

MINUTES

Oakdale, California
April 20, 2004

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: Frank B. Clark, President
Steve Webb, Vice President
Jack D. Alpers
Louis Brichetto
Tony Taro

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, P.E., Support Services Manager
Kevin King, Special Projects Coordinator
Kathy Cook, Chief Financial Officer/Treasurer

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 actions to take various items out of sequence.

CONSENT ITEMS ITEMS NO. 1, 2, 3, 4, 5, 6, 7

ITEM NO. 1 APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF MARCH 2, 2004

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve the Board of Directors' Minutes of the regular meeting of March 2, 2004.

ITEM NO. 2
APPROVE OAKDALE IRRIGATION DISTRICT
STATEMENT OF OBLIGATIONS

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

ITEM NO. 3
APPROVE OAKDALE IRRIGATION DISTRICT
IMPROVEMENT DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE THE MONTHLY TREASURER AND
CHIEF FINANCIAL OFFICER'S REPORT FOR THE
MONTH ENDING MARCH 31, 2004

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve the monthly Treasurer and Chief Financial Officer's report for the month ending March 31, 2004.

ITEM NO. 5
APPROVE AN EQSEMENT QUIT CLAIM AND
ABANDON THE STOLP AND AMES LATERALS

A map was presented showing the locations of the Stolp Lateral and Ames Lateral within the city limits of Oakdale. OID has no interest in irrigation facilities on the subject properties and has not used the laterals in twenty (20) years. Morrison Homes is constructing a residential subdivision over the Stolp Lateral, and requested a quit claim of the easement for the facility.

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve an easement quit claim and abandon the Stolp and Ames Laterals.

ITEM NO. 6
APPROVE A DEVELOPER AGREEMENT AND PROCEDURES,
SIX QUIT CLAIM DEED AND FOUR EASEMENTS ON THE
SNEDIGAR LATERAL FOR THE STERLING RIDGE SUBDIVISION PROJECT

JKB Homes Norcal, Inc. requested a relocation of the OID Snedigar Lateral and Snedigar Drain to allow development of Sterling Ridge Subdivision. The proposed relocations were reviewed by OID Engineering and found to be in compliance with OID standards. The proposed Quitclaim Deeds and Grants of Easements are for the proposed OID facility relocations. The Developer Agreement and Developer Procedures required for project approval were also submitted for review and approval.

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve a developer agreement and procedures, six quit claim deeds and four easements on the Snedigar Lateral for the Sterling Ridge Subdivision Project.

ITEM NO. 7
APPROVE PRINTING COSTS FOR
OID PLAT BOOKS

109 AutoCAD plat sheets have been generated from the District Map. The maps for eight plat books are requested for staff use to be published by a local printer.

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve the printing costs for the OID plat books.

ACTION ITEMS 8, 9, 10, 11, 12, 13, 14, 15

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON THE
2003 OID AUDITED FINANCIAL STATEMENTS

In June of 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. The pronouncement established a whole new financial reporting framework for state and local governments. The result was the biggest change in the history of public sector accounting and financial reporting. A 2003 Comprehensive Annual Financial Report was attached for the Board's review and is compliant with GASB No. 34 format standards. The mandatory deadline for implementation of GASB No. 34 is December 31, 2004.

A motion was made by Director Bricchetto, seconded by Director Taro and unanimously supported to approve the 2003 OID Audited Financial Statements.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON THE
2003 OID IMPROVEMENT DISTRICT AUDITED FINANCIAL STATEMENTS

The Improvement Districts' annual financial reporting framework was presented and was not in the GASB Statement No. 34 format.

A motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to approve the 2003 OID Improvement District Audited Financial Statements.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON
THE AWARDING OF A BID FOR PESTICIDES

On the first request for bids Target was the only supplier to submit a bid. Seven bids were received from the second request for bids; Simplot Soil Builders, Ripon Farm Service, Mid Valley Agricultural Services, Britz Fertilizers, Wilbur-Ellis, Target Specialty Products and UAP Timberland.

UAP Timberland submitted the lowest bid at \$59,568.00. Targets' bid of \$66,882.00 was next lowest; \$7,314.00 above that of UAP Timberland. While this difference could be considered substantial, it is not all that should be considered. Target has a long history of providing the District with both materials and technical field support. During 9 of the last 11 years, Target has proven to be very reliable as well as providing educational opportunities to its customers. UAP Timberland had been utilized in the past as the District's pesticide supplier. The service and technical support provided by UAP Timberland did not compare to those provided by Target. It is for these reasons that OID has continued to use Target and would recommend to the Board that they award this bid to Target based on providing superior service.

The other companies submitting bids were either not as cost effective, could not provide products in handling containers suited to the Districts needs, had worker safety concerns, or offered only a limited number of products not suited to the experience of the department nor did staff have confidence in those products.

After Board review and discuss, a motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the awarding of a pesticide and herbicide bid to UAP Timberland. The Board requested that Mike Hanf, Assistant Watermaster/Pesticide Control Coordinator work more diligently with the approved vendor to make sure that they understand the OID requirements and the importance of providing quality services.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON
DIRECTING WATER COUNSEL TO RESEARCH THE
OPPORTUNITIES FOR END-OF-YEAR WATER SALES

Mr. Wayne Zipser, Executive Manager of the Stanislaus County Farm Bureau stated that his appearance at the meeting today was to ask the Board to take extreme caution and study this well before making any decision as to water sales.

Mr. Zipser also gave the Board an update regarding the Ag Waiver. He further stated that he had a great appreciation for OID's involvement and support of the coalition process. OID's General Manager has been of great help in this area, has attended a lot of meetings and this is greatly appreciated. Director Clark stated that the farming community owed a lot to Mr. Zipser for taking this by the horns and putting a lot of work into this. Mr. Zipser stated that many volunteers have helped and he would like to see this stay a volunteer organization; a paid staff would in all likelihood make this another bureaucracy. It is his hope that for at least the next three years to save as much as they can thereby keeping the costs to farmers at a minimum.

After discussion, a motion was made by Director Alpers, seconded by Director Bricchetto and unanimously supported to table this item at this time.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON
GRANTING AN EXEMPTION TO THOMAS MARACEK ON THE
ACRE LIMITATION FOR RECEIPT OF OUT-OF-DISTRICT WATER

On January 20, 2004 the Board adopted a new Irrigation Water Service Agreement for Lands Outside District Boundaries. The agreement has a requirement that lands receiving out of district water be 10 acres or larger in size. A handful of past properties, which were less than 10 acres in size and who had agreements in place at the time of the Board's action, were allowed to continue to apply on an annual basis for out of district water.

Mr. Maracek purchased the 1.48 acres of property from Brian and Jennifer Casey, located at 6418 Central Avenue in Riverbank on March 30, 2004. The buyer stated the property was irrigated and when Mr. Maracek came to secure his water this year he was denied so by staff per the new policy. Mr. Maracek requests a variance to the policy implemented by the Board so he can continue to receive irrigation water.

Staff recommended a denial of Mr. Maracek's request for a variance. Notices of OID's policy change were mailed to all recipients of out-of-district water at the end of January. The previous owner should have disclosed this change to Mr. Maracek prior to the purchase.

[Note: In 2004, District rate payers, through their investments in water and power resources and other fees and mechanism, paid approximately \$236 per acre (\$13 million

budget/55,000 acres) to meet the OID's budget obligations. Small parcel out-of-district water users receive their water at a cost of \$61 per acre based on the new policy. Each acre of out-of-district land (less than 10 acres) receives a benefit of \$175 dollars per acre.]

A motion was made by Director Webb, seconded by Director Alpers and unanimously supported to deny the granting of an exemption to Thomas Maracek on the acre limitation for receipt of out-of-district water.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
PROVIDING UNIFORMS FOR OPERATIONS PERSONNEL

All public utilities and many governmental agencies provide some type of uniform for their employees.

On April 5, 2004 the Personnel Committee met with Support Services Manager Gary Jernigan to discuss the possibility of uniforms for field personnel. At that meeting the Committee directed Mr. Jernigan to obtain cost estimates and sample uniforms for the Boards' review. Mr. Jernigan provided costs estimates and provided uniforms for the Boards' review.

A motion was made by Director Brichetto, seconded by Director Alpers to approve the providing of uniform shirts only for Operations personnel and was voted as follows:

Ayes: Alpers, Brichetto, Clark, and Taro
Noes: Webb

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON
IMPLEMENTING THE TURNOUT MEASUREMENT PROGRAM

An informational presentation of the proposed program was presented to the Board in March 2004. As per the direction of the Board, the proposed program has been placed on the agenda as an action item. The first phase of this program will involve a selection process in which locations for the flow measurement devices will be determined, based upon selection criteria. Interest to participate in this program will be generated through the distribution of a District wide mailing of an Informational Survey. The program would be coordinated and administered through the Special Project Coordinator.

A motion was made by Director Webb, seconded by Director Alpers to approve the implementation of the Turnout Measurement Program and was voted as follows:

Ayes: Alpers, Clark, Webb
Noes: Brichetto and Taro

PUBLIC COMMENTS

Mrs. Delores Cole stated that she would like to be issued an invitation to annex to the District as has been discussed since 1995. Director Alpers stated that it is the policy of the District not to annex properties under 10 acres.

Mrs. Donna Nation stated that she wished to thank Support Services Manager Gary Jernigan for completing the Stoddard Lateral work so well.

ITEM NO. 15 **REVIEW AND TAKE POSSIBLE ACTION ON PURSUING WIT THE** **IMPROVEMENT DISTRICTS THE NEED TO FUND A** **RESERVE STUDY FOR THEIR DISTRICTS**

The Board wishes to be more proactive with each Improvement District (ID) to effect the establishment of a Capital Replacement Account to meet the substantial and inevitable costs associated with the replacement of their infrastructure. This need has been precipitated by the experience of Improvement District No. 52 which lost both its wells in the last year. The Improvement District is looking at approximately \$400,000 in well replacement costs and as of yet have not secured a site for the new wells. Site costs could add another \$250,000-\$400,000 to these costs. Spread amongst the owners of the Improvement District, this could represent a \$12,000-\$20,000 assessment to each household. Had the Improvement District been proactive years ago and established and annually funded a Capital Replacement Account each year, this burden could have been substantially reduced.

An estimate to do a Reserve Study has been submitted by the Browning Reserve Group. Their estimate is \$800 per Improvement District. The question before the Board is how best to move this need forward with the Improvement Districts?

Submitted with the Board Agenda Report was an attorney's opinion and past agency correspondence to assist in the discussion of this topic. Based on these readings, it is staff's opinion that for the intended purposes desired by the Board, it would be advised to first secure the approval of the Improvement Districts prior to moving forward with the performance of such a study.

A motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to approve the pursuing with the Improvement Districts the need to fund a reserve study for their districts.

DISCUSSION ITEMS

ITEM NO. 16

DISCUSS THE CLAVEY HOUSE AND THE AMOUNT OF RENT CHARGED TO TENANTS

Director Brichetto requested this item be placed on the agenda for discussion. As background, the Board made available the vacant Clavey House in June of 1999 to the Loger family. Repairs delayed the Loger's ability to move into the house until August 1999. A new roof was approved for the house on February 2002. The current rent has not changed since that time and is \$350 per month.

Director Brichetto stated that the Board should look at increasing the rent on this property and that a housing policy is needed similar to that of Tri-Dam. He further requested that this be placed on the action calendar next month.

Director Clark requested what benefit this might be to OID. General Manager Steve Knell stated that OID's property insurer had recommended demolition of this property.

Director Webb stated that if OID were to remove the home that the property would revert to the original property owner.

The Board concurred that this item should be an agenda item next month for review of the facts and decision on how to proceed with this property.

A. **GENERAL MANAGER'S REPORT**

Resource Issues

1. Still on the 14 day rotation. Some areas have experienced delays in this schedule due to system failures, but generally are getting caught up with those delays.
2. OID and all other water agencies have not received their NPDES General Permit for Aquatic Pesticides. It was to have taken place in April and the date now before action could be taken is May 20th. A draft permit is out for review with comments being solicited until May 5th. Assuming State Board staff can process the comments, the State Board will vote to adopt the General Permit. Not taking action will delay the application of aquatic pesticides and may disrupt water deliveries if this continues into June.
3. OID has received its Notice of Applicability from the CVRWQCB as an Individual Discharger under the Conditional Ag Waiver Program.

Resource Contracts

1. Grant Davids will be instructed to continue with the development of OID's Ag Water Management Plan.

Current Internal Activities

1. PG&E called, and barring any complications, their man on the Tulloch Pipeline incident will be back at work next week. A meeting will be scheduled soon afterwards.
2. Getting bids for water quality sampling and water quality monitoring to begin Ag Waiver compliance monitoring.
3. Knights Ferry water rights issues are consuming a lot of time as they relate to Mr. Conde's request.
4. Providing assistance to Water Counsel on Waterkeepers lawsuit.
5. Spring Newsletter has been mailed out.
6. District Audit is complete.

Current Construction/Maintenance/Engineering Activities

1. A schedule was provided to the Board

Legal Activities

1. Settlement papers are being prepared for the Cantel lawsuit. Some staff time is required in order to provide details for the settlement agreement.

B. COMMITTEE REPORTS

- No Committee Reports were given.

C. DIRECTORS' COMMENTS

Director Webb

- Director Webb stated that now that OID has added the staff requested he would like to know when the Root Drain Pump would be completed. General Manager Steve Knell stated that Bill Kull will provide a timeline regarding this project and that it is anticipated that this will be completed this fall.

Director Taro

- Director Taro expressed his disappointment in the telephone service of the District. General Manager Steve Knell stated that due to the power outage during the weekend, OID has experienced a few problems which have been corrected today.
- Director Taro stated that he would like to see a study done regarding the lines that are private. The District collects taxes from the land for delivering water and it seems that the District should have some sort of an obligation to at least help maintain those lines because the District is receiving revenues without putting forth any effort. Also a study on the canals going through someone's property; can we check on the revenue being collected on this properties with easements, etc?

At the hour of 11:55 A.M. a motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, May 4, 2004 at 9:00 A.M.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next regular Joint Board Meeting for the Tri-Dam Project is scheduled for **Thursday, May 20, 2004** at 9:00 A.M. at the Tri-Dam Project Office, 31885 Old Strawberry Road, Strawberry, CA 95375.

Attest:

Steve Knell, P.E.
General Manager/Secretary