

MINUTES

Oakdale, California
June 5, 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 9:04 a.m. Upon roll call, there were present:

Directors: Frank B. Clark, President
Steve Webb, Vice President
Al Bairos, Jr.
Jack D. Alpers
Herman Doornenbal

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

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions to 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. 2

Mr. John Moreno who resides at 10904 Pioneer was present and requested consideration on circumstances that resulted in the flooding of his neighbor Glen Gully. Director Clark asked Mr. Moreno to contact the General Manager and discuss whether this matter should go back to the Water Committee.

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

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

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING
OF MAY 15, 2012 AND RESOLUTION NO. 2012-24

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of May 15, 2012 and Resolution No. 2012-24.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE ASSIGNMENT OF CAPITAL WORK ORDER NUMBERS

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve the Assignment of Capital Work Order Numbers as set forth below:

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Bendler Pipeline	Remove and replace 15" 100 PIP PVC, (2) inline valves and misc appurtenances.	\$23,000	2012-026
Paulsell Lateral Extension	Remove and upgrade center gate with 24" Fresno 101C slide gate.	\$ 2,700	2012-027

ITEM NO. 5
APPROVE GENERAL SERVICES AGREEMENT WITH VARIOUS
VENDORS AND CONTRACTORS (HAZARD MANAGEMENT SERVICES, INC.)

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve General Services Agreement with Various Vendors and Contractors (Hazard Management Services, Inc.).

ITEM NO. 6
APPROVE PROFESSIONAL SERVICES AGREEMENT
2012-PSA-001 WITH BROWNING RESERVE GROUP FOR A RESERVE
STUDY ON EACH OF THE IMPROVEMENT AND RURAL WATER DISTRICTS

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve Professional Services Agreement 2012-PSA-01 with Browning Reserve Group for a Reserve Study on each of the Improvement and Rural Water Districts.

ITEM NO. 7
APPROVE WORK RELEASE NO. 005, AMENDMENT
NO. 02 TO THE PROFESSIONAL SERVICES AGREEMENT
2009-PSA-001 WITH PROVOST & PRITCHARD ENGINEERING
GROUP FOR BURNETT/RIVER ROAD DIVERSION "AS-BUILT" DRAWINGS

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve Work Release No. 005, Amendment No. 02 to the Professional Services Agreement 2009-PSA-001 with Provost & Pritchard Engineering Group for Burnett/River Road Diversion "As-Built" Drawings.

ITEM NO. 8
APPROVE WORK RELEASE NO. 006 TO THE PROFESSIONAL
SERVICES AGREEMENT 2009-PSA-002 WITH CH2M HILL FOR
ON-CALL ENVIRONMENTAL AND ENGINEERING CONSULTING SERVICES

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve Work Release No. 006 to the Professional Services Agreement 2009-PSA-002 with CH2M Hill for on-call Environmental and Engineering Consulting Services.

ITEM NO. 9
APPROVE WORK RELEASE NO. 029 TO PROFESSIONAL
SERVICES AGREEMENT 2009-PSA-015 WITH GIULIANI & KULL,
INC. FOR SURVEYING SERVICES TO PERFORM A RECORD
SURVEY FOR AN ENCROACHMENT REVIEW OF THE TOWNHILL PIPELINE

Director Doornenbal wanted to clarify if this was for the Riggs property. District Engineer John Davids state that yes it was. Director Doornenbal asked if they had paid yet. John Davids stated that the Committee agreed to split costs and we just received payment last week.

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve Work Release No. 029 to Professional Services Agreement 2009-PSA-015 with Giuliani & Kull, Inc. for Surveying Services to Perform a Record Survey for an Encroachment Review of the Townhill Pipeline.

ITEM NO. 10
APPROVE AMENDMENT NO. 02 TO THE PROFESSIONAL
SERVICES AGREEMENT 2009-PSA-003 WITH CONDOR EARTH
TECHNOLOGIES TO ADD AND/OR DELETE
CLASSIFICATIONS AND MODIFY RATES ON THE RATE SCHEDULE

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve Amendment No. 02 to the Professional Services Agreement 2009-PSA-003 with Condor Earth Technologies to Add and/or Delete Classifications and Modify Rates on the Rate Schedule.

ACTION CALENDAR
ITEM NOS. 11, 12, 13

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION TO APPROVE
RESOLUTION ADOPTING THE REVISED
OAKDALE IRRIGATION DISTRICT'S 2012 INVESTMENT POLICY

Chief Financial Officer Kathy Cook stated that the Finance Committee and Staff met with Cori Farewell with Highmark Investment Advisors to review the District's investment portfolio. Ms. Farewell, the Finance Committee, and Staff recommends amending the 2012 Investment Policy to allow for investing to the maximum limited in Commercial Paper, not to exceed 25%, as provided for in the *California Government Code*. Current policy provides maximum concentration of 15% and is more restricted than the *Government Code*. This change will assist the District in lowering its concentration in money market mutual funds and increase its concentration in corporate paper.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve a Resolution Adopting the Revised Oakdale Irrigation District's 2012 Investment Policy.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON THE OAKDALE
IRRIGATION DISTRICT'S 2011 COMPREHENSIVE
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

Oakdale Irrigation District's 2011 Comprehensive Annual Financial Report (Draft) is being submitted for approval. The District's Auditor, Brian Nash with Richardson and Company, and OID's Chief Financial Officer, Kathy Cook were present at the board meeting to answer questions.

Mr. Nash reported that there were no difficulties encountered in performing the audit, no disagreements with management, no major issues discussed with management, no misstatements identified during the audit, and no year-end audit adjustments required. He stated that there was only one new comment regarding money market fund investment concentration and of the two prior year comments all were addressed by staff.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve The Oakdale Irrigation District's 2011 Comprehensive Annual Financial Report for the Year Ended December 31, 2011.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON THE OAKDALE
IRRIGATION DISTRICT IMPROVEMENT DISTRICT'S 2011
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

The District's Auditor, Brian Nash with Richardson and Company, and OID's Chief Financial Officer, Kathy Cook were present at the board meeting to answer questions.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve The Oakdale Irrigation District Improvement District's 2011 Annual Financial Report for the Year Ended December 31, 2011.

DISCUSSION
ITEM NOS. 14, 15

ITEM NO. 14

**DISCUSSION ON DRAFT EAST SAN JOAQUIN WATER QUALITY COALITION
GENERAL ORDER (LONG TERM IRRIGATED LANDS REGULATORY PROGRAM)**

General Manager Steve Knell stated that he asked District Engineer John Davids to put together a briefing on where we are with the Irrigated Lands Program since we are now part of the coalition for East Stanislaus.

As discussed at the April 19, 2011 Board meeting, Oakdale Irrigation District (OID) along with the other East Side ID's have joined the respective coalitions (geographically based) and no longer operate under individual permits with respect to the Irrigated Lands Regulatory Program. As members in both the East San Joaquin Water Quality Coalition (ESJWQC) (Stanislaus County) and the Delta Water Quality Coalition (DWQC) (San Joaquin County), OID is intently following the recent release of the Draft General Order for the ESJWQC and the anticipated resulting impacts.

While the Draft General Order is currently undergoing legal review by Tess Dunham, it is safe to say that the conditions in the Draft General Order are so overly onerous that from a cost perspective alone, the future of the ESJWQC is in significant jeopardy. While it is true that the ESJWQC could raise their annual fees per acre, the issue remains the fact that there are approximately 260,000 acres of land within the ESJWQC boundary that are not enrolled. Without Regional Board enforcement for non-compliance, enrolled acreage will not increase. Furthermore, it is anticipated that enrollment will decrease if a rate increase is proposed to the existing members. The ESJWQC has argued long and hard that increased enforcement of non-compliance will serve to increase enrollment whereby allowing for potential compliance with the Draft General Order while maintaining the existing annual fees thus ensuring sustainability of the ESJWQ (and others for that matter).

Recent action by the Regional Board as shown in the attached documentation is a positive step in this direction. OID Staff maintains mandatory membership in the applicable coalition as part of its Subdivision Parcel Map Policy and further recommends membership to all lands within OID. Staff will be available to answer any additional questions that the Board may have.

ITEM NO. 15
DISCUSSION ON THE BOARD'S DIRECTION FOR THE
THREE LAND PARCELS DESIGNATED FOR THE NEW OFFICE COMPLEX

General Manager Steve Knell stated that as of June 8, 2012 all three parcels under purchase on the south side of Greger Road and east of Kaufman Road will have closed escrow and belong to OID. Unless otherwise directed, staff will begin the process of developing a preliminary complex layout by reviewing recently constructed facilities of other irrigation districts, begin reviewing the capabilities and options available under design-build contracting and bring that information back to the Board for further direction.

Director Alpers stated it would be really nice to have each department tour some of the other irrigation districts. Steve Knell stated that is the intent. Director Clark stated that we should be sure and clean up the property after we take possession. Director Bairos agreed that we need to clean it up and review options. Director Webb stated that we need to decide if we are going to use it for future expansion or not. Director Clark did not feel that we would be building a new facility for a few years or at least not until we are in a better financial position.

ITEM NO. 16
COMMUNICATIONS

A. **GENERAL MANAGERS REPORT**

B. **COMMITTEE REPORTS**

Finance Committee Meeting, May 22, 2012

- Investment Strategy with Highmark Capital Management

Director Clark stated that this was reviewed earlier in the Agenda.

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Webb

Director Webb requested information on Verburg out of district water rate for annexation. Eric Thorburn and Steve Knell stated that Verburg needs to put down a deposit to get the in-district rate.

Director Bairos

Director Bairos stated that he wanted to reiterate what a great job Kathy and her staff did on the Financial Reports.

At the hour of 10:05 a.m. the meeting adjourned to a Closed Session.

CLOSED SESSION
ITEM NO. 17

- A. **Government Code §54957.6** – Conference with Labor Negotiator
Agency Negotiator: General Manager
Unrepresented Employee Organization: Exempt Management, Supervisory
Exempt, Confidential Employees, and Operations 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 §54956.9(b) Conference with Legal Counsel**
Anticipated Litigation, Multiple Cases
Under Discussion (1): Various water quality proceedings before State Water
Resources Control Board—Delta Flow Criteria, San Joaquin River Flow
Objectives.
Under Discussion (2): Various water quantity criteria under consideration by
the Bureau of Reclamation with regards to the Biological Opinion for Chinook
Salmon and Steelhead and next steps to move forward on acquiring a Warren
Act Contract in New Melones

Water Counsel Tim O’Laughlin conferenced in on Closed Session Item C.

At the hour of 11:15 a.m. the meeting returned to open session.

Coming out of Closed Session Director Clark stated that the Board by a vote of 5-0 approved Work Release No. 005, Amendment No. 01 to Professional Services Agreement 2009-PSA-002 with CH2M Hill for the Water Resources Plan – Financial Plan Update, OID Water Transfer Alternatives Analysis.

OTHER ACTION
ITEM NO. 18

The meeting adjourned at the hour of 11:15 a.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, June 19, 2012 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, June 14, 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