

MINUTES

Oakdale, California
July 15, 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 9:15 a.m. Upon roll call, there were present:

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

Staff Present: Steve Knell, P.E., 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

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

Gordon Pimley, who resides on Sierra Road, requested that Action Item No. 11 be moved up a little closer. Director Webb stated that Mr. Amerine is present for Action Item No. 10 and therefore, Action Item No. 11 will follow Item No. 10.

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

PUBLIC COMMENT ITEM NO. 1

There being no public comment, public comment closed at the hour of 9:01 a.m. and the Board Meeting continued.

Director Clark requested that Item No. 7 be pulled from the Consent Calendar.

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

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING OF JULY 1, 2008

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 July 1, 2008.

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 JUNE 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 June 30, 2008.

ITEM NO. 6
APPROVE ASSIGNMENT
OF CAPITAL WORK ORDER NUMBERS

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

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Mensingher Lateral	Replace existing 12" C-10 canal gate	\$6,000	0832
Cavill No. 2 Pump	Replace existing turnout with 15" 100 PIP PVC line tees, a 15" inline valve and 15" PIP PVC with a Concrete closure collar	\$19,000	0833

Droge Pump	Install precast weir and remove existing Diversion inlet and install 27" 100 PIP PVC.	\$23,000	0834
Crane Pipeline	Replace existing 19" C-10 canal gate	\$5,000	0835

ITEM NO. 8
APPROVE GENERAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS
(VALLEY AIR CONDITIONING & ENGINEERING, INC.,
GLENDEL CORP., DBA ROTO-ROOTER PLUMBING
& SEWER CLEANING, INC., PAPE MACHINERY, OVERHEAD
TECHNOLOGY, INC., D & L CONCRETE PUMPING, INC.,
MAXIM CRANE WORKS, L.P., AND NORTH COAST LABORATORIES, LTD.)

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Valley Air Conditioning & Engineering, Inc., Glendel Corp., dba Roto Rooter Plumbing & Sewer Cleaning, Inc., Pape Machinery, Overhead Technology, Inc., D & L Concrete Pumping, Inc., Maxim Crane Works, L.P., and North Coast Laboratories, Ltd.)

ITEM NO. 9
APPROVE REQUEST AUTHORIZING
GENERAL MANAGER TO EXECUTE A
CONTRACT WITH ERNST AUCTION PARK

A motion was made by Director Webb, seconded by Director Clark unanimously supported to approve the request authorizing General Manager to execute a contract with Ernst Auction Park.

ACTION CALENDAR
ITEM NOS. 7, 10, 11, 12, 13

ITEM NO. 7
APPROVE RESOLUTIONS AND SERVICE
CONTRACTS WITH STANISLAUS AND SAN JOAQUIN
COUNTY FOR PLACEMENT OF DELINQUENT
FIXED CHARGES ON THE 2008/2009 TAX ROLLS

Director Clark stated that he was concerned with the economic situation and foreclosures and asked if the District has been having a lot of shut off notices. Chief Financial Officer Kathy Cook stated that yes the District has been having more notices. She stated that in a given year there are usually two to three shut offs in the Rural Water Systems and we are seeing four to six 24-hour notices per month. Director Clark asked if delinquencies were up as well. Chief Financial Officer Kathy Cook stated that the District is sending out approximately twenty-five letters every billing cycle instead of five to six letters.

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Resolutions and Service Contracts with Stanislaus and San Joaquin Counties for placement of delinquent fixed charges on the 2008/2009 tax rolls.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION
TO AMEND OAKDALE IRRIGATION DISTRICT'S
CONDITIONS OF APPROVAL FOR STANISLAUS
COUNTY GENERAL PLAN AMENDMENT
APPLICATION 2007-02 (APN: 006-005-003 – AMERINE)

On April 16, 2007, Oakdale Irrigation District (OID) responded to Stanislaus County (STANCO) with Conditions of Approval as they pertained to Mr. Amerine's General Plan Amendment Application No. 2007-02. OID's condition of approval was the removal of all equipment and material storage from the OID's Burnett Lateral easement.

As can be seen from the photos attached to this Agenda Report the easement owned by OID has turned into a junk yard for Mr. Amerine. Mr. Amerine owns numerous acres adjacent to his business upon which to store this junk. This is not an overburdening request.

In addition, the gates that OID allowed to be installed in June 2003 have been used to lock OID personnel out of its easement. When the locks were cut by OID personnel to gain access to its facilities they would reinstall OID locks in combination with Amerine locks. Without fail, OID locks were in short order summarily cut out by Amerine employees to again denying access to OID's easement.

OID's response to STANCO, which is in accordance with District Policy, was an effort to eliminate a junk yard and to restore access to an OID facility which continues to be denied by Mr. Amerine. OID has not had a "good neighbor" experience with regard to Mr. Amerine's actions on the Burnett Lateral. On January 21, 2008, in a letter from OID's General Manager to STANCO, OID clearly states, it's not a compatibility issue we have against Mr. Amerine's proposal. OID's Conditions of Approval are sought to protect its easement and access rights to the Burnett Lateral.

Mr. Amerine's actions and burdening of an OID easement are no different than that of similar landowners OID is currently dealing with. To do something different here would be inconsistent with current directions given by the Board.

Gary Amerine was present and stated that he was trying to get a little more area to run the business and in that process he applied for changes in their use permit and that is what generated the letter to the District by the County. Mr. Amerine stated that most of the items shown in the pictures were taken in 2006 and everything has now been removed from the easement.

Director Alpers stated that he would like the Water Committee to go out and visit the property site to see what the situation is.

There was no action taken at this time. Director Webb stated that he would like the Water Committee to visit the site on Monday or Tuesday next week. When the Committee Meeting has been scheduled the District will notify Mr. Amerine of the date and time.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION
PROVIDING STAFF DIRECTION ON FINANCING PROGRAM
FOR FUNDING OID'S CAPITAL IMPROVEMENTS PROGRAM

Staff has had additional conversations with Michael Engelbrecht of Wells Fargo Bank. The added information made available and Staff's internal discussions regarding staff's abilities to implement a program of this magnitude will be shared with the Board. Sway points that have been clarified include:

- The 3-year funding criterion for projects is on an "intent" basis and projects need not be in construction within 3 years. OID's Water Resources Plan will serve as the "intent" document for borrowing purposes.
- Projects begun now can be included in the loan amount as spent monies prior to the loan being secured. Hence, the Cape Horn Rehabilitation Project costs could be applied to the loan.
- The financial institutions that fund these instruments focus on the borrower's reserves. The more reserves the better financing available. The PAYGO plan we are on now can actually be a detriment to our future borrowing as well as a combination of PAYGO and self funding if reserves are drawn down.

Approval of this agenda item is to allow staff to work with Wells Fargo Bank and develop a funding program; it is not a commitment to do anything. Staff currently feels the \$50 million level is an appropriate level upon which to develop a program.

Several members of the public, Ken Krause, Grover Francis, and Gordon Pimley, were present and stated their disapproval of the District borrowing any money. Patricia Foard was also present and stated that she could not see any reason why the District would not proceed in determining whether or not borrowing money is a good idea because the better the rating, the better the District's chance of individuals purchasing the bonds.

A motion was made by Director Clark, seconded by Director Webb to direct staff to look further into the financing programs for funding the District's Capital Improvements Programs and was voted as follows:

Ayes:	Directors, Webb, Clark, Alpers
Noes:	Director Taro
Absent:	Director Bairos, Jr.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION
ON BUDGET AUTHORIZATION TO INCREASE
SCOPE OF WORK ON THE CAPE HORN
TUNNEL REHABILITATION PROJECT

Staff would like to extend the scope of work for Phase I of the Cape Horn Tunnel to include Phase III. By doing so, approximately 75% of the High Hazard areas of the Cape Horn Tunnel would be rehabilitated. Also, by combining Phase I and III would eliminate one year's escalation on \$3 million dollars; would eliminate one contractor mobilization; eliminate one year of construction management costs; eliminate the need for temporary roads; eliminate one season of storm water management and eliminate one installation of the temporary downstream portal check dam and sedimentation basins. A conservative estimate for savings by combining these two phases would be \$500,000 - \$600,000.

Staff was available to discuss any details of this proposed project during the Board meeting.

Staff recommends combining Phase I and III to execute during the winter construction season of 2008/2009 and increasing the project budget to \$5,000,000.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to increase the scope of work on the Cape Horn Tunnel Rehabilitation Project budget to \$5 Million.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
PARTICIPATION WITH CALIFORNIA FARM
WATER COALITION ON A STATEWIDE
MEDIA CAMPAIGN FOR WATER AWARENESS

The California Farm Water Coalition (CFWC) is a strong voice for agriculture in the State. While ACWA is focused on the big water picture in the State for all users, the CFWC truly is focused on that which benefits ag. The General Manager is seeking direction on the level of participation by the Board, as this looks to be a multi year program.

A motion was made by Director Clark, seconded by Director Taro, and unanimously supported to participate with the California Farm Water Coalition on a statewide media campaign for water awareness in the sum of \$2,500.00.

**DISCUSSION ITEMS
ITEM NOS. 14, 15**

**ITEM NO. 14
DISCUSSION ON BUSINESS ITEMS AS
THEY APPEAR ON THE TRI-DAM BOARD
AGENDA FOR THURSDAY, JULY 17, 2008**

This item is placed here for the Board to discuss Tri-Dam agenda items.

Director Clark stated that there was nothing in the minutes about the vote taken in Closed Session regarding the power contract with P.G.&E.

Director Alpers stated that he would like to see more information with the Tri-Dam Agenda. Items are placed on the Agenda and no information is being provided until the meeting. This makes it difficult to make an informed decision.

**ITEM NO. 15
DISCUSSION ON WATER, STATEWIDE AND AT OID**

General Manager Steve Knell discussed the PowerPoint enclosure that was presented by the Department of Water Resources regarding the state of the existing water supply within California.

Kevin King updated the Board on the status of OID's water.

**ITEM NO. 16
COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 62 days without a lost time injury accident.

Administration Activities

1. Legal Issues;
 - a. Goad –Court date held Monday the 7th. Judge instructed Goad counsel to complete settlement papers by August 9th or OID to file motion for enforcement.
 - b. Knight's Ferry – No change
 - c. Chappell Drain- No change
 - d. Clark Pipeline- No change
 - e. Ed Perez and OE3 vs. OID: No change
 - f. Cahoon Property: Steve Cahoon given until August 1st to vacate OID right of way
2. Admin Issues;
 - a. Negotiations with City of Stockton – No change
 - b. P.R. &R. review status – Met with Julia Jennes on this, expect completion by the end of year or sooner
 - c. Public calls on seeing OID employees still talking on cell phones

- d. Manager's meeting (SSJID, Tri Dam, and OID) held on Monday the 14th
3. Reportable Items of Interest
 - a. Attorney Bart Barringer called on a landowner issue on Orange Blossom Road.
 - b. Director Alpers and GM to attend Riverbank City Counsel meeting on the 14th.
 - c. Meeting with Sean Carrol requesting OID's involvement in the Stanislaus II Program.
 - d. State Mediation meeting on an employee issue on Thursday the 17th
 - e. The GM has accepted to be the Program Chairman for a USCID Specialty Conference in Reno next year focusing on Irrigation District Operations, Maintenance and Management
 - f. LAFCO is hosting "The Winds of Change" on Wednesday the 23rd. a presentation on adapting to the changing realities of the 21st Century.

Contract and Special Project Activities

1. The Campbell Pipeline – A Credit Invoice from Giuliani & Kull was received for \$13,500 on July 9, 2008. Letter being drafted to RTC indicating the revised amount due from RTC with the conditions set forth by the Board.
2. Reviewed with the Finance Committee the 5-Yr WRP CIP plan.
3. Condor completed preparation of the construction documents for the Cape Horn Tunnel Rehabilitation Project and the package was sent out to ten (10) construction companies for bids. Bids due on July 22, 2008. Job walk with contractors was conducted on July 10, 2008.
4. Received Bid Package for review from Provost & Pritchard for the Little Johns Creek Diversion Dam Rehabilitation Project. Comments were returned and final package being assemble for distribution.
5. CH2MHILL continues with is preparing the documents for the Cape Horn Tunnel and the North Side Reservoir CEQA process.
6. Received proposals for the FMP Compliance Audit from three (3) firms. The Proposal is in the review process now with a recommendation for award schedule to be completed by July18, 2008.
7. Contract documents with a Notice of Award was sent to Allen Waggoner Construction for the ID #52 System Distribution Replacement Project.
8. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
9. Project coordination with Engineering Consultants

Construction Activities

1. Routine C&M summer duties.
2. Trash pick-up North and South sides
3. Posted outhouse for (1) C&M Senior Position
4. 2009 preliminary Budget Complete
5. On-going constructability review of 2008/2009 Capital Projects
6. Review Job Set-Up Forms
7. Took delivery of new Kenworth dump truck
8. Took delivery of new tilt bed trailer
9. Continued review of potential dirt sites.

Engineering Activities

1. Ongoing Suspense Forms.

2. Board Agenda Report preparation.
3. 2009 Budget Preparation.
 - A. Man Power
 - B. Capital Purchases
4. 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. Expect review comments back this week.
5. Stanislaus County Road Crossing Agreement. County comments have been received and the Agreement is being amended to cover their requested changes. Currently developing a STANCO specific map showing all facilities within their jurisdiction.
6. OID Standard Detail Review.
7. Draft Structure Permit complete, awaiting internal review and cross-checking for accuracy with other OID documents
8. Plan check and design review on Engineering in progress:
 - a. Albers I/II Split – 100% Design Drawings Complete
 - b. Riverbank/Crane Split – 60% Design Drawings Complete
 - c. Dry Creek/ South Split – 100% Design Drawings Complete
 - d. Fairbanks Crossing at SSJID – 60% Design Drawings Complete
 - e. Fairbanks/Cometa Split – 100% Design Drawings Complete
 - f. Johnny Creek Headworks Rehabilitation Project – 100% design drawings complete. Should have Streambed Alteration Permit from DFG this week. Project will be ready to go to bid this week.
 - g. Riverbank/South Rehabilitation Project – 30% Design Drawings Complete
 - h. Diliberto Long Crested Weir
 - i. Lone Tree Creek – ITRC Flap Gate Review
 - j. Burnett Lateral Rehabilitation Project
 - k. Knights Ferry Delivery System
9. Service Standard Review.
10. Performance Evaluation preparation.
11. Continued North Side Reservoir project management. DOC comments received and meeting with STANCO on 7/16/08. John Davids to brief the Board of Directors at the first meeting in August.
12. CEQA preparation for Riverbank/South Rehabilitation Project to Board of Directors at the first meeting in August.
13. Development of Survey Training Program
14. Waiting for response from the Lubbers Attorney as it pertains to property appraisal.

Water Operations Activities

1. Attended a Groundwater Modeling Conference on July 11 at UC Berkeley
2. Currently reviewing 2008 flow control and measurement projects
3. Currently reviewing the Draft Strategic Work Plan for Activities in the San Francisco Bay / Sacramento – San Joaquin Delta Estuary
4. Preparing information for Rural Water System Rate Study
5. Responded to CVRWQCB Notice of Violation on the Ag Waiver Annual Report
6. Continuing with MID VAMP True-up deliveries
7. Conducting various landowner meetings
8. Performing Annual Employee Performance Evaluations
9. Preparing for 2009 Budget Process

10. Water Operations Staff adjusting to new hands free law
11. Completing installation of new pumping station at Langstroth Pond
12. First Round of Ag Waiver Sampling to be conducted by the end of July
13. Monitoring Et data and crop water use.

Finance and Accounting Activities

1. Prepare June's closing GL entries
2. Prepare Treasurer's report and June internal financial report.
3. Prepared shut-off notices on four RWS customers and shut-off one of the four customers.
4. Continue to deal with property foreclosures
5. Preparation of Fixed Asset Capitalization and Depreciation Policy
6. Submitted SDRMA Credit Incentive Program material for discount on workers' compensation premiums.
7. Continue to follow-up on three workers' compensation claims
8. Continue to work on 2009 Budget
9. Prepared two employee letters regarding FMLA.
10. Responded to multiple phone calls from ID52 landowners
11. Prepared 2nd installment "Do Not Release Water" list for the water department
12. Review and processing of contract payments
13. Routine in-house IT maintenance
14. Routine accounting functions (AP, PR, AR, billing, reconciliations, etc.)

B. COMMITTEE REPORTS

There were no Committee Reports.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Taro – Director Taro requested that in the next Newsletter he would like it to mention what was discussed today regarding the possibility of a financing program to fund OID's Capital Improvements Program because there is a lot of concern by constituents that their land might be in jeopardy.

Director Webb – Director Webb thanked Kevin King, Water Operations Manager, for doing a great job this year in the handling of the water.

Director Clark – Director Clark had no comments.

Director Alpers – Director Alpers agreed with Director Webb's comments regarding Kevin King, Water Operations Manager.

OTHER ACTION **ITEM NO. 17**

At the hour of 10:59 a.m. the meeting was adjourned to the next **Board of Director's Meeting on Tuesday, August 5, 2008, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Thursday, July 17, 2008 at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, California.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary