

MINUTES

Oakdale, California
May 20, 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
Al Bairos, Jr., Vice President (arrived at 9:05 a.m.)

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

ADDITION OR DELETION OF AGENDA ITEMS

General Manager Steve Knell requested to delete Item No. 7 because a resolution is not necessary.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

General Manager Steve Knell pulled item No. 8 from the consent calendar and placed it after item No. 15.

At the hour of 9:18 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There being no public comment, public comment closed at the hour of 9:18 a.m. and the Board Meeting continued.

CONSENT ITEMS

ITEM NOS. 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13

ITEM NO. 2

**APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF MAY 6, 2008 AND
RESOLUTION NOS. 2008-17 AND 2008-18**

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of May 6, 2008 and Resolution Nos. 2008-17 and 2008-18.

ITEM NO. 3

**APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS**

A motion was made by Director Webb, seconded by Director Alpers, 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 Alpers, 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 APRIL 30, 2008**

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

ITEM NO. 6

**APPROVE A RESOLUTION OF THE BOARD
OF DIRECTORS OF THE OAKDALE IRRIGATION
DISTRICT FOR THE ISSUANCE OF A LOAN
AGREEMENT WITH THE UNITED STATES DEPARTMENT
OF AGRICULTURE FOR A PORTION OF THE COST
OF IMPROVEMENT DISTRICT 52 WATER SYSTEM**

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Resolution of the Board of Directors of the Oakdale Irrigation District for the Issuance of a Loan Agreement with the United States Department of Agriculture for a Portion of the Cost of Improvement District 52 Water System.

ITEM NO. 7
APPROVE A RESOLUTION OF THE BOARD
OF DIRECTORS OF THE OAKDALE IRRIGATION
DISTRICT FOR THE ISSUANCE OF A LOAN
AGREEMENT WITH THE OAK VALLEY COMMUNITY
BANK FOR A PORTION OF THE COST
OF IMPROVEMENT DISTRICT 52 WATER SYSTEM

Item Deleted.

ITEM NO. 9
APPROVE ATTENDANCE AT THE
2008 APPA NATIONAL CONFERENCE
IN NEW ORLEANS, LOUISIANA

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the attendance at the 2008 APPA Conference in New Orleans, Louisiana.

ITEM NO. 10
APPROVE GENERAL SERVICES CONTRACTS
FOR VARIOUS VENDORS AND
CONTRACTORS (GROVER LANDSCAPING SERVICES, INC.)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the General Services Contracts for Various Vendors and Contractors (Grover Landscaping Services, Inc.).

ITEM NO. 11
APPROVE ABANDONMENT OF A PORTION
OF THE CAMPBELL PIPELINE
(APNS: 229-024-001/003/004 and 229-008-020)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve abandonment of a portion of the Campbell Pipeline (APNS: 229-024-001/003/004 and 229-008-020).

ITEM NO. 12
APPROVE QUITCLAIM OF FOUR (4) EASEMENTS
FOR THE ABANDONED PORTION OF THE CAMPBELL
PIPELINE (APNS: 229-024-001/003/004 and 229-008-020)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve quitclaim of four (4) easements for the abandoned portion of the Campbell Pipeline (APNS: 229-024-001/003/004 and 229-008-020).

ITEM NO. 13
APPROVE BUDGETED PURCHASE OF
TWO (2) AIR COMPRESSORS WITH HOSE REELS

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve budgeted purchase of two (2) air compressors from CAT Rentals and hose reels from Green Rubber.

ACTION CALENDAR
ITEM NOS. 14, 15, 8

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON
THE OAKDALE IRRIGATION DISTRICT'S 2007
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2007

The OID's 2007 Comprehensive Annual Financial Report was 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.

Kathy Cook introduced Brian Nash and Mr. Richardson to give the audit presentation.

This year's annual report has been reformatted using guidelines set by the Government Finance Officer's Association (GFOA).

A motion was made by Director Webb and was seconded by Director Bairos, and unanimously supported to approve the Oakdale Irrigation District's 2007 Comprehensive Annual Financial Report for the Year Ended December 31, 2007.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION
ON THE OAKDALE IRRIGATION DISTRICT
IMPROVEMENT DISTRICT'S ANNUAL FINANCIAL
REPORT FOR THE YEAR ENDED DECEMBER 31, 2007

The Improvement District's annual financial reporting framework is not in the GASB Statement No. 34 format. The District's Auditor, Brian Nash with Richardson and Company, were present at the board meeting to answer questions.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Oakdale Irrigation District Improvement District's Annual Financial Report for the Year Ended December 31, 2007.

ITEM NO. 8
APPROVE RESOLUTION OF THE BOARD OF DIRECTORS
OF THE OAKDALE IRRIGATION DISTRICT
AUTHORIZING THE EXECUTION AND DELIVERY OF
AN INSTALLMENT SALE AGREEMENT, APPROVING THE
EXECUTION AND DELIVERY OF CERTAIN
DOCUMENTS AND AUTHORIZING CERTAIN ACTS
IN CONNECTION WITH THE FINANCING OF
CERTAIN IMPROVEMENTS FOR IMPROVEMENT DISTRICT NO. 52

General Manager Steve Knell stated that there may be some wording changes in the loan docs and would like authorization to approve the docs as soon as possible.

A motion was made by Director Webb, seconded by Director Bairos, to approve the Resolution of the Board of Directors of the Oakdale Irrigation District Authorizing the Execution and Delivery of an Installment Sale Agreement, Approving the Execution and Delivery of Certain Documents and Authorizing Certain Acts in Connection with the Financing of Certain Improvements for Improvement District No. 52 and allow the General Manager to review and sign the agreement. The motion was voted on as follows:

Ayes: Directors, Webb, Bairos, Alpers, Taro
Abstain: Director Clark

DISCUSSION ITEMS
ITEM NOS. 16, 17, 18, 19

ITEM NO. 17
DISCUSSION ON DON BLEVINS REQUEST TO
MEET WITH THE BOARD OF DIRECTORS
REGARDING IRRIGATION ISSUES

Mr. Ron Blevins and his brother Don Blevins requested that their private irrigation issue be placed as a discussion item on the Board's Agenda. The Blevins' own 8.92 acres located at 12811 Droge Road (APN 207-019-041). Mr. Ron Blevins provided a presentation of the issues for the Board. Water Operations Manager, Kevin King was available to answer questions the board had regarding this matter.

After discussion with the Board it was determined that a Water Committee Meeting would be scheduled to discuss the issues with each landowner.

ITEM NO. 16
DISCUSSION ON
2008 WATER STATUS

Water Operations Manager, Kevin King, provided the Board with the status of the 2008 irrigation season and projections for the remainder of the season. The Water Operations Manager, Kevin King and General Manager, Steve Knell requested input from the board on what they recommend be done in this water shortage year. The Water Committee will

meet to discuss what to put in a Water User Notice to be sent out informing constituents of the water shortage and what will be done to sustain water through the irrigation season.

ITEM NO. 18
DISCUSSION ON THE ACWA
MEETING BY THE BOARD AND STAFF

The Board Members and the General Manager commented on the Spring ACWA Conference that was held in Monterey on May 7-9, 2008.

Director Webb

Director Webb attended a Personnel Committee meeting with JPIA. The JPIA suggests performing thorough background checks on all new hires. Director Webb also attended a session regarding Salmon issues. Director Webb reported that he believes that the Department of Fish and Game did the right thing by suspending Salmon fishing in the Bay.

Director Webb also reported on a very interesting presentation by Fresno State. Fresno State had conducted some research where they were growing tomatoes using drip lines, where water was used in the lines at night and CO2 was run through the same lines during the day. The results of the study found that larger yields were being produced. Fresno State also experimented with entrapping air into the drip systems and found that root growth on tree crops grew twice as large.

Director Clark

Director Clark reported on a presentation on climate change that was given by DWR Chief Meteorologist, Elissa Lynn. Ms. Lynn reported that climate change is real regardless of the cause. She also pointed out that globally seven of the warmest years ever recorded have happened since 2001 and in the United States six of the warmest years on record have occurred in the last ten years. Director Clark also reported on new Assembly Bill 2175, which states that irrigation districts must reduce water consumption by 500,000 acre feet in the next twelve years and by 2010 each irrigation district must develop an Ag Water Conservation Plan that meets the approval of DWR.

Director Clark also attended a meeting regarding Public Trust Doctrine. Director Clark reported on a specific resolution passed last year by the State Board to protect public trust resources and balance competing demands for water and evaluate the reasonableness of State and Federal projects concerning the methods of water diversion.

Director Bairos

Director Bairos attended a session on public records requests and asked if the District is charging enough for the public records requests that we receive. Kathy Cook stated that there is a policy in place for charging people for certain items. Director Bairos stated that staff time could also be charged and felt we might want to look into it.

Director Alpers

Director Alpers reported that one of the most profound things one of the speakers said was that 50 years ago when the State and Federal projects were designed and built that the engineers and planners never envisioned the environmental and population changes that

have occurred. The things that have developed over 50 years weren't imaginable back then. Director Alpers also commented on the climate change issues and how it will affect the Delta. He also attended a Shell Oil meeting regarding natural gas and how it may drive up the cost of electricity. Directors Alpers reported that Shell Oil felt it was going to be shoot through the roof just like oil and was not going to come back down.

Director Alpers attended a Resolving the Delta Issues meeting. More issues keep coming to light in the Delta now with the long fin smelt concerns. However, the big one is that Los Angeles has discovered that they need to find a solution for the Delta since the Wanger Decision. Director Alpers stated that the east side canal is really the only viable option.

Director Alpers also reported that all the Directors attended the session on Ethics training.

General Manager – Steve Knell

General Manager Steve Knell stated that he felt the most important issue discussed at the conference was climate change. Mr. Knell reported on Elissa Lynn presentation regarding climate change and that in California we historically see two out of ten years as a dry year and it will probably get drier in California and it is just the way it is. The only way to combat that is to use our resources water more wisely. Mr. Knell stated that years like 2008 will become more typical and that the District is going to have less water in our water shed more often and that is going to play in our decisions regarding annexations.

ITEM NO. 19 **DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR** **ON THE TRI-DAM BOARD AGENDA FOR TUESDAY, MAY 27, 2008**

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

Director Bairos discussed the agenda items for giving incentives to the employees on re-negotiations. He did not feel it would work for union people and did not know if this is the correct way to go.

Director Webb agrees with Director Bairos and feels that this needs to go back to hourly wage or monthly salaries.

Director Alpers discussed the power contract and feels that we need to make sure that OID's interests are protected. He thinks that we should stand up and make sure that PG&E understands that SSJID's issues with them are not OID's issues. He would like some in depth discussion on that before we go to the meeting.

Director Webb thinks the board should discuss with PG&E about the possibility of changing the contract that they currently have and not enter into a new contract with a new company.

ITEM NO. 20 **COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 26 days without a lost time injury accident.

Administration Activities

1. The GM will be in Scottsdale, AZ all next week at the USCID Conference. He will present two professional papers at the conference.
2. Legal Issues;
 - a. Goad –Another letter of requested changes came though. Items were addressed.
 - b. Knight's Ferry – no items to report
 - c. Chappell Drain- moving to reclaim relocated system
 - d. Clark Pipeline-looking at a quiet title action to secure rights
 - e. Moushilou v. OID: no items to report.
 - f. Ed Perez and OE3 vs. OID and Steve Knell: a demur hearing was held on May 6th.
3. Admin Issues;
 - a. Negotiations with SEWD – awaiting material from City of Stockton.
 - b. P.R. &R. review status – No activity
 - c. OUSD WET Program – No activity
 - d. Ohe: their attorney, Dambacher from Sonora, still no response to calls from ljams.
4. Committee Meetings-upcoming
 - a. Harmelink addendum to original claim rejected by JPIA.
 - b. Surface Water Shortage Policy- Met with Tim O and will be going back to Committee with a draft version.
5. Personnel
 - a. SDS survey being reviewed for recommendations.
 - b. Finalized the Equipment Operators Training Manual. It was sent to OE3 who forwarded it to their Alameda office.
 - c. Held a productive meeting with OE3 Business Representative on the SDS Survey and other mutual interest issues.

Contract and Special Project Activities

1. The Campbell Pipeline – Still operating without any apparent leaks. Letter sent to RTC with invoice for back charges and request for a warranty bond for future repairs. No response to date.
2. Grider Pipeline Recapture, Reed Pipeline Crossing Replacement Projects, Bricchetto/Claribel and the Burnett/Tulloch Control Structure Modification Projects have been completed and accepted by the District. Final report is being drafted for review.
3. CH2MHILL continues with is preparing the documents for the Cape Horn Tunnel and the North Side Reservoir CEQA process.
4. Kick-off meeting with Condor for the design completion and drafting of the Construction Contract Documents was held on May 12, 2008 in Sonora. Final design and contract documents to be completed by July 1, 2008.
5. Provost & Pritchard continued with the North Side Reservoir detail design phase of the project. Kleinfelder completed the Geotech field work on May 2, 2008 and now in the

process of writing the report. Also, Provost & Pritchard continues with the lot line adjustments for the site purchase during the discovery period.

6. Mazingo Construction completed the last section of the emergency work on the East Stubb Pipeline replacement. The first rotation after the pipeline installation was completed with no apparent leaks.
7. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
8. Project coordination with Engineering Consultants

Construction and Engineering Activities

1. Offer accepted by Support Services Manager candidate. Awaiting completion of pre-employment activities.
2. Routine summer C&M activities.
3. Currently working to fill vacant positions within the Support Services Department
 - a) C&M II
 - b) Welder
 - c) Fleet/Equipment Mechanic
 - d) Fleet Serviceman/Equipment Oiler/Welder
4. Preparation of information for Water/Engineering Committee Meeting concerning (1) Harmelink and (2) Sikkema.
5. Ongoing Board Agenda Report preparation.
6. Ongoing Suspense Forms.
7. Bordona's have advised staff that they believe they own the property that the Langworth Pipeline is located on and as such they aren't going to sign the Encroachment Agreement for their private pipeline. John Davids has prepared a letter to Mr. and Mrs. Bordona stating that if the Encroachment Agreement is not signed by the end of the irrigation season then OID will remove the unauthorized encroachment and it will be their responsibility to install a new pipeline on their property.
8. No further communication with Mr. Camelio following his 5/6/08 Board appearance.
9. Moving forward with Lubber's property appraisal
10. Continued negotiations and meetings concerning the North Side Reservoir.
11. Continued work on Draft Master Encroachment Agreements.
12. Compiling Standard Detail review comments for Provost and Prichard, Inc.
13. Reviewing "Evaluation of Option to Improve Customer Service" as prepared by Provost and Prichard, Inc.
14. Met with Pat Stiehr concerning South Main Flow Measurement.

Water Operations Activities

1. Notified all out of district applicants in regard to the Board action on May 6
 - a. A Water/Engineering committee meeting has been scheduled for May 20
2. New DSO, John Scheftic to start on May 20.
3. Made a Temporary DSO offer, currently awaits results from the pre employment tests
4. Addressing various landowner issues/complaints
5. Increased groundwater pumping to maximize conjunctive use
6. Currently on a 12 Day rotation, so far ET is below normal – which is very good.

Finance and Accounting Activities

1. ID 52 Loan document preparation and coordination
2. Final preparation of the Annual Audit Report

B. COMMITTEE REPORTS

Domestic Water Committee

Tuesday, May 20, 2008 @ 8:00 a.m.

- Amendment of Conditional Will Serve Letter for a Lot Split on Black Oak Court in Improvement District No. 46

C. DIRECTORS' COMMENTS/SUGGESTIONS

Steve Webb - when we first made this contract with the federal contract with New Melones we gave up 27,000 acre feet between ourselves and SSJID to insure that this District would have water in a dry year guarantee. I think the way the Bureau is running the river at this time was not the way they were running the river at that time and our guarantee was a good guarantee with the way the water was being run. The rate that they are running the river today is at a lower pool which takes away from any dry year criteria or guarantee that were going to have. They need to be put on notice on this because I think they are violating our dry year guarantee by the way they are running the Dam.

Director Taro – stated that on the Blevins issue he thought that in the future that when someone has to come on someone else's property to get access to his water maybe we could see why we have to do that. District Engineer, John Davids stated that with our new Subdivision Policy this issue will be avoided in the future.

Director Alpers – we made more money at Tri Dam this last month than we have in the last three months before because of prices that on occasion exceeded \$100. In spite of a low water year we are going to have a reasonably good revenue rather than what was projected.

OTHER ACTION **ITEM NO. 21**

At the hour of 11:35 a.m. the meeting was adjourned to the next **Board of Director's Meeting on Tuesday, June 3, 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 **Tuesday, May 27, 2008 at 1:30 p.m.** in the Board Room of the South San Joaquin Irrigation District, 11101 East Highway 120, Manteca, California.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary