

MINUTES

Oakdale, California
September 18, 2007

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: Steven A. Webb, President
Jack Alpers, Vice President
Al Bairos, Jr.
Frank B. Clark
Tony Taro

Staff Present: Steve Knell, P.E., General Manager/Secretary
Kevin King, Water Operations Manager
John Davids, Support Services Manager
Gary Jernigan, Contracts & Special Projects Manager
Kathy Cook, Chief Financial Officer

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions

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. 1

Mike Sons who resides at 6353 Stoddard Road stated that at the end of 2006 OID and he agreed to move a pipeline (Union Pipeline) on his property so that he could plant almond trees. Mr. Sons alleged that during this construction OID forgot to plug the pipeline thereby resulting in water damage. Mr. Sons filed a claim against the District and the insurance company has been investigating the claim for five months. He asked if there was anyway that the District could speak with the insurance company to speed up the processing of his claim. Kathy Cook stated that she spoke with the insurance adjuster this morning and the investigator had finished his report and turned it in on Monday. Director Webb asked for a follow-up report on the status of the claim at the next meeting.

There being no further public comment, public comment closed at 9:06 a.m.

Director Webb requested that Item No. 10 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 6, 7, 9, 11

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF SEPTEMBER 4, 2007 AND
RESOLUTIONS NOS. 2007-35, 2007-36, 2007-37,
2007-38, 2007-39, 2007-40, 2007-41, 2007-43, AND 2007-44

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of September 4, 2007 and Resolution Nos. 2007-35, 2007-36, 2007-37, 2007-38, 2007-39, 2007-40, 2007-41, 2007-42, 2007-43, and 2007-44.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Improvement Districts' Statement of Obligations.

ITEM NO. 5
APPROVE THE TREASURER AND CHIEF
FINANCIAL OFFICER'S REPORT FOR
THE MONTH ENDING AUGUST 31, 2007

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending August 31, 2007.

ITEM NO. 6
APPROVE ASSIGNMENT OF
CAPITOL WORK ORDER NUMBERS

A motion as made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the assignment of capitol work order numbers as set forth below.

Facility	Project Description	Projected Cost	Work Order No.
Stowell Lateral	Replace 24" C-10 turn-out gate with 5' frame, including new headwall, stilling well and pipe under canal bank.	\$10,900	0743

ITEM NO. 7
APPROVE CORRECTION TO WORK
RELEASE NO. 001 OF THE SIERRA
CONTROLS GENERAL SERVICES CONTRACT

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the correction to Work Release No. 001 of the Sierra Controls General Services Contract.

ITEM NO. 8
APPROVE PROFESSIONAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS (BENCHMARK
ENGINEERING, INC. AND PADDOCK APPRAISAL SERVICES)

A motion was made by Director Clark, and seconded by Director Alpers, and unanimously supported to approve the Professional Services Agreements for various vendors and contractors (Benchmark Engineering, Inc. and Paddock Appraisal Services).

ITEM NO. 9
APPROVE GENERAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS (MODESTO
INDUSTRIAL ELECTRICAL COMPANY, DENTONI'S
WELDING WORKS, INC., RIVERA AND SONS EARTH
MOVING AND GRADING, INC., DON'S MOBILE
GLASS, INC., VALLEY AIR CONDITIONING &
ENGINEERING, INC., BLACK DIAMOND AGGREGATES,
INC., CHAMBERS TRANSPORT AND TOTLCOM, INC.)

A motion was made by Director Clark, and seconded by Director Alpers, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Modesto Industrial Electrical Company, Dentoni's Welding Works, Inc., Rivera and Sons Earth Moving and Grading, inc., Don's Mobile Glass, Inc., Valley Air Conditioning & Engineering, Inc., Black Diamond Aggregates, Inc., Chambers Transport and Totlcom, Inc.

ITEM NO. 11
APPROVE QUITCLAIM OF A PORTION OF THE
CAMPBELL PIPELINE DEEDED RIGHT OF WAY
(APN: 229-009-008/009/010 – RATIONAL PROPERTIES, LLC)

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the quitclaim of a portion of the Campbell Pipeline deeded right of way (APN: 229-009-008/009/010 – Rational Properties, LLC).

ACTION ITEMS
ITEM NOS. 10, 12, 13, 14

ITEM NO. 10
APPROVE RESOLUTION OF ABANDONMENT
OF A PORTION OF THE OLDS PIPELINE
(APN: 062-017-007 – RIVERBANK UNIFIED SCHOOL DISTRICT)

Oakdale Irrigation District (OID) staff has been working with Allen Westersund of Blair, Church & Flynn as it pertains to a proposed new elementary school on the aforementioned parcel. Several months ago, OID staff received and reviewed the proposed site improvements and found them to be in severe violation of existing OID policy. In subsequent discussions with Mr. Westersund concerning OID's review comments he stated that the site was simply "too restricted" and there wasn't much of anything that could be done to accommodate OID's requests and still meet the needs of the Riverbank Unified School District. At the request of the School District, OID staff explored the option of potential abandonment and found it to be viable.

In a letter dated, September 10, 2007 from Mr. Westersund to General Manager, Steve Knell, P.E. the Riverbank School District formally requested abandonment of the Olds Pipeline as shown on the attached project site map.

Staff recommends said abandonment of the Olds Pipeline given the conditions shown below:

1. Riverbank Unified School District to be responsible for any and all future maintenance of the facility on the parcel in question.
2. Riverbank Unified School District shall maintain the flow of irrigation water to any and all downstream users.
3. Riverbank Unified School District to be responsible for any and all costs associated with installation of a new pipeline to meet the needs of the new elementary school.
4. No construction work can take place between approximately March 1 and October 31 of any given year.

Director Webb asked why the District is going out of their way for the school district in Riverbank when we probably would not do this for any other construction project. General

Manager, Steve Knell, said that the Olds Pipeline was a pipeline that should not have been owned by the District. There are no records indicating that this pipeline was ever owned by the District or any records that show that it was installed by the District. However, in the late 90's the Board adopted it as a District facility. It was requested by Director Clark that the District require the Engineering Firm, Blair, Church & Flynn, to obtain a letter from the Riverbank Unified School District Board of Directors that approves the conditions associated with the abandonment of the Olds Pipeline.

A motion was made by Director Alpers, seconded by Director Taro, and unanimously supported to postpone a decision on this matter until the next Board Meeting scheduled for October 2, 2007.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON
BOARD AND STAFF ATTENDANCE AT THE
ACWA 2007 FALL CONFERENCE IN INDIAN WELLS, CA

The ACWA 2007 Fall Conference is from November 27 to November 30, 2007 in Indian Wells, California. As always, the conferences have a variety of informative seminars and workshops to help educate those in the water business.

A motion was made by Director Webb, Seconded by Director Taro, and unanimously supported to approve staff attendance at the ACWA 2007 Fall Conference in Indian Wells, California on November 27 to 30, 2007.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION APPROVING
RESOLUTION TO SURPLUS DISTRICT PROPERTY

District staff has determined that the property set forth below is surplus to the needs of the District. Items on the list have either been replaced with new equipment; are no longer serviceable; are no longer safe to operate, or are too costly to continue to maintain and repair.

Tangible Items

Description

Pressure Washer, Gas	Partition, 6' x 5', With Distribution File Hangers
Trash Pump, Gas, 3"	Door Jam w/ Door, White
Trash Pump, Gas, 2"	Shelf Unit, White, Two Shelves
Trash Pump, Gas, 2"	Welding Shop Drill Press
Generator, 5600, Gas	Brush Attachment for Mini Excavator
Rammer Plate, Gas	Wheels, Five Total
Walk Behind Saw, Gas	Venturo Crane
Med Vibrator, Elec.	Crew Truck Tool Boxes, Two Total
Drill, 1/2", Elec., Pistol Grip	
Drill, 1/2", Elec., Pistol Grip	
Drill, 1/2", Elec., Straight Grip	
Drill 3/8", Cordless, 9V, Pistol Grip	
Grinder, 4 1/2", Elec.	
Grinder, 4 1/2", Elec.	
Grinder, 9", Elec.	
Chipping Hammer, Elec.	
Hammer/Drill, 1 1/2", Elec., SDS Max	
Hammer/Drill, 1 1/2", Elec., SDS	
Hammer/Drill, Cordless, 24 volt, SDS	
Circular Saw, 7 1/4", Elec., W/D	
Circular Saw, 7 1/4", Elec., W/D	
Chipping Hammer, Air	
Hammer/Drill, Elec., SDS	
Hammer/Drill, Cordless, 24 volt	
Drill, Elec., 1/2", Pistol Grip	
Impact Wrench, 1/2" Dr., Elec.	
Circular Saw, 8 1/4", Elec.	
Circular Saw, 8 1/4", Elec.	
Metal Desk, Grey, 60" x 30" Double Pedestal	
Metal Desk, Beige, 60" x 30" Double Pedestal	
Wood Desk, Walnut, 76" x 34", Double Pedestal	
Wood Desk, Walnut, 72" x 36", Double Pedestal	<i>(missing two rear legs)</i>
Wood Desk, Walnut, 60" x 34", Double Pedestal	
Drafting Table, Glass Top, 60" x 35", Two Drawer	
Computer Stand, Wood, 25" x 35", 3 Shelves, On Wheels	

Vehicles and Rolling Stock

Truck 21
Truck 24
Truck 34
Truck 41
Truck 48
Truck 136
Truck 138
Truck 139
Truck 140
Truck 141
Truck 147
Trailer 4
Trailer 5
Bobcat 337 Mini-Excavator
Four Wheeler

Staff recommends these items be approved for surplus.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Resolution to Surplus District Property.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION
AUTHORIZING GENERAL MANAGER TO
EXECUTE A CONTRACT WITH ERNST AUCTION PARK

Oakdale Irrigation District (OID) requested quotes from three (3) auctioneer services, Huisman Auctions, Mulrooney Auction Company and Ernst Auction Park. Of the three (3) companies contacted, only two (2) submitted quotes. Those two (2) companies are Mulrooney Auction Company and Ernst Auction Park.

Ernst Auction Park charges ten (10) percent on all vehicles and twenty-five (25) percent on all tangible items offered for sale. Ernst Auction Park will absorb costs of sale to include transportation, detailing, delogging, advertising-newspaper and direct mail flyers. Total proceeds will be mailed within fifteen (15) bank days of sale.

Mulrooney Auction Company charges ten (10) percent of total gross sales. Mulrooney Auction Company will pay for advertising, palletize all small items for auction and wash and clean all vehicles and rolling stock. With Mulrooney Auction Company, OID will have to deliver any and all items to be auctioned. A complete settlement of the auction proceeds will be made within ten (10) working days.

While the Mulrooney Auction Company charges less commission on tangible items than Ernst Auction Park, staff recommends awarding the bid to Ernst Auction Park because they will come and pick up all of the items to be auctioned and they are located locally in Modesto. This will save on staff time and equipment time used to transport any and all items to be auctioned to a location which is unknown at this time. In addition, the revenue generated from tangible items is minimal in comparison to revenue generated from vehicles and as such it is anticipated that the transportation costs will outweigh the increased revenue.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to authorize the General Manager to execute a contract with Ernst Auction Park.

DISCUSSION ITEMS
ITEM NOS. 15, 16, 17

ITEM NO. 15
DISCUSSION ON BUSINESS ITEMS AS
THEY APPEAR ON THE TRI-DAM BOARD
AGENDA FOR THURSDAY, SEPTEMBER 20, 2007

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

The General Manager, Steve Knell, will give a presentation at the Tri-Dam Meeting regarding the recommendation of internal controls that have been prepared by OID.

ITEM NO. 16
DISCUSSION/PRESENTATION OF CONSULTANT'S
CONTRACT STATUS FOR ENGINEERING SERVICES

The District has issued Professional Services Agreements to Consultants for Engineering Services for general engineering services and engineering support for the WRP implementation. The Professional Services Agreements are issued on an "on-call" basis for "Get Ahead" engineering services and general engineering needs. The Board originally approved \$500,000 for this work in 2007 and made separate authorizations for additional work as the year progressed. Attached is a list of engineering consultants and with their Professional Services Agreement scope description and project status for each.

As a summary of each consultant's activities, the following is provided:

Giuliani & Kull provides general engineering services on smaller projects, surveying, construction inspections and geotechnical work.

Condor Earth Technologies provides engineering services for the South Main and North Main Tunnels and the South Main Improvements between Goodwin Dam and Tunnel 7. They also perform engineering services on the Joint Main under the direction of SSJID.

Provost & Pritchard Engineering Group, Inc. provides general engineering services, surveying, construction management, WRP support services and GIS development.

CH2MHILL provides Engineering, Planning Services and Project Specific CEQA Compliance for the WRP implementation. They are presently working on two major projects; the North Side Regulating Reservoir and the OID to Modesto Reservoir Conveyance System Feasibility Study.

Mr. Jernigan was present to answer any questions.

ITEM NO. 17
DISCUSSION OF THE COMMUNITY
REPORT AND CIRCULATION

One of the tasks assigned to staff was the development of a Community Report on the progress of the OID. A draft version of the Community Report was provided to each Director. Staff will be discussing with the Board any final changes and the methods of distribution to be used.

COMMUNICATIONS
ITEM NO. 18

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID has gone 484 days without a lost time injury accident.

Administration Activities

1. Legal Issues consuming staff time;
 - a. Goad settlement-met at site on Sept. 5th with both counsels' present to review issues on the corner of the house and certain measurements.
 - b. Knight's Ferry dec relief – OID has been served papers by the KF residents for a dec relief action
 - c. PERB's – OID has been contacted by the PERB mediator to discuss the actions filed against it by OE3.
 - d. Chappell Drain-No movement in this area.
 - e. Annexations – Conde's have come in and signed their papers regarding annexation.
 - f. Conde's bridge – The Conde's continue to persist in this area.
2. Admin Issues consuming staff time;
 - a. CCSF / Modesto Reservoir Feasibility Study - Provided a Farm Bureau tour on 9/6 to their Board and several interested farmers. About 14 in attendance. Very good response back.
 - b. Preparing for negotiations with CCSF - Mr. Jernigan and GM attended the WSIP Public Comment meeting at Downey High School on 9/6.
 - c. Preparing for negotiations with SEWD - Attempting to get Cal Waters recently released Urban Water Resources Plan for Stockton
 - d. Investigating Modesto City proposal for water treatment
 - e. 5-Year Capital CIP and Finance Options – a committee meeting held on 9/11
 - f. 2008 Budget preparations - continues
 - g. Community Report Articles and Publication – on this agenda
 - h. P.R.&R. review status -idled
 - i. Revising OID's Strategic Plan - idled
 - j. Relocation of OID offices – idled but pending response from developer
 - k. OUSD WET Program – informed Ann Marie Bergen on how to submit invoices. Nice article in Leader on 9/12 on School Program
 - l. VAMP water meeting with Allen Short on repayment of OID water.
 - m. Personnel Matters
 - i. OID has begun its district wide random drug testing program. Two Department Managers and the GM were in the first pool selected.
 - ii. a PSA is being put together for SDS Research for the employee survey. Once signed, we will begin development.
 - iii. Meet and Confer on Engr. Tech., Account Clerk and Warehouseman positions.
 - iv. Mediator called in on employee discipline matter. Employee not happy with level of discipline received for safety violation and not happy with 3rd party outside Skelly officer decision which supports OID's position.
 - v. Reviewing Heavy Equipment training plan submitted by Ad Hoc Safety Committee
 - vi. Getting RFQs developed to fill three critical vacancies.
3. Attending Chamber of Commerce Strategic Planning session on Sept 21st and 22nd.
4. Commented to SSJID on winter work schedule and level of work planned by Beck Enterprises on the Joint Main Canal.
5. Attended SSJID's groundbreaking at their new solar farm project. At the event, Mr. Jeff Shields was introduced as their new General Manager.

Water Operation Activities

1. Water report attached

Finance Activities

1. Continue working on 2008 draft budget.
2. Review 2006-2007 parcel splits for 2008 billing preparation.
3. Planning for 2007 Employee Benefits Fair.
4. Continue to meet, review, and update 5-year CIP Plan.

Contract and Special Project Activities

1. Completed the Survey Control set up for the Water Conveyance to the Modesto Reservoir from the South Main Crossing at Willms Road to the Modesto Reservoir.
2. Continued to work with P&P for the water conveyance system modifications for transfer of ownership to the Knights Ferry landowners. Received the initial Evaluation Report from P&P which is being reviewed.
3. Conducted the Pre-Bid meeting with contractors for the Grider Pipeline Recapture Project and the Reed Pipeline Canal Crossing at SSJID on September 13, 2007. Bids are due September 27, 2009.
4. Continued field investigations to support CH2MHILL on the water conveyance to the Modesto Reservoir
5. Conducted a Site Tour of the Paulsell Lateral for Board member
6. Continued document review of PEIR for the CCSF Water System Improvement Project
7. Contract Administration on issued contracts and contracts to be renewed and/or issued, Work Releases for all contracts.

Construction and Engineering Activities

1. Finalizing 2007/2008 Winter Work Schedule
2. Repair of the West Pump Pipeline – Installation of approximately 70' of 27" PVC on APN: 064-012-001
3. Normal C&M Duties
4. Preparing Items for Auction
5. Continued plan review and support for Provost and Prichard, Inc.
6. Continued plan review and support for Giuliani and Kull, Inc.
7. Continued Suspense Form Review
8. Meeting with Cozort and Hardister on Orange Blossom Road Development
9. Preparation of Plats and Legals for winter work projects
10. Preparation of preliminary staging areas and access easements for the Cape Horn Tunnel work
11. Misc. Engineering Department functions

B. COMMITTEE REPORTS

Finance Committee Meeting

Tuesday, September 11, 2007 @ 8:30 a.m.

- 5-Year Capital Projects Plan

Personnel Committee Meeting

Tuesday, September 11, 2007 @ 9:00 a.m.

- Cost of Publication for Engineer, Assistant Engineer, and Field Supervisor Positions in Sacramento Bee and Fresno Bee
- Heavy Equipment Operator Training Program
- Membership for Employees at Physical Fitness Facility

CLOSED SESSION

Government Code §54957.6

- Conference with Labor Negotiator: Personnel Committee
Represented Employee: General Manager

Finance Committee Meeting

Director Clark stated that the Committee discussed three options to finance the CIP. The Committee asked staff to come up with some other options and schedule another Finance Committee meeting. This matter will be brought to the entire Board when the Finance Committee is ready.

Personnel Committee Meeting

Director Clark commented on three issues discussed at the Personnel Committee Meeting:

- The Committee recommended that the District utilize the services of a headhunter to fill the positions of Engineer, Assistant Engineer, and Field Supervisor.
- The Committee is interested in paying a portion of a membership fee for a health and/or wellness program of the employees. There has been some definite proof that employees who stay fit are less apt to be injured on the job.
- The Committee reviewed the Heavy Equipment Operators Training Manual. This training will afford existing Equipment Operators the opportunity for advancement in the District.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers stated that the San Joaquin River Group Authority endorsed Governor Schwarzenegger's peripheral canal idea and increased money for dams, etc. A lot of things are going to affect the San Joaquin River which always affects us. The San Joaquin Flood Control Group is voting against these items. Director Alpers requested that Director Taro inform the San Joaquin Flood Control Group that our Board is supporting these items.

Director Clark

Director Clark had no comments.

Director Bairos

Director Bairos had no comments.

Director Taro

Director Taro had no comments.

Director Webb

Director Webb stated that a few meetings back there were some complaints about pastures drying up and turning brown. He stated that he took a drive recently and everything looks green. Director Webb also stated that he spoke with a few people and they seemed pretty happy about what is going on.

At the hour of 10:08 a.m. the Board moved to closed session.

CLOSED SESSION
ITEM NO. 17

1. Closed Session to discuss the following:

A. Government Code §54956.8

Conference with Real Property Negotiator
Negotiating Parties: OID and MID
Property: Water
Agency Negotiators: General Manager
Under Negotiations: Price and terms of payment.

Director Clark left the meeting at 10:20 a.m.

At the hour of 10:28 a.m. the Board returned to open session.

The General Manager, Steve Knell, reported that the Board instructed the General Manager to negotiate and execute a final agreement satisfactory to OID and MID by the following motion:

Ayes: Directors, Alpers, Webb, Bairos
Noes: Director Taro

OTHER ACTION
ITEM NO. 20

At the hour of 10:29 a.m. the meeting adjourned to the next **Board of Director's Meeting on Tuesday, October 2, 2007, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Tuesday, September 20, 2007, at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District 11011 East Highway 120, Manteca, California.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary