

MINUTES

Oakdale, California
July 5, 2016

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
Gary Osmundson
Gail Altieri
Linda Santos

Staff Present: Steve Knell, General Manager/Secretary
Jason Jones, Support Services Manager
Kathy Cook, Chief Financial Officer/Treasurer
Eric Thorburn, Water Operations Manager

Also Present: Valerie Kincaid, Water Counsel
James Oliveira, 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. 2

Robert Frobose was present and discussed the Agreement that was entered into between OID, SSJID, SLDMWA, and DWR.

There being no further Public Comment; Public Comment closed at 9:08 a.m. and the Board Meeting continued.

Director Altieri requested that Item No. 2 be pulled from the Consent Calendar and Director Santos requested that item No. 5 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 3, 4, 6, 7, 8

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE THE OAKDALE IRRIGATION DISTRICT
IMPROVEMENT DISTRICT'S ANNUAL AUDITED FINANCIAL
STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

A motion was made by Director Doornenbal, seconded by Director Santos and unanimously supported to approve Oakdale Irrigation District *Improvement District's* Annual Audited Financial Statement for the Year Ended December 31, 2015

ITEM NO. 6
APPROVE STAFF AND BOARD ATTENDANCE TO THE
CSDA CONFERENCE OCTOBER 10 TO OCTOBER 13, 2016 IN SAN DIEGO

A motion was made by Director Doornenbal, seconded by Director Santos and unanimously supported to approve Staff and Board Attendance to the CSDA Annual Conference October 10 to October 13, 2016 in San Diego, California

ITEM NO. 7
APPROVE REQUEST FOR VARIANCE TO OUT-OF-DISTRICT
IRRIGATION POLICY (APN: 002-040-007/009/017/019 - HUNTER)

A motion was made by Director Doornenbal, seconded by Director Santos, and unanimously supported to approve the request for variance to Out-of-District Irrigation Policy (APN: 002-040-007/009/017/019 – Hunter).

ITEM NO. 8
APPROVE REQUEST TO CONNECT
SUBSTANDARD PARCEL (APN: 006-002-035 – PADDOCK)

A motion was made by Director Doornenbal, seconded by Director Santos, and unanimously supported to approve the request to connect substandard parcel (APN: 006-002-035 – Paddock).

The above items passed 5-0 by the following vote:

Ayes:	Directors Webb, Doornenbal, Osmundson, Santos, Altieri
Noes:	None
Absent	None

CONSENT ITEM
ITEM NO. 2, 5

ITEM NO. 2

APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF JUNE 21, 2016 AND RESOLUTION NOS. 2016-43, 2016-44, AND 2016-45

Director Altieri requested that the Minutes of June 21, 2016 be corrected to reflect the correct spelling of a member of the public's last name. The Minutes reflect "Jamie Costa" and the correct spelling should be "Jamie Coston."

Director Osmundson requested that the Minutes also be corrected to reflect the correct spelling of a member of the public's first name. The Minutes reflect "Nick Ludlow" and the correct spelling should "Nate Ludlow."

A motion was made by Director Doornenbal, seconded by Director Santos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of June 21, 2016 and Resolution No. 2016-31 once the Minutes have been corrected to reflect the above corrections.

The item passed 5-0 by the following vote:

The above items passed 5-0 by the following vote:

Ayes:	Directors Webb, Doornenbal, Osmundson, Santos, Altieri
Noes:	None
Absent	None

ITEM NO. 5

APPROVE RESOLUTION AND CONTRACTS WITH STANISLAUS AND SAN JOAQUIN COUNTIES FOR PLACEMENT ON DELINQUENT FIXED CHARGES ON THE 2016/2017 TAX ROLLS

Director Santos asked if a landowner does not pay the volumetric charges will that be incorporated into the tax roll. Her concern is that what if you were leasing the property and the tenant did not pay the water charges it would not be fair that landowner would be placed on the tax roll because the tenant did not pay the water charges. Chief Financial Officer Kathy Cook explained the process that OID has been using for fifteen years. General Counsel James Oliveira stated that this should be something that should be covered in the lease agreement between the parties.

A motion was made by Director Doornenbal and seconded by Director Osmundson to approve the Resolution and Contracts with Stanislaus and San Joaquin Counties for Placement on Delinquent Fixed Charges on the 2016/2017 Tax Rolls, and was voted as follows:

Ayes:	Directors, Webb, Doornenbal, Osmundson
Noes:	Directors Santos, Altieri

Absent: None

The motion passed by a vote of 3-0.

ACTION CALENDAR
ITEM NOS. 9, 10

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON DONATION
REQUEST OF OAKDALE SENIOR CITIZENS FOUNDATION

The District received a Community Donation Application from Oakdale Senior Citizens Foundation requesting a \$2,500 donation. The Oakdale Senior Citizens Foundation is a major supporter of Gladys L. Lemmons Senior Center in Oakdale.

Lynn Robinson, President of the Oakdale Senior Citizens Foundation was present to answer any questions.

A motion was made by Director Santos, seconded by Director Doornenbal, and unanimously supported to approve the donation request of Oakdale Senior Citizens Foundation.

The motion passed 5-0 by the following vote:

Ayes: Directors, Webb, Doornenbal, Osmundson, Santos, Altieri
Noes: None
Absent: None

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON AUTHORIZING THE
GENERAL MANAGER TO SELECT AND EXECUTE A CONTRACT FOR
UNDERWRITING, BOND COUNSEL, AND INDEPENDENT PUBLIC
FINANCIAL ADVISOR SERVICES FOR A POTENTIAL ADVANCE
REFUNDING OF THE DISTRICT SERIES 2009 CERTIFICATES OF PARTICIPATION

In May 2016, staff meet with Wells Fargo Securities on the refunding the District's Certificates of Participation. At that time the market was favorable, and today the market is even more favorable.

Typically the worthwhileness of a refunding is a minimum of a 3% present value savings (NPV) of the principal amount of the Refunding Certificates as well as the principal amount of the Certificates being refunded. Today, if the District were in the position to advance refund the present value savings would be 20.78%.

Attached is the proposal submitted by Mr. Michael Engelbrecht, Wells Fargo Securities, for the Board's consideration. Mr. Engelbrecht will be present to answer any questions.

If the Board were in favor of the advanced refunding, one of the first steps to begin preparing for a refunding of bonds is to retain the services of a public financing team consisting of an underwriter, bond counsel, and an independent public financial advisor.

Underwriter – Wells Fargo Securities

- Structure, market, and purchase the issue;
- Prepare analysis and assist in responding to questions during phases of the advance refunding process;
- Provide service necessary for the completion of financing;
- Prepare proforma cash flows and other quantitative analysis;
- Provide ongoing information to District staff and finance team regarding the status of financing; and
- Prepare materials and participate in presentations to rating agencies.

Bond Counsel – Nossaman, LLP

A Bond Counsel will provide the necessary legal services to issue the Bonds, including but not limited to:

- Providing an objective legal opinion with respect the authorization and issuance of debt obligations and whether interest paid is tax-exempt under federal and/or state regulations;
- Prepares authorizing documents and any other documents needed in connection with the issuance of the Bonds;
- Reviews use of proceeds to ensure compliance with applicable state and/or federal law and regulations;
- Prepares all documents and materials necessary to comply with all applicable “continuing disclosure” requirements for transactions;
- Participates in activities associated with rating agency and/or bond insurer reviews;
- Offers continuing legal advice, as needed, on issues related to the sale of the Bonds, any issues that arise post-sale, the trustee administration of obligations, and in particular, any actions necessary to ensure that interest will continue to be tax-exempt, arbitrage requirements; and
- Provides other legal opinions or advise as required.

Independent Public Finance Advisor

An independent public financial advisor that has no affiliation with any underwriter or investment banking firm and acts solely on behalf of the issuer of the bonds. The key role of an independent financial advisor is to serve as an advocate for the issuer and provide the issuer with the information necessary to make intelligent, informed decisions. Public agencies often use a financial advisor to:

- Prepare financing plans and studies;
- Develop transaction structuring options;
- Coordinate the bond issuance process;
- Serve as an issuer’s “Bond Market” expert; and
- Provide pre- and post-pricing analyses

A motion was made by Director Osmundson, seconded by Director Webb, and unanimously supported to open this item up to public comment.

A member of the public, John Brichetto, commented on this item.

A motion was made by Director Webb, seconded by Director Osmundson, and unanimously supported to close public comment.

A motion was made by Director Osmundson and seconded by Director Santos to authorize the General Manager to select and execute a contract for underwriting, bond counsel, and independent public financial advisor services for a potential advance refunding of the District Series 2009 Certificates of Participations.

The item passed 5-0 by the following vote:

Ayes:	Directors Webb, Doornenbal, Osmundson, Santos, Alteiri
Noes:	None
Absent:	None

DISCUSS ITEM
ITEM NO. 11

ITEM NO. 11

DISCUSSION/PRESENTATION ON THE IMPENDING RELEASE OF THE STATE WATER RESOURCES CONTROL BOARD'S UNIMPAIRED FLOW STANDARD

We have been advised that the State Water Resource Control Board will be releasing its Substitute Environmental Document for the Bay-Delta Water Quality Control Plan Update on July 15th. This will contain the new unimpaired flow standard for the San Joaquin River. While we have much anticipation about the contents of this document we are not optimistic as to its impacts to ag.

In preparation for that release the General Manager provided a presentation on the last Unimpaired Flow Standard that was released and reviewed those impacts with the Board.

COMMUNICATIONS
ITEM NO. 12

A. **GENERAL MANAGERS REPORT**

Safety Activities

1. OID has gone 520 days without a lost time injury accident.

Administration Activities

1. Engaged nearly full time in legal matters pertaining to OID.
2. Preparing for the release of the Unimpaired Flow Standard.
3. Commenting on WaterFix correspondence with SJTA.
4. Court on June 30 for TRO hearing against Directors Santos and Altieri.
5. Presentation to the California Farm Water Coalition regarding the UIF Standard.

Legal Activities

1. Agee vs OID: Plaintiffs (Agee) lost in Superior Court. OID has filed a suit to recoup its attorney's fees. Waiting for hearing date to be set by the court.
2. OID is involved in a test claims case against the State of California's issuance of unfunded mandates, i.e. SBx7-7. The group is evaluating next steps after having a negative ruling by the court. Working with CSDA on next steps.
3. OID/SSJID vs the State Water Resources Control Board; this case is over the legal ability of the SWRCB to issue curtailment orders over senior water right holders, as was done in 2015.
 - a) Curtailment notice was outside the SWB's jurisdiction by regulating pre-1914 rights.
 - b) Curtailment notice violates the due process rights of curtailed parties
 - c) Curtailment notice violates the rules of water right priority
 - d) Curtailment notice was a decision not supported by substantial evidence; it was arbitrary and capricious
 - e) Curtailment amounts to a taking of property
 - f) Curtailment will result in an unreasonable use of water
 - g) Curtailment notice amounts to an unauthorized amendment to the water quality control plan
4. OGA/Brichetto/Frobese Lawsuit:
 - a) A CEQA suit was filed by parties claiming injury if OID's On-Farm Conservation Funding Program Pilot Project is allowed to be implemented. OID successfully defeated a TRO action by the Plaintiffs, OGA, Louis Brichetto and Bob Frobese, however after receiving a favorable Tentative Ruling on the Preliminary Injunction the court reversed its decision and granted in favor of Plaintiffs. The OID will be looking at options on moving forward with litigation and other matters in Closed Session today.
 - b) OID General Counsel filed a Motion for TRO and Preliminary Injunction to preclude Directors Santos and Altieri from participating in strategy discussions in Closed Session regarding the Brichetto lawsuit as a result of court determined conflicts. A favorable ruling by the Court in granting the TRO was made June 30th, Thursday.
 - c) A Motion to Dissolve the Preliminary Injunction was submitted this week requiring the court to set a bond or to dismiss the case in its entirety.
 - d) A Mandatory Settlement Conference is scheduled for mid-July. No firm date yet.

Construction Activities

1. C&M crews and equipment are currently working on maintenance activities and JSF's completed by Water Dept. staff.
2. Assisting Water Ops./Eng. Dept. with various tasks and field review of potential projects.
3. Conducting Safety Coordinator tasks pertaining to all hands training, Safety Committee meetings and review of weekly tailgate safety meetings. Started to conduct CPR/First Aid/AED training to OID staff.
4. Conducting Contract Administration tasks pertaining to contracts that need to be renewed and work releases that need to be completed with the assistance of Lori.
5. Requested bids for the budgeted items of the DSO trucks and tilt-bed trailers approved in the 2016 budget. Upon closing of the bids staff will review and present to the Board for award. Currently working on specifications and bid packages for additional items included in the 2016 budget.
6. Conducting misc. landowner meetings in regards to capital projects and maintenance issues.

7. OID Pest Dept. continues to conduct magnacide applications to OID facilities to reduce aquatic growth issues.
8. Posted in-house for two (2) C&M Workers due to vacancies. In-house applications have been received and are currently being reviewed.
9. Assisted Water Ops. with the issue on the Knights Ferry Town Pipeline.
10. Fields Ranch – Staff is working with Mr. Fields in regards to another project on the North Main Canal to rehabilitate a portion of the canal downstream of the last project. Staff will be preparing a discussion item for the Board in the near future.

Water Operations Activities

Engineering

1. Continued to process Encroachment and Ag Discharge Agreements along with field inspection during installation of the associated facilities.
2. Staff continued to prepare and process several deferred conditions of approval agreements, encroachment agreements and easements in accordance to OID's requirements for continued irrigation on recently completed lot line adjustments and parcel split projects.
3. Staff review of the comments from the ACOE on the draft easement documents for the proposed tunnel as well as the 2-Mile Bar access road has been completed. Consultation with the ACOE is ongoing to work towards final execution.
4. Several contracts for ET monitoring stations within various crops were executed and multiple stations have been installed and are actively collecting data as part of the 2016 ETAW monitoring and measurement program.
5. The next ESJGB meeting is scheduled for June 13th before the start of the GW 101 workshop and luncheon from 12 pm to 2 pm at the Cabral Ag Center in Stockton.
6. The next STRGBA meeting is scheduled for June 14th immediately following the next TAC meeting at the Stanislaus Co. Farm Bureau offices.
7. The draft data submittal for the Additional Annexations and Fringe Annexations has been provided to LAFCO staff. Some comments and questions from LAFCO staff were received and addressed. These items are anticipated to be considered for approval at the August LAFCO meeting.
8. Staff completed its review of revised draft City of Oakdale out of boundary service agreement with OID on behalf of ID 41. A few additional comments and questions were provided for the City's consideration.

Ag Water

1. Installation of a new SCADA tower on the southeast side of the District will begin soon to establish radio communication to several sites in the area for integration into OID's existing SCADA system.
2. The first round of volumetric billing up to May 31st was issued. Staff has been fielding water operations questions (i.e. flow measurement, hours, flow rate, etc.) over the last few weeks.
3. Announcements of grant application awards which include OID's application for the TCC Expansion Project are anticipated any day now.
4. The Knights Ferry town pipeline which provides water to the water treatment plant had to be shut down and the river pumps activated after low pressure was reported at the plant. Upon investigation air lock was determined to be the culprit. A total of two air vents have now been installed at high point in the pipeline to prevent a reoccurring

issue moving forward. Unfortunately, a blow out on the pipeline occurred when it was placed back into service again on June 29th. C&M is working diligently on repairs.

5. The eighth rotation started on or about July 2nd. This is a 12-day rotation and is anticipated to be followed by another 12-day rotation starting on or about July 14th.

Water Utilities

1. Improvement District No. 41:
 - Pumping Station No. 3 remains out of service due to high turbidity issues.
2. Domestic Water Pumping Stations:
 - Monthly Coliform Bacteria samples were taken on Wednesday June 1st. No problems were detected.
3. Domestic Water Systems:
 - All water systems are operating without restrictions.
 - Performed quarterly blow-off valve exercising.
 - WUD has continued to test all backflow devices in accordance with our Cross Connection Control Policy.
 - Conducted inspections of all well head seals and continuing to replace them as needed.
4. On-Call Activities:
 - There were no call outs to report.
6. Knights Ferry Pumping Station:
 - a. On June 23rd the Knights Ferry Pump Station was reactivated and placed back onto river water.
7. Irrigation Pumping Stations:
 - All of OID Ag pumps are operational.

WUD has been performing weekly routine inspection, servicing and security checks on the irrigation pumping stations. There was nothing unusual or out

B. COMMITTEE REPORTS

There were no committee meetings.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Doornenbal

Director Doornenbal stated that he has noticed that the pumps are almost never on in his District. He stated that the DSOs are doing a great job managing the water as well as the farmers.

Director Osmundson

Director Osmundson commented on the new water bills and that the system needs to be fine-tuned. He would like Board to have this placed on the agenda as a discussion item. He stated that he has received several telephone calls from his constituents.

Director Webb

Director Webb stated that he has had calls as well and agreed with placing this on the agenda for discussion.

Director Santos

Director Santos agreed with Director Osmundson's and Director Webb's request.

Director Altieri

Director Altieri asked why the General Manager had not reported on the discussion between the City of Oakdale and the Oakdale Irrigation District about working together.

At the hour of 10:16 a.m. the meeting adjourned to Closed Session.

CLOSED SESSION
ITEM NO. 13

A. Government Code §54956.9(d)(2)(3) – Significant Exposure
One (1) Case

B. Government Code §54956.9(d)(1) - Existing Litigation
(1) *Oakdale Groundwater Alliance; Frobose; Brichetto, et al. v. Oakdale Irrigation District*

Directors Santos and Altieri left Closed Session before discussion of B.

At the hour of 12:34 p.m. the meeting returned to open session and Directors Santos and Altieri returned to the meeting.

Coming out of Closed Session the following was reported:

A. It was moved by Director Doornenbal and seconded by Director Osmundson and approved by a vote of 5-0 to direct the General Counsel to prepare a letter in response to Attorney Harrigfeld's letter regarding Greg Ellis denying his request.

B. It was moved by Director Webb and seconded by Director Doornenbal and approved by a vote of 3-0 to direct the General Manager, for expediency purpose, to manage the litigation expenses associated with the OGA/Brichetto/Frobose lawsuit and to hire and approve contracts for attorneys, expert witnesses and consultants and to report at each Closed Session such expenses and provide justification to the Board.

OTHER ACTION
ITEM NO. 14

The meeting adjourned at the hour of 12:34 p.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** scheduled for July 19, 2016 has been cancelled. The Board will hold a Special Board Meeting on **Wednesday, July 20, 2016 at 6:00 p.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting of the **South San Joaquin** and **Oakdale Irrigation Districts** serving the **Tri-Dam Projects** and **Tri-Dam Authority** and other joint business matters is scheduled for **July 21, 2016 at 9:00 a.m.** in the board room of the Tri-Dam Project, 31885 Old Strawberry Road, Strawberry, CA.

Steve Webb, President

Attest:

Steve Knell, P.E., Secretary