

## **MINUTES**

Oakdale, California  
October 21, 2008

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: Jack D. Alpers, President  
Al Bairos, Jr., Vice President  
Steve Webb  
Frank B. Clark  
Tony Taro

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

Also Present: Michael Ijams, General Counsel

### **ADDITION OR DELETION OF AGENDA ITEMS**

There were no additions or deletions of agenda items.

### **ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE**

There were no items taken out of sequence.

At the hour of 9:02 a.m. the Board welcomed public comment.

### **PUBLIC COMMENT ITEM NO. 1**

Mr. and Mrs. Julian Bordona, who reside at 4706 State Highway 108, Oakdale, California were present at the Board Meeting and had a question concerning a private pipeline off the Langworth Pipeline.

There being no further public comment, public comment closed at the hour of 9:14 a.m. and the Board Meeting continued.

**CONSENT ITEMS**

**ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12**

**ITEM NO. 2**

**APPROVE THE BOARD OF DIRECTORS'  
MINUTES OF THE REGULAR MEETING OF OCTOBER 7, 2008  
AND RESOLUTION NOS. 2008-42, 2008-43, 2008-44, AND 2008-45**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of October 7, 2008 and Resolution Nos. 2008-42, 2008-43, 2008-44 and 2008-45.

**ITEM NO. 3**

**APPROVE OAKDALE IRRIGATION  
DISTRICT STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 4**

**APPROVE IMPROVEMENT DISTRICT  
STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 5**

**APPROVE TREASURER AND CHIEF  
FINANCIAL OFFICER'S REPORT FOR  
THE MONTH ENDING SEPTEMBER 30, 2008**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending September 30, 2008.

**ITEM NO. 6**

**APPROVE REJECTION OF CLAIM  
FOR DAMAGES FILED BY NORMA ARISTOTELOUS**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to reject the claim for damages filed by Norma Aristotelous and forward it to ACWA/JPIA for handling.

**ITEM NO. 7**  
**APPROVE PURCHASE, INSTALLATION AND/OR**  
**MODIFICATION OF TWO SHOP DOORS FROM**  
**R&S ERECTION, TRI-COUNTY, INC. AND AN**  
**INCREASE TO CAPITAL PURCHASE BUDGET**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the purchase installation and/or modification of two shop doors from R & S Erection, Tri-County, Inc. and an increase to the capital purchase budget.

**ITEM NO. 8**  
**APPROVE AMENDMENT NO. 1 TO**  
**PROFESSIONAL SERVICES AGREEMENT**  
**2008-PSA-011 WITH CONDOR EARTH TECHNOLOGIES, INC.**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Amendment No. 1 to Professional Services Agreement 2008-PSA-011 with Condor Earth Technologies, Inc.

**ITEM NO. 9**  
**APPROVE RESOLUTION OF**  
**ABANDONMENT OF A PORTION OF THE**  
**ROOT DRAIN (APN: 006-001-076 –TOWNSEND)**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Resolution of Abandonment of a Portion of the Root Drain (APN: 006-001-076 – Townsend).

**ITEM NO. 10**  
**APPROVE QUITCLAIM OF ROOT DRAIN**  
**EASEMENT (APN: 006-001-076 – TOWNSEND)**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Quitclaim of Root Drain Easement (APN: 006-001-076 – Townsend).

**ITEM NO. 11**  
**APPROVE ENCROACHMENT AGREEMENT**  
**ON THE COMETA LATERAL (APN: 002-020-003 -**  
**THOMAS D. ZEFF AND SHELLY A. ZEFF)**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to Approve Encroachment Agreement on the Cometa Lateral (APN: 002-020-003 – Thomas D. Zeff and Shelly A. Zeff).

**ITEM NO. 12**  
**APPROVE ENCROACHMENT AGREEMENT**  
**ON THE YOUNG LATERAL (APN: 002-020-003 -**  
**THOMAS D. ZEFF AND SHELLY A. ZEFF)**

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to Approve Encroachment Agreement on the Young Lateral (APN: 002-020-003 – Thomas D. Zeff and Shelly A. Zeff).

**ACTION CALENDAR**  
**ITEM NOS. 13, 14, 15, 16, 17**

**ITEM NO. 13**  
**REVIEW AND TAKE POSSIBLE ACTION ON A**  
**RESOLUTION SETTING WATER DELIVERY FEES FOR THE YEAR 2009**

The resolution is submitted to set the water rates for 2009. The resolution reflects the following:

- No water rate increases
- Installment due dates:
  1. Monday, December 22, 2008
  2. Monday, June 22, 2009

As illustrated on the attached comparative table, the irrigation water rates being assessed in OID today are \$99 per acre below the actual or “true cost” of water. As one can notice, the irrigation water rate today (\$19.50 per acre) compared to the 1979 rate (\$31 per acre) has been reduced by \$11.50 per acre or 37%.

The reason OID can afford to provide this discount on its irrigation water rate is because of the revenue generating capacity of its Tri Dam investments and for its foresight in establishing revenue generating water transfers.

A motion was made by Director Webb and seconded by Director Bairos to approve the Resolution Setting Water Delivery Fees for the year 2009 and was voted as follows:

Ayes: Directors, Webb, Clark, Alpers, and Bairos  
Noes: Director Taro

**ITEM NO. 14**  
**REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION**  
**SETTING DOMESTIC WATER IMPROVEMENT DISTRICT**  
**OPERATION AND MAINTENANCE CHARGES**  
**AND OTHER RELATED CHARGES FOR 2009**

Staff met with the committees of each domestic water improvement district during the month of August. The attached resolution provides for setting 2009 ID Operation and

Maintenance (O&M) rates. It is anticipated that these O & M rates are sufficient to cover the current year's anticipated expenditures, as well as next year's anticipated expenditures.

A motion was made by Director Webb, seconded by Director Clark to approve the Resolution Setting Domestic Water Improvement District Operation and Maintenance Charges and Other Related Charges for 2009 and by roll call was voted as follows:

Ayes: Directors Webb, Clark, Alpers, Bairos, and Taro

**ITEM NO. 15**  
**REVIEW AND TAKE POSSIBLE ACTION ON A RESOLUTION**  
**SETTING AG WATER SYSTEM IMPROVEMENT DISTRICT**  
**OPERATION AND MAINTENANCE CHARGES AND OTHER**  
**RELATED CHARGES FOR 2009**

Staff sent letters to all landowners of each agricultural water system Improvement District during the month of August. The attached resolution provides for setting 2009 ID Operation and Maintenance (O&M) rates. It is anticipated that these O & M rates are sufficient to cover the current year's anticipated expenditures, as well as next year's anticipated expenditures.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Resolution Setting Ag Water System Improvement District Operation and Maintenance Charges and Other Related Charges for 2009.

**ITEM NO. 16**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**ON A RESOLUTION SETTING DOMESTIC WATER IMPROVEMENT**  
**DISTRICT RESERVE FUND CONTRIBUTIONS FOR 2009**

As approved by the landowners of ID 46, 49, and 51, staff is submitting the resolution for 2009 Reserve Fund contributions.

A motion was made by Director Webb, and seconded by Director Clark, and unanimously supported to approve the Resolution Setting Domestic Water Improvement District Reserve Fund Contributions for 2009.

**ITEM NO. 17**  
**REVIEW AND TAKE POSSIBLE ACTION ON A**  
**RESOLUTION FOR CHARGES RELATED TO**  
**IRRIGATION WATER SERVICE FOR THE YEAR 2009**

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 Alpers, seconded by Director Clark, and unanimously supported to approve the Resolution for Charges Related to Irrigation Water Service for the Year 2009.

**DISCUSSION ITEMS  
ITEM NOS. 18**

**ITEM NO. 18  
DISCUSSION ON THE HISTORY  
OF WORKERS' COMPENSATION PREMIUMS**

A memo outlining the history of OID's Worker's Compensation Premiums was provided to the Board of Directors. The Board, Management and Staff can take pride in their accomplishments in the area. The implemented safety programs, the change in safety culture, the proactive response to addressing hazards in the workplace and a Safety Counsel made of employees dedicated to worker safety are all contributing factors.

While the table reflects "direct costs" the total "indirect cost" savings, by industry standards are four to seven times those shown.

General Manager Steve Knell discussed the District's history of Workers' Compensation Premiums and due to the combination of changing providers, reduction in our e-mod, and the implementation of Target Zero the District has saved approximately 52%.

**ITEM NO. 19  
COMMUNICATIONS**

**A. GENERAL MANAGERS REPORT**

**Safety Activities**

1. 159 days without a lost time injury accident.

**Administration Activities**

1. Legal or Pending Issues in General Counsel's Report
2. City of Modesto meeting on regional water treatment plant not yet scheduled.
3. Cape Horn Tunnel event for 11:00 a.m. October 24<sup>th</sup>
4. Tunnel Tours for Oakdale Leadership Program and Ag Scholarship Program

**Contract and Special Project Activities**

1. No further communications with RTC but financial institution has stated they are waiting on information from RTC in order to proceed.
2. Cape Horn Tunnel – Drill Tech has mobilized and start temporary road and access construction. The 1600 permit was issued on October 15, 2008 and the contractor was released to start the work. The Check dam installation and pumping of the tunnel started. The sedimentation basins installation begin. Received direction from USFWS for the California Tiger Salamanders (CTS) study which is required for the dirt pile at the upstream portal only. The Drift Fence installation begin on October 20, 2008 and will complete on October 21, 2008.

3. Little John Creek Dam Project – Teichert Construction begin mobilization on October 17, 2008 with work starting on October 20, 2008.
4. Riverbank/South Main - Sierra Mountain begin mobilization on October 13, 2008 and begin initial pumping of water and temporary facilities installation.
5. Fairbanks/Cometa Control Structure Rehabilitation - Teichert Construction will mobilize on October 22, 2008. Due to organizational changes within Teichert, the mobilization was delayed from October 13, 2008.
6. Fairbanks/SSJID Main – Pre-Construction Meeting was held with Preston Pipeline Company on October 14, 2008. Mobilization will commence on October 20, 2008.
7. USFWS issued letter for study of the California Tiger Salamander at the upstream portal of the Cape Horn Tunnel. Drift fence installation will start on October 21, 2008. Study will cover the 2008/2009 winter season.
8. Derek Davis with Tracer has completed the field audit for the RMP Compliance Audit and the report is being reviewed by OID staff now.
9. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
10. Project coordination with Engineering Consultants.

### **Construction & Maintenance Activities**

1. Review of Job Set Up Forms
2. Review of Request For Work Approvals
3. On-going review for potential dirt sites
4. Various Landowner meetings
5. Performance Evaluation preparation
6. 2008/2009 Winter Work Season began on the 13<sup>th</sup> with Training Classes.
7. Construction has begun on the following in-house Capital Projects.
  - Dry Creek/South Structure Rehabilitation-Mobilization, demolition, and sub-grade preparation complete. Form work and rebar placement on the floor of the structure in progress.
  - Albers I/II Structure Rehabilitation- Mobilization and demolition complete, sub-grade preparation in progress for the structure.

### **Engineering Activities**

1. Ongoing Suspense Forms.
2. Board Agenda Report preparation.
3. Master Encroachment Agreement preparation. MID, PG&E, City of Oakdale and City of Riverbank draft complete. Draft documents have been sent to Legal Council for review. Still waiting for a response from Legal Council.
4. Stanislaus County Road Crossing Agreement. County comments have been received along with their road crossing design guidelines and GM's comments have been received. Final preparation and modifications ongoing.
5. OID Standard Detail Review.
6. Draft Structure Permit complete, John Davids to review
7. Modified Land Reclassification Checklist complete, waiting internal Staff Review.
8. Working with various Irrigation Design Companies on new turnout designs for construction this winter.
9. Assisting Mr. Jernigan in compliance with the CEQA phase of the Cape Horn Tunnel Project.

10. Engineering Department Staff assisting Mr. Jernigan with construction inspection activities.
11. List of Capital Projects for design and construction during the 2009/2010 construction season completed and distributed to Provost and Prichard, Inc. Survey activities and preliminary design underway.
12. Preparing early CEQA analysis for new projects.
13. Service Standard Review.
14. Performance Evaluation preparation.
15. North Side Reservoir property acquisition nearly complete. Notice of Election to Proceed prepared and distributed to Owner and Title Company. Legal Counsel preparing final Agreement outlining final terms and conditions. To Board for approval at first meeting in November.
16. Conde's CEQA package is complete. Waiting for compliance with three (3) outstanding conditions of approval before the package will be taken to the Board for approval and subsequently sent to LAFCO for their review.
17. DRAFT Agreement with V.A. Rodden complete. Awaiting Water/Engineering Committee review.
18. DRAFT Settlement Agreement for Lubbers complete. Staff review ongoing.
19. Mr. Eric Thorburn to take Professional Engineers exam on October 24<sup>th</sup> and 25<sup>th</sup>. Wishing him GOOD LUCK!
20. Reviewing locations for two (2) new deep wells. Land acquisition and design to begin shortly.
21. Environmental Assessment on Cahoon property complete, no hazardous materials found. Follow-up letter sent to Mr. Cahoon. OID to proceed with removal of remaining obstructions.

### **Water Operations Activities**

1. Distribution System was shut down on Friday, October 10, 2008 – a few irrigation deliveries carried over into Saturday.
2. DSO's have winterized the system and are preparing for the Construction & Maintenance Season.
3. Identified two locations for new groundwater wells. Project scope to be developed.
4. Reviewing design considerations with the Engineering Department for 2009 capital projects.
5. Assisting Gary Jernigan with dewatering project sites for contractors.
6. Developing lockout procedures for automated gates.
7. Attended Long Term Irrigated Lands Program advisory group meeting on October 9, 2008
8. Coordinating through the STRGBA modeling runs to be performed by USGS
9. Coordinating with SSJID stormwater management procedures on the Joint Main Canal
10. Second round of Ag Waiver samples were collected on October 6, 2008.
11. Phase 1 of ID 52 merger into OID's RWS is completed. Anticipated approval from the State DHS shortly.
12. Winter repairs have begun on pump stations.

### **Finance and Accounting Activities**

1. Provided necessary documents to Bond Counsel and the Financial Advisor in preparation of obtaining a bond rating.



2. Met with ID45 landowners to discuss past and future financial requirements. Five out of 37 landowners attended the meeting.
3. Received ACWA JPIA claim denial letter regarding Steven Aristotelous, et al.
4. Received Delaree Woodbury's release of liability on her August 4, 2008 claim.
5. Working with Curtis and Arata to finalize a collection process to address property foreclosures.
6. The District Annual Employee's Benefits Fair will be held on Thursday, November 6, 2008 from 7 a.m. to approximately noon. This year the District is providing its employees with a confidential health screening that includes a non-fasting cholesterol and glucose test, a blood pressure test, and a body mass index test. In addition, flu shots will be made available for employees.
7. Finalizing water billing updates to send out 2009 ag water statements out the first week of November.
8. Routine accounting functions (AP, AR, PR, billing, reconciliations, etc.)
9. Continue to review existing workers' compensation claims.

**B. GENERAL COUNSEL'S REPORT ON STATUS OF OID ACTIVITIES**

General Counsel Mike Ijams was present at the Board Meeting and commented on the status of the following OID activities:

- Clark Pipeline title issue
- Chappell Drain encroachments and relocation
- Goad settlement
- Cahoon encroachments
- Ohe access (scheduled for closed session)
- Virgil Thompson access
- North Side Reservoir purchase agreement
- Master Encroachment Agreement
- Lien Notices for Rural Water System foreclosures
- Langworth Pipeline fencing
- Aristotelous

**C. COMMITTEE REPORTS**

- Water/Engineering Committee, October 14, 2008

The Water/Engineering Committee met on October 14, 2008 to discuss Virgil Thompson's requests for the access road. The Board agreed that this had already been discussed in the General Counsel's Report.

**D. DIRECTORS' COMMENTS/SUGGESTIONS**

**Director Taro**

Director Taro had no comments.

**Director Bairos**

Director Bairos complimented Staff on a good job on the water season and stated that he has not heard any negative comments. He stated that he was pleased with the amount of water that was left.

**Director Clark**

Director Clark asked if the ID52 project was completed. Water Operations Supervisor-Water Utilities Bob Nielsen stated that Phase I of the Project was complete. He is waiting to receive clearance from the State and once received he will send out a letter informing the homeowners that they can have the water turnover done connecting them to RW1 and the fact that they will have thirty days to complete the turnover.

**Director Webb**

Director Webb thanked Kevin King, Water Operations Manager, for the good job that he did this year.

**Director Alpers**

Director Alpers stated that there is an attendance problem at the Oakdale Irrigation District. He stated that the District did not have a quorum at the Tri-Dam Meeting in Manteca on October 16, 2008. Director Alpers stated that if a Director is not able to attend the meeting they should contact the District by noon the day before, unless there is a dire emergency on the day of the meeting.

At the hour of 10:35 a.m. the Board moved to Closed Session.

**CLOSED SESSION**  
**ITEM NO. 20**

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

At the hour of 11:13 a.m. the Board returned to open session.

General Manager Steve Knell stated that there was no reportable action following Closed Session.

**OTHER ACTION**  
**ITEM NO. 21**

At the hour of 11:13 a.m. the meeting was adjourned to the next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, November 4, 2008 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Special Joint Board Meeting for the Tri-Dam Project is scheduled for **Tuesday, October 28, 2008 following the SSJID Regular Board of Directors' Meeting** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

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Jack D. Alpers, President

Attest:

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Steve Knell, P.E., Secretary