

MINUTES

Oakdale, California
April 6, 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

A motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to add Emergency Board Agenda Item 10(a) Review and take possible action to award a bid for the intersystem connection between Improvement District No. 52 and OID's Rural Water System No. 1.

ITEM NO. 10(a) **REVIEW AND TAKE POSSIBLE ACTION TO** **AWARD A BID FOR THE INTERSYSTEM CONNECTION BETWEEN** **IMPROVEMENT DISTRICT NO. 52 AND** **OID'S RURAL WATER SYSTEM NO. 1**

The main distribution well at Improvement District No. 52 collapsed last fall and their backup well suffers from a reoccurring contamination problem. Both wells need to be replaced and OID is moving in that direction, however, in the interim, their existing water system is in jeopardy of failing altogether if the contamination problem reappears. On December 2, 2003 the Board offered the members of Improvement District No. 52 a temporary connection to Rural Water System No. 1 until their new water source could be secured. On February 17, 2004 the members of Improvement District No. 52 approved the intersystem connection.

OID went out to bid for this interconnection and received 3 bids from 8 contractors that were sent bids. Staff recommended awarding the interconnection contract to Amerine Systems; the lowest qualified bidder.

A motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to award a bid for the intersystem connection between Improvement District No. 52 and OID's Rural Water System No. 1.

**ACTION TO TAKE VARIOUS ITEMS
OUT OF SEQUENCE**

A motion was made by Director Taro, seconded by Director Brichetto to hear Item No. 11 at 10:00 A.M. and was voted as follows:

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

Motion not carried.

Director Brichetto requested that Item No. 3 be moved to the Action Calendar. Director Clark requested that Items No. 6 and 7 be moved to the Action Calendar.

**ITEM NO. 1
PUBLIC HEARING ON PARTICIPATION IN DEVELOPING AN
INTEGRATED, REGIONAL GROUNDWATER MANAGEMENT PLAN FOR THE
MODESTO GROUNDWATER SUB-BASIN**

As a member of the Stanislaus and Tuolumne Rivers Groundwater Basin Association, Modesto Irrigation District contributes 1/6th of cost of each project performed by the Association. The estimated cost for the Integrated, Regional Groundwater Management Plan is \$60,000, of which Oakdale Irrigation District's share is \$10,000. This amount was identified in the adopted 2004 Operations, Maintenance and General Administrative budget.

Groundwater and surface water resources within the Stanislaus and Tuolumne rivers region are vitally important resources in that they provide the foundation to maintain current, and fulfill future, environmental, agricultural, domestic, municipal and industrial needs, as well as other needs, to maintain the economic viability and prosperity of the Basin area.

In September of 2002, Senate Bill 1938 (Machado) was signed into law by the Governor of California. This bill requires local agencies, which apply for state funding for the construction of groundwater projects or groundwater quality projects, to prepare and implement an updated groundwater management plan. The management plan must include basin management objectives, a detailed map of the groundwater basin and monitoring protocols to detect changes in groundwater levels, quality or ground surface subsidence. The law also requires that each agency shall involve, and work cooperatively with, other local agencies and members of the interested public.

Also in September of 2002, Senate Bill 1672 (Costa) was signed into law. This bill authorizes the establishments of "Regional Water Management Groups", consisting of three or more local public agencies, to prepare and adopt a regional water management plan. Implementation of a regional water management plan is a prerequisite for obtaining funding or grants under many State programs. The regional water management plan may address any of a number of water management issues; such as groundwater, urban water or agricultural water planning.

The Stanislaus and Tuolumne Rivers Groundwater Basin Association, of which Oakdale Irrigation District is a member, plans to prepare and implement an Integrated, Regional Groundwater Management Plan that will meet the requirements of both SB 1938 and SB 1672 and provide legal coverage for all member agencies with regard to groundwater management planning.

The Oakdale Irrigation District in coordination with the Modesto Irrigation District, City of Oakdale, City of Riverbank, and Stanislaus County plan to develop a Regional Groundwater Management Plan. This plan would provide the necessary guidance for making decision about groundwater management, as well as protect the Oakdale Irrigation District's groundwater resources and groundwater quality.

General Manager Steve Knell stated that notice of this Public Hearing was published in the newspaper. Mr. Henry Burtschi questioned the benefits and/or goals of the groundwater management plan. General Manager Steve Knell stated that one of the benefits of this might be the possibility of Oakdale receiving funds from the State of California.

**CONSENT ITEMS
ITEMS NO. 4, 5, 8**

**ITEM NO. 4
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. 5
APPROVE A RESOLUTION ADOPTING A
PERFORMANCE EVALUATION POLICY**

A policy was needed in order that management would be responsible to see that work produced contributes to the District's goals and objectives and that quantity and quality are reasonable. In turn employees are entitled to know if their duties are being accomplished to the satisfaction of management.

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve a resolution Adopting a Performance Evaluation Policy.

ITEM NO. 8
APPROVE AN ENCROACHMENT ON THE
TOWN "C" PIPELINE FOR
THOMAS R. AND THERESA M. AMORE

The requested encroachment was reviewed by staff and approval recommended for relocation of Town "C" Pipeline and encroachment of swimming pool on relocated Town "C" Pipeline.

A motion was made by Director Webb, seconded by Director Alpers and unanimously supported to approve an encroachment on the Town C Pipeline for Thomas R. and Theresa M. Amore.

ITEM NO. 2
PRESENTATION
CONDOR EARTH TECHNOLOGIES
FINAL PROJECT REPORT

Mr. Ron Skaggs presented the canal and tunnel rehabilitation final job walk and budget status that included final job walk photos, review of final anticipated budget, review of alternative analysis and future priorities. The contractor budget status was as follows:

- Original contract budget \$4,450,222
- Final budget with additional tunnel 9 work and time extension \$5,174,545
- Final pay request \$5,016,831
- Under budget (\$158,715 (3.1%))
- Contractor retention withheld (10% of final pay estimate) \$88,149
- Retention hold time 45 days pending final shotcrete results and final sign-off
- Change order No. 4 request for CM time extension \$105,000
- Final budget with CO No. 4 \$637,305
- Totals through 3/15/04 (\$530,750)
- Budget remaining \$106,555
- Anticipated under budget \$50,000

ACTION ITEMS 3, 6, 7, 9, 10

ITEM NO. 3

**APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF MARCH 2, 2004**

Director Brichetto requested that draft Minutes of the March 2, 2004 Board meeting be amended to reflect the vote on Item No. 5.

“At the March 2, 2004 Board meeting, the Board approved a policy change to the Services and Purchasing Policy. Said change would amend the existing policy making the General Manager’s approval authority as follows:

- \$25,000 for budgeted contracts
- \$10,000 for non-budgeted items
- \$5,000 for service contracts
- All consultants to come before the Board for approval.

A motion was made by Director Alpers, seconded by Director Webb to approve a Resolution for a Revised Services and Purchasing Policy to Increase the Contract Approval Authority for the General Manager and was voted as follows:

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

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the Board of Directors’ Minutes of the Regular Meeting of the March 16, 2004 as amended above.

ITEM NO. 6

**APPROVE A RESOLUTION ADOPTING AN
EMPLOYMENT PROCESS POLICY**

A policy was needed in order that standards and procedures are established outlining the steps required when filling all job openings.

After discussion, a motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to approve a Resolution Adopting an Employment Process Policy.

ITEM NO. 7
APPROVE THE PURCHASE OF OFFICE EQUIPMENT

Legislation requires that everything from files to conversations regarding personnel be kept confidential. Medical appointments, background information, payroll, etc. are routine functions of the Administration area. The level of confidentiality required is not possible with the current workspace. In addition, an increase in work space, storage, organizational efficiency and ergonomics can be achieved. The appearance of the office will improve and the existing furniture can be utilized for new personnel.

Three quotes were received; Corporate Express supplied the lowest quote at \$10,991.41. In addition, the District would be afforded the benefit of a piggy-back order with that of another district allowing for a decrease in pricing of 52% and also allowing for a higher quality product. Due to price increases since the time quotes were received for budgeting purposes, the cost has increased from \$8,200 to \$10,991.41, including tax and installation.

A motion was made by Director Brichetto, seconded by Director Alpers and unanimously supported to approve the purchase of office equipment.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION REGARDING A CHANGE IN THE DISTRICT'S INSURANCE PROVIDER FROM AETNA TO PACIFICARE

The District's employee health insurance renewal with Aetna Insurance Company will occur on May 1, 2004. TSM Insurance Brokers met with the Finance Committee on Monday, March 29, 2004 to review insurance quotes. The Committee recommended changing to the PacifiCare 2000/10 Health Insurance Plan.

A motion was made by Director Alpers, seconded by Director Webb to approve a change in the District's insurance provider from Aetna to PacifiCare and was voted as follows:

Ayes: Alpers, Clark, Taro
Abstain: Brichetto, Webb

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON REPLACEMENT OF ONE-HALF TON PICKUP TRUCKS FOR THE AG WATER FLEET

This year's budget included replacement of two high mileage pickup trucks in the Ag Water Operations Department. Bids were sent to 21 local vendors with 7 dealers responding. One bid was deemed as incomplete and non-responsive. Steve's Chevrolet in Oakdale was the lowest bidder with a price of \$14,246.00 for each truck. The 2004 budgeted amount is \$40,000 under Account No. 15184.

A motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to approve replacement of one-half ton pickup trucks for the Ag Water fleet.

DISCUSSION ITEMS

ITEM NO. 11 DISCUSSION ON INTEREST AND ABILITY TO PROVIDE END OF SEASON WATER SALES

Director Clark raised this question at the last Board meeting. His interest was in the ability of Oakdale Irrigation District to sell its unused water at the end of the water season each year to a willing buyer. Such revenues, in Director Clark's opinion, could be used as a direct benefit to the farmers in the subsequent year in reduced water rates.

Director Alpers suggested that if monies were received from any sale of water that the money should be used for rehabilitation of the existing delivery system.

Director Webb stated that there is no guarantee that OID would be able to commit to such a sale. It sounds great to have the ability to give away water to the constituents however he suggested that perhaps a better way would be to locate farmers that have a run-down infrastructure and struggle with irrigating and help them by making loans to fix their systems; this would benefit everyone.

Director Brichetto stated that water users he has talked to would rather see improvements in the system than lower water rates.

Director Taro cautioned the need to be careful with what is done with the water and make sure that all constituents receive enough water before talks commence on selling water.

Director Clark stated that the constituents come first, but rather than leave unused water in New Melones it could be sold and the money put to good use within the District.

Mr. Ken Krause commented that he was satisfied with the water rates and didn't feel that the District should consider giving away the water for free.

Mr. Grover Francis questioned whether the District had the right to sell water for profit. He further commented that the District should look at bringing in people through annexation.

Mr. Gordon Pimley commented that OID saved a lot of water this year, but that he had not gotten his rotation of water until just a few days ago. He stated that he was not through and got cut off and in his opinion that was not an adequate irrigation. Mr. Pimley stated that Director Clark had stated at a meeting just a few weeks ago that he was not interested in selling water and was now bringing up the subject of selling water.

Director Clark stated that he didn't mind selling water as opposed to giving it away and that is what has been happening. Director Clark requested that this item be placed on the next agenda for action in order that the Board could vote to determine whether Water Counsel

Tim O’Laughlin should investigate and report his findings to the Board as to the possibility of year-end water sales.

PUBLIC COMMENTS

Mr. Laurens Foard commented regarding a recent cleaning of the Hinds Drain and questioned whether DSO’s are authorized to make commitments on behalf of the District.

Mr. Ken Krause commented regarding a valve problem on the line at the Clavey house property and questioned when the District would fix this properly.

Mr. Tom Gookin stated that the new cellular telephone system selected by the District was not allowing for contact with the DSO’s and that the coverage was terrible. He further questioned what could be done to the Wills Lateral cleaned, and the status of the meetings with PG&E. General Manager Steve Knell stated that he would contact them again next week to get the see when the meetings could be continued.

Mr. Roger Beymer presented photographs of drain water.

Mrs. Donna Nation expressed her concern about the sale of water and stated that a reduction in water rates is not what is needed.

A. GENERAL MANAGER’S REPORT

Resource Issues

1. Water Season has begun with most deliveries beginning on March 20th. By April 1st (11 days) we had finished a lot of the first rotations. Estimates were that about 20% of customers took a pass on the first irrigation. As rotations conclude we will back water out of the system until the next 14 day rotation cycle begins.
2. Kevin King submitted OID’s Monitoring and Reporting Plan and Quality Assurance Plan to the CVRWQCB in compliance with the April 1st deliverable under the Conditional Ag Waiver. Kevin has done a great job in coordinating this effort.
3. Another meeting was held with SEWD on March 31st regarding renegotiating the existing water transfer. No new information was presented. They will provide us with an estimate of their water shortages over the next 20 years. It appears that they will need to fill a 60K acre-foot shortfall under normal conditions and develop a 50K acre-foot drought year over the next 25 years.

Resource Contracts

1. A few responses and inquiries have been received on the RFP for development of a Water Resources Plan.
2. SJRG has secured a \$3 million water quality monitoring grant from the State Water Recourses Control Board for the next 3 years.

Current Internal Activities

1. Staff Training
 - a. ACWA/JPIA provided 2 days of safety training to staff. Included in that was mandatory "Reasonable Suspicion" Training.
2. The Chamber of Commerce Ag. Luncheon, which OID was a sponsor, was well attended.

Current Construction/Maintenance/Engineering Activities

1. Fairbanks Pipeline – Two of the pressure boxes have been poured.
2. LAFCO calling regarding MSP questions.
3. Pipeline failures and leaks are plaguing the early start of water season.
 - Clavey Pipeline is down until Saturday
 - Moulten Pipeline has many leaks and complaints
 - Clark Pipeline
4. DSO ride along is an eye opener and is a revealing look at what our people are doing out there keeping this system together. Kudos to all of them.

Legal Activities

1. Continue to work with Water Counsel on Delta Keepers Suit.
2. Joe Fos provided a deposition on the Gonzales case

B. COMMITTEE REPORTS

Domestic Water

- Director Alpers stated the Domestic Water Committee met yesterday to discuss concerns regarding education of the improvement district customers as to their responsibilities, way to increase their reserves, etc. Letters will be going out to all in the improvement districts to explain the responsibilities on both sides and explain their emergency fund monies.

Personnel Committee

- Director Clark stated that the Personnel Committee met with Support Services Manager Gary Jernigan regarding uniforms for operations personnel. Gary is to provide cost estimates and bring samples of uniforms to the next board meeting for the review.

C. DIRECTORS' COMMENTS

Director Clark

- Director Clark stated that the District had gone six months without an accident and wanted to congratulate all employees.

Director Webb

- Director Webb wished to thank District staff and the General Manager and believed that the District is moving toward putting the water in the ditches now when it is needed instead of waiting and picking some date out of the air. He believed that things were beginning to work well by analyzing available data.

Director Brichetto

- Director Brichetto stated that it is really important to worry about the people in the district and the community and they are the District's number one priority.

Director Taro

- Director Taro stated that those irrigators on the Northside are not getting enough water.

Director Alpers

- Director Alpers stated that two pipelines had been broken on the Southside and that the District really needs to look at putting more money into maintenance.

At the hour of 12:00 P.M. the meeting adjourned until 1:15 P.M.

At 1:15 P.M. the Board reconvened.

ITEM NO. 12 COMMUNICATIONS

D. WATER COUNSEL'S REPORT

100: General There is one general item we are working on for the District.

Water Resources Management Plan: Ongoing - assisting staff as needed.

102: SEWD Water Transfer

Transfer is moving forward this year. No change in schedule. Staff, Kathy Cook and Ed Kisling, is overseeing. **Since it is a full allocation to the Districts this year 15,000 AF will be transferred to SEWD.**

102-A: SEWD Litigation (Delta Keeper Matter)

The hearing date on the CEQA claims against the Districts was January 26, 2004. Judge McNatt heard the matter. We await his decision. An attempt to set up mediation before the hearing was unsuccessful. **We have made an informal settlement offer to the Petitioners. You have received a copy of that settlement offer.**

102-B: SEWD Water Transfer Contract Renewal

A meeting was held with SEWD and the City of Stockton on March 31, 2004.

104: Stanislaus Stakeholder

This group meets occasionally to discuss New Melones operations and USBR programs on the Stanislaus River. The USBR Recently informed us that they have money. They are using that money to model and maybe revise the New Melones IOP. We have drafted a letter for OID and SSJID to participate in a review and modeling of the operating plan(s) for New Melones. **A Stanislaus Stakeholder meeting was held on March 31, 2004.**

We have put the USBR/SEWD Eastside Resources Management Plan under this heading. This effort is to look at programs and alternatives to get more water to CVP Contractors. We are currently monitoring this program. No action to report on this matter at this time.

106: SSJID Water Treatment Plant

Pursuant to an Agreement between OID and SSJID, O’Laughlin & Paris LLP monitors the development of SSJID Water Treatment Plant and SSJID pays the bill. Our oversight has focused on water and CEQA. The CEQA litigation is currently on appeal. At the request of SSJID we participated in a mediation of this lawsuit. The proposed settlement agreement has gone back to each individual city for approval. To date it has not been approved. SSJID has entered into an agreement with the USBR to look at water resources in the Stanislaus River Watershed. No action has been initiated by the USBR at this time to address water resources in the Basin except the Eastside Resources Management Plan.

108: Fishery Studies

Weir: Assist SP Cramer on funding and regulatory approval as needed. Weir was installed and working in September this year. The information obtained from the weir will assist the Districts in their management of the fishery.

109: CALFED

CALFED will be moving forward with two major components in 2004. Financing for CALFED will be proposed in 2004. User fees will be a major component of the financing scheme. **We have forwarded the draft proposal from CALFED to the District.** Also, CALFED will proceed forward with its water use efficiency program. CALFED is required under the Record of Decision to seek legislation statutorily setting irrigation demand.

112: SEWD SWRCB Filing

SEWD has asked the SWRCB to partition its petition. SEWD wants flood flows to go first. Based on conversations with SEWD we do not expect the petition to move forward in 2004.

114: CCWD SWRCB Filing

We keep hearing that CCWD is going to resurrect this petition. We have seen no action to date, and expect none in 2004.

115: SJTA/SJRG

We have provided OID, under separate cover, a status of the projects (see attached).

118: Alpine Water Company SWRCB Filing

No action. We sent a memo to Mr. Knell last year on a potential takeover. We expect no action on this matter in 2004.

123: ESA

OID has joined suit to delist steelhead. O'Laughlin & Paris LLP oversees the litigation; The work is being done by Scott Steffen of MID at no costs to OID. **Cross-motions for summary judgment are set to be heard on April 12, 2004 in Federal District Court.**

124: Temperature Model

Assisted Mr. Dotan in acquiring CALFED funding for the expansion of the Stanislaus River Temperature Model to Vernalis. Worked with SP Cramer on developing temperature parameters and locations for steelhead and fall run Chinook salmon. These objectives/assumptions for the model were submitted to the Peer Review Committee in December. We are awaiting their draft report. **A meeting is set for April 21, 2004 to review the peer review recommendations.**

OID/SSJID and SEWD commissioned their own temperature model run based on different temperature and flow objectives. This report has been sent to the Stanislaus River Fish Group for peer review. We expect it to be finalized in 2004.

128: SWRCB Triennial Review

The SWRCB commenced Triennial Review with a workshop on January 8, 2004. Please see report under #115.

132: FERC/SPLAT

We are assisting Mr. Felte in the filing of the applications for Donnellis and Tulloch. A major issue in regards to the filings is the SWRCB fee.

134: TMDL Process

DO TMDL: Assist SJRG as needed in Port of Stockton aeration project; Currently working with State Water Project Contractors as part of the Napa Principles to resolve this issue. The CVRWQCB draft Proposed Basin Plan Amendment for DO is due June 2004. Currently there is much discussion within the NAPA process of resolving this issue. It is unclear what form the resolution of this problem will take in the NAPA process. **The Draft Basin Plan Amendment is due April 9, 2004.**

DO Ripon: To work with other agencies to understand the basis for this request and how it functions in the Stanislaus River. We are working with SEWD to understand the basis for this objective and its location at Ripon. This DO objective requires the USBR to release a total of 50,000 AF in the July, August and September time period. **This project is on-going. Demko is preparing a literature review of the effects of DO on different fish.**

Salt and Boron: The CVRWQCB has made available their draft proposed Basin Plan Amendment for Salt and Boron. On behalf of the San Joaquin Tributary Association we reviewed the Draft Plan and provided comments. TID also provided technical comments. The CVRWQCB will be moving forward on its CEQA document and Basin Plan Amendment this year for salt and boron. **A meeting is set with CVRWQCB staff on April 1, 2004. A CV workshop is set for April 29, 2004.**

Unknown Toxicity: This is part of the 303(d) listing for the Stanislaus River. No work has been done by any agency on this matter.

134-A: Water Keeper v. OID: OID is being sued by Water Keeper on the Adoption of OID's Negative Declaration for Aquatic Pesticide. The complaint has been served. A mandatory settlement conference has been set for April 14, 2004.

135: Annexation: We await the Board's direction to assist OID in annexing lands to the District.

136: Electrical: Assist OID General Manager and staff as needed in the review and comment on the development, negotiation, strategies and drafting of the power purchase agreement. **We would like to discuss with the Board our role in this process.**

137: Ag-Waiver: Entities within the SJTA filed for individual waivers under the Ag-Waiver. **OID has not yet received its Notice of Acceptance.** The SWRCB modified the draft Ag-Waiver to some extent, but still left in, and affirmed, affirmative opt in provisions, reporting requirements and onerous water quality monitoring requirements for Watershed Coalitions. We are assisting the SJTA in developing monitoring plans to meet the April 1, 2004 deadline. We will continue to monitor the CVRWQCB process to implement the Ag-Waiver, as well as the legal process that will be undertaken by environmentalists challenging the Ag-Waiver.

138: Drainage: We are currently working with MID staff to address Drainage.

At the hour of 2:15 P.M. a motion was made by Director Clark, seconded by Director Taro and unanimously supported to adjourn to closed session to discuss existing litigation, the OID advs. Delta Keepers.

ITEM NO. 13
CLOSED SESSION

B. **Conference with Legal Counsel, Existing Litigation** – California Government Code 54956.9 – OID, et al., advs. Delta Keepers, Sacramento County Superior Court, Case No. 04CS00188

No Action Taken

A motion was made by Director Taro, seconded by Director Webb and unanimously supported to adjourn the Closed Session and return to the Regular Meeting.

Director Clark announced that no action was taken during the closed session.

At the hour of 2:30 P.M. a motion was made by Director Webb, seconded by Director Bricchetto and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, April 20, 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, April 15**, at 9:00 A.M. at the South San Joaquin Irrigation District office, 11011 Highway 120, Manteca, CA

Attest:

Steve Knell, P.E.
General Manager/Secretary