids are due July 9, 2014.
7. Contract Administration activities on contracts to be renewed and/or issued, Work releases and Change Orders for contracts are ongoing.

Construction Activities

1. C&M crews and equipment operators are addressing minor issues on OID facilities, routine maintenance tasks and JSF's generated by Water Dept. staff.
2. Preparing and conducting employee evaluations.
3. Reviewing project close out folders for this past winter's projects.
4. Reviewing and processing JSF's generated by Water Ops. Dept. staff.
5. Assisting Water Ops/Engineering Dept. with various assigned tasks.

6. Magnacide applications continue on District facilities: 7/1 – Lower Cometa & Mootz Laterals, 7/3 - Fairbanks and Campbell Laterals, 7/8 – Lesinini Lateral.
7. Received the Stanislaus County Encroachment Permit for the two pipeline crossings for the Morrison Pipeline Project. This project will commence upon completion of the nesting bird season after the first of September.
8. New office workstations are scheduled to be installed on 7/9. These workstations were approved by the Board on May 6th.

Water Operations Activities

Engineering

1. Land use Conversion – Continued to work with landowners, tenants, irrigation design companies and Support Services/Water Operations concerning ongoing and future land use conversion projects.
2. Continued to process Encroachment and Ag. Discharge Agreements for Board approval.
3. The Service Contract for the new electrical service connection to the NSRR Deep Well is in the process of being updated by PG&E and is anticipated to be ready for signature by the end of July. Given the scope of work for the project has not changed, the underground materials order is being processed now.
4. The July 3rd STRGBA meeting was cancelled absent a quorum, but a draft RFP is currently being prepared for services to update the STRGBA's 2005 Integrated Regional Groundwater Management Plan. A draft of the USGS GW Model Report was issued for review. The deadline for comments is July 18th to ensure the scheduled public release of the report by the end of September 2014 stays on track. The next STRGBA meeting is scheduled for August 7th.
5. The next Technical Advisory Committee (TAC) meeting is scheduled for July 10th. A draft Report-a-Problem Well form will be reviewed along with the next 100 day deliverables request.
6. Continued to process Request for Work Approvals, plans and cost estimates as needed for construction and maintenance projects.
7. The pre-employment process for a new Assistant Engineer is underway.
8. The Engineering Intern, Greg Borba, continued to review and address any incorrect or unassociated turnouts with the appropriate APN and numerical code utilizing the assistance of the DSOs. Review with the north and south side DSOs is nearly completed.

Aq Water

1. Continued to research and respond to numerous miscellaneous irrigation and maintenance issues and inquiries.
2. Continued setup of the IPADs and the associated application software. DSO training on the proper use of the new devices continued to be conducted by the OID SCADA Coordinator.
3. Continued SCADA integration work on proposed automated and remote monitoring sites.

4. The DSOs continued to work with farmers district-wide to decrease water use in comparison to last season by another 3,000 acre feet during the month of June. The diversions at Goodwin through the end of June have been a total of 25,000 acre feet less than they were last irrigation season.
5. The ninth rotation of 2014 (tenth of the 2013-14 water year) began on or about July 7th. This is a 12-day rotation and will be followed by another 12-day rotation starting on or about July 19th.

Water Utilities

1. Improvement District No. 41:
 - Pumping Station No. 3 remains out of service due to high turbidity issues.
2. Improvement District No. 49 – Water Storage Tank:
 - Continued to monitor leaks on the water storage tank at Pumping Station No. 1. The tank remains in service and under observation.
 - Preparations are currently underway to remove the old tank and install the new one. The actual tank replacement is scheduled to begin on Tuesday, July 15th.
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. Domestic Water Systems:
 - Monthly Coliform Bacteria water quality samples were collected on Tuesday, July 1st. No problems were detected. All domestic systems are operating without restrictions.
 - Staff continued performing annual inspection and testing of the backflow assemblies under OID's jurisdiction.
5. Rural Water System No. 1:
 - Staff is working with the landowner at 10201 Del Almendra Drive to replace their missing backflow assembly.
6. Irrigation 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.

Financing Activities

1. Prepared information for the Ag Water Rate Study. Met with CH2M Hill in Sacramento, along with the General Manager, to review and discuss the study.
2. Attended the hearing on OID's Motion for Costs in the ID 52 case on June 24, 2104.
3. Second installment delinquent notices were mailed out on July 2, 2014. Delinquencies were \$71K or 4.5%, while 13% of the customer base was delinquent.
4. Began 2015 budget preparation.

B. COMMITTEE REPORTS

Water Committee Meeting, July 2, 2014

- Wayne McCurley's Request to Increase Pumping Capacity of Existing Townhill Reclamation Pump (APNS: 064-027-007, 064-029-001)

Tri-Dam Advisory Committee, July 7, 2014

Planning and Public Relations Committee Meeting, July 6, 2014

- Funding Request of Children's Guardian Home

Finance Committee Meeting, July 10, 2014 – Closed Session

Government Code 54956.8 Conference with Real Property Negotiator

Negotiation Parties: OID and Heritage Storage Facility

Property: Property Adjacent to and East of 795 W.
Greger Street, Oakdale, CA (APN: 063-024-
024, W. Greger St., Oakdale)

Director Doornenbal stated that the Water Committee met and did not make any decision regarding Mr. McCurley's request. General Manager Steve Knell stated that Mr. McCurley contacted him and stated that he was going to do some more research and would get back to the District.

Director Clark stated that the Tri-Dam Advisory Committee met and discussed the purchasing of the property from Merle Holman.

Director Webb stated that the Planning and Public Relations Committee met and agreed to fund the Children's Guardian Home in the same amount as last year.

Director Webb stated that the Finance Committee met and will be discussing the matter in Closed Session today.

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

There were no Directors' comments and/or suggestions.

At the hour of 10:55 a.m. the meeting adjourned to Closed Session.

CLOSED SESSION
ITEM NO. 19

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

B. **Government Code §54956.8** - Conference with Real Property Negotiator
Negotiating Parties: OID and Heritage Storage Facility
Property: Property Adjacent to and East of 795 Greger
Street, Oakdale, CA (APN: 063-024-024, W.
Greger Street, Oakdale, CA)
Under Negotiations: Price and terms

At the hour of 11:49 a.m. the meeting returned to open session.

Coming out Closed Session President Webb reported that by a vote of 4-0, the Board formed an Ad Hoc Committee consisting of Director Bairos and Director Doornenbal to start the negotiation of price and terms with Heritage Storage Facility; President Webb also reported that by a vote of 4-0 the Board unanimously agreed to have an appraisal done on the property adjacent to and east of 795 Greger Street, Oakdale, CA (APN: 063-024-024, W. Greger Street, Oakdale, CA).

OTHER ACTION
ITEM NO. 17

The meeting adjourned at the hour of 11:49 a.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, August 5, 2014 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Regular Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, July 17, 2014 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Steve Webb, President

Attest:

Steve Knell, P.E., Secretary