

MINUTES

Oakdale, California
November 17, 2009

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: Jack D. Alpers, President
Al Bairos, Jr., Vice President
Frank Clark
Steve Webb

Absent: Tony Taro

Staff Present: Steve Knell, General Manager/Secretary
Gary Jernigan, Contract/Special Projects Manager
John Davids, District Engineer
Jason Jones, Support Services Manager
Kathy Cook, Chief Financial Officer

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 items taken out of sequence.

President Alpers gave the Oath of Office to Herman Doornenbal, the new Director for Division 2.

At the hour of 9:04 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There being no public comment, public comment closed at the hour of 9:04 a.m.

Director Bairos requested that Item No. 3 be pulled from the Consent Calendar; Director Clark requested that Item No. 5 be pulled from the Consent Calendar; and Director Webb requested that Item No. 7 be pulled from the Consent Calendar. General Manager Steve Knell stated that he had some comments to make on Consent Item No. 3.

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

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES OF
THE REGULAR MEETING OF NOVEMBER 3, 2009 AND RESOLUTION
NOS. 2009-56, 2009-57, 2009-58, 2009-59, 2009-60, AND 2009-61

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of November 3, 2009 and Resolution Nos. 2009-56, 2009-57, 2009-58, 2009-59, 2009-60, and 2009-61.

ITEM NO. 4
APPROVE IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 6
APPROVE RESOLUTION ADOPTING
REVISIONS TO RESERVE POLICY

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the Resolution Adopting Revisions to Reserve Policy.

ITEM NO. 8
APPROVE CHANGE IN LIFE INSURANCE COVERAGE
FOR DIRECTORS TO BE IN-LINE WITH
MANAGEMENT BARGAINING GROUP COVERAGE

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the change in life insurance coverage for the Directors to be in-line with the Management Bargaining Group coverage.

ITEM NO. 9
APPROVE AWARD OF BID TO CROP PRODUCTION
SERVICES FOR PESTICIDE/HERBICIDE
MATERIAL SERVICES FOR BUDGET YEAR 2010

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to award the bid to Crop Production Services for pesticide/herbicide material services for budget year 2010.

ITEM NO. 10
APPROVE GENERAL SERVICES AGREEMENTS FOR
VARIOUS VENDORS AND CONTRACTORS
(CAPITOL ENGINEERING LABORATORIES, INC.,
CONLIN FENCE CO., AND ANDRETTA'S AG CONSTRUCTION)

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Capitol Engineering Laboratories, Inc., Conlin Fence Co., and Andretta's AG Construction).

ACTION CALENDAR
ITEM NOS. 3, 5, 7, 11

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

General Manager Steve Knell stated that because there is no Board Meeting on the first Tuesday in December the Finance Department has been contacting as many vendors as possible requesting them to forward their billing prior to the 15th. Chief Financial Officer Kathy Cook asked the Board to approve the disbursement of funds for any invoices that if not paid may result in penalties and/or any invoices that need to be paid pursuant to a contractual obligation that are not included in the Statement of Obligations on the 15th.

Director Bairos had a question on the payment to Astone. General Manager Steve Knell stated that this is the last payment to be made to Astone for the 100-Year Celebration and any public outreach that Astone is doing for the District.

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

ITEM NO. 5
APPROVE THE TREASURER AND
CHIEF FINANCIAL OFFICER'S REPORT
FOR THE MONTH ENDING OCTOBER 31, 2009

Director Clark stated that in the Treasurer's Report indicated that the checking account balance was slightly over \$4 million dollars at Oak Valley Community Bank. He stated that generally the FDIC only covers up to \$250,000 and asked if the District was at any risk by having that amount of money in the account. Chief Financial Officer Kathy Cook stated that the District is at no risk because the FDIC offered a temporary liquidity guarantee program which insures 100% of your balance in any account that is a non-interest bearing account.

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending October 31, 2009.

ITEM NO. 7
APPROVE REJECTION OF CLAIM
FOR DAMAGES FILED BY KIMBERLY RIGG

Director Webb asked how the claimant knew that this was our tree that blew over and hit her barbecue. General Manager Steve Knell stated that there is no way to determine if it was our tree.

Director Clark stated that the claimant is claiming that the tree fell on her patio, but there was no information in the incident report that indicated that that is the case. Support Services Manager Jason Jones stated that the pictures showed that the tree did in fact fall on her patio, but you cannot see the extent of damage.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to reject the claim filed by Kimberly Rigg and forward it to ACWA JPIA for handling.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION
AUTHORIZING GENERAL MANAGER TO EXECUTE A
MASTER SERVICE CONTRACT WITH BAKER
HUGHES PETROLITE FOR THE SUPPLY OF MAGNACIDE H

In September of this year OID was noticed, as all irrigation districts were, by Baker Hughes Petrolite (BHP) that the availability of Magnacide H, an aquatic herbicide, would not be available for use in 2010. The oral justification given by BHP was the inherent risk, liability and lack of profit in the manufacture, sale and distribution of the chemical.

BHP sent out a subsequent follow-up letter on October 22, 2009 with a Master Service Contract to be signed by users of the product should they wish delivery in 2010. The Service Contract is unsignable for a variety of reasons as explained in the GM's letter of November 12, 2009. The GM and staff have been working with SSJID's attorney in crafting amendments to the Service Contract that both parties could live with.

The risk to OID's ability to deliver water in a timely manner is at stake. Without Magnacide and no chance to get a permit before next winter to cover other chemicals, customer deliveries could be impacted. The worst hit areas could experience 16/18 day rotations due to the choking off effect of the uncontrolled aquatic growth. Some less impacted areas may only experience 14 day rotation limitations. Mechanical treatment (chaining and dipping-out growth) is the next viable alternative without chemicals. However, due to the significant loss of right-of-way access in our system it would only have benefit in those areas where access has not been inhibited.

In the near-term, the authorization for the GM to sign and execute an acceptable contract is requested at this time. Staff was present to discuss this emerging issue.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to authorize the General Manager to execute a master service contract with Baker Hughes Petrolite for the supply of Magnacide H.

**DISCUSSION
ITEM NOS. 12, 13**

**ITEM NO. 12
DISCUSSION/PRESENTATION
OF DRAFT 2010 BUDGET**

Staff met with the Finance Committee in developing the budget on November 2nd and November 5th. Kathy Cook, Chief Financial Officer, made a short presentation and answered any questions.

Included in the Board packet for review, was the District's Heavy Equipment Replacement Program spreadsheet and the itemization of OID's Community Outreach Program budget. These items were included as requested by Board members for review and possible discussion at the Board meeting.

General Manager Steve Knell and Chief Financial Officer Kathy Cook discussed the Draft 2010 Budget through the use of a PowerPoint presentation.

**ITEM NO. 13
DISCUSSION ON BUSINESS ITEMS AS THEY
APPEAR ON THE TRI-DAM BOARD
AGENDA FOR THURSDAY, NOVEMBER 19, 2009**

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

The Board and the General Manager discussed the Draft Tri-Dam Budget and the funding of both the new generator at Tulloch and the repair of the generator at Donnells.

**ITEM NO. 21
COMMUNICATIONS**

A. **GENERAL MANAGERS REPORT**

Contracts and Special Projects Manager Gary Jernigan gave an update on the Winter 2009/2010 Projects and Potential Cost Impacts. Copies of these summaries were passed out to the Board of Directors and were made available to the public.

Safety Activities

1. 309 days without a lost time injury accident.

Administration Activities

1. OCAP BO strategy meeting held with SSJID, Vern Crow and OID. A Scope of Work and costs are being prepared and a contract for services by ASTONE are in the works. Workshop/Hearing likely the week of January 11th.
2. Held two meetings with the Finance Committee addressing concerns and items for inclusion and exclusion in the 2010 Budget.
3. Met with Forest Service personnel on the development of Interpretive Trail signs around Lake Hartley (Beardsley). OID seem to have all they needed in their search.
4. The Salmon Festival in Knights Ferry on Saturday the 7th, of which OID was a sponsor, was a well attended event.
5. Magnacide meeting at SSJID on Monday the 9th on how to move forward on the Master Supply Agreement.
6. Met with SEWD on a 5 to 10 year water transfer on Tuesday evening in Stockton.
7. Attended the Business Merchants meeting on Wednesday the 11th.
8. Reviewing the Executive Summary of the BOR's Master Plan for Recreation around New Melones. Will ask how they intend to manage the dry lake in one of every 4 years after implementation of the OCAP BO.
9. Salmon run numbers look much better this year than 2007 and 2008.
10. Back in court on Knights Ferry on the 20th.

Contract and Special Project Activities

1. South Main Canal and Tunnel Projects – Magorian Mine Services completed demolition of the invert from upstream of Tunnel 1 to downstream of Tunnel 3. Drilling for Rock Bolts in all Tunnels has been completed. The installation and testing of 620 Rock Bolts in Tunnel 3 has been completed except for the final plate installation which will be completed with the Shotcrete. Rock Bolt installation continues in Tunnel 2 and Tunnel 4 with 175 of 250 being completed. Shotcrete on the upslope walls and patching of the invert and downslope walls has been completed from Tunnel 6 to 2-Mile Bar. The structural repairs to the main have started with the Micropile installation. There are a total of 303 Micropiles to be installed and presently, 92 have been drilled and 10 installed. The demolition of the invert at Goodwin Dam chutes has been completed. Concrete work for the rehabilitation of the Goodwin Dam chutes started. The concrete for the invert from Tunnel 8 to the Second Concrete Flume has been poured. Shotcrete was completed from Tunnel 8 to 2,500 feet downstream. The Concrete Flume #1 has been completed except for the repairs to the concrete struts and floor. Concrete Flume #2 has been sandblasted with the waterproofing installation in progress. Concrete Flume #2 will require repairs to the struts as well which have not been started. The Concrete Flume floors still require a screed over the existing floors but Contractor has not submitted a procedure or a price. Magorian has claimed a two day delay due to the recent heavy rains in mid October but will continue to meet their schedule as identified in the Baseline Schedule. The Baseline Schedule indicates completion of Segment 1, Goodwin Dam to 2-Mile Bar Tunnel, to be completed on December 30, 2009 and

Segment 2, Tunnel 7 to the 2nd Concrete Flume, to be completed on December 29, 2009.

2. 2-Mile Bar Tunnel (CEQA & Engineering) – A site survey was conducted by CH2MHILL, Bumgardner Biological Service and Condor on September 21, 2009 with a follow up of by Bumgardner Biological Services for additional CTS studies. CH2MHILL has provided a Technical Memo for the Preliminary Biological Site Review for the South Main Canal and Tunnel Project. The review of this document is in progress. All efforts are focused on the start of construction in 2013.
3. North Side Regulating Reservoir – Foster & Sons, earthworks subcontractor has completed the levee construction as far as possible until the concrete structures are completed. The Burnett Control structure has been poured and stripped. The Inlet Structure has been poured and will be stripped on November 20, 2009. The Cometa Control Structure foundation has been poured and stripped. The walls were poured on November 13, 2009 and will be stripped on November 20, 2009.. The Rodden High Line Control Structure has been poured and stripped. Backfill for all the control structures will start on November 23, 2009. Final grading and shaping of the North Main and the Burnett Lateral started. The Concrete Measurement Flume on the Burnett Lateral started with grading and shaping of the flume. The levee lining started again on Friday, November 13, 2009. The levee construction as of November 13, 2009 was 90% complete. FJC continued the installation of the drain system along the south and west sides of the reservoir with the installation of the 18” and 12” drain system. FJC still remains approximately two weeks ahead of their Baseline Schedule.
4. Cashman Dam Rehabilitation Project – TCB Industrial formed and poured the dam and long crested weir foundation on Thursday, November 12, 2009. The Paulsell Lateral was backfilled and the reshaping has started. The forming of the foundation for the Paulsell Control Structure has started. The Scheduled completion for the Cashman Dam Rehabilitation has been revised to December 24, 2009.
5. A Construction Project Administration program continued with the Contracts and Engineering Department.
6. Contract Administration activities on contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction Activities

1. Processing Job Set Up Forms & Request For Work Approval's.
2. Conducting employee evaluations.
3. Fairbanks Pipeline – The concrete to the control structure floor and the connection collar to the existing pipeline was placed on November 1st. Nine hundred linear feet of 48” RGRCP has been placed in the new alignment. Rebar has been tied in the wall section of the control structure and the floor to the pressure manhole. Outside forms are being placed on the control structure with an anticipated concrete pour for the walls to the control structure and the floor to the pressure manhole November 18th.
4. Clavey Drop (South Main) – Concrete to the new structure floor was placed on November 5th. The excavation around the new floor has been backfilled. Plywood for the interior walls has been placed, rebar has been tied in place, and the exterior forms are starting to be placed.

5. Erlanger Pipeline – The existing Erlanger Pipeline Headgate has been removed and a new MBI pre-cast structure has been placed in the new location along with 1180lf of 18” PVC at the Furtado Dairy.
6. Turnout gate inspections and replacements continue throughout the District.

Engineering Activities

1. V.A. Rodden – Annexation Early Consultation sent out 11/16/09. Comments due back December 1, 2009.
2. Ongoing project management with Provost and Prichard.
3. Joslin – Annexation Early Consultation sent out 11/16/09. Comments due back December 1, 2009.
4. Engineering Department preparing comprehensive Annexation Flow Chart and procedure. First iteration and review complete.
5. Working on 2010 General Engineering Budget with Management Staff. Designs “on the shelf” should keep OID C&M Crews busy for 2010/2011 winter work season.
6. Furtado Deep Well Site Project – Working with Escrow Company. Escrow to close 11/17/09 or 12/15/09 depending on progress to date.
7. 404 Application for Honolulu Bar Mitigation Project was submitted on 10/21/09 in accordance with the terms and conditions of the final 404. Honolulu Bar Operations and Maintenance Plan to be submitted to the Corp on 11/21/09 for review and approval.
8. Continued Environmental assistance with Two Mile Bar Tunnel Project. Currently reviewing CH TM.
9. Further work on Wildcat Bridge Design is pending direction from the Board on how best to proceed with respect to the Willms Ranch. Coordination with Mr. Walker and Mr. Knell as it pertains to Proposed Willms Ranch, LLC License Agreement.
10. Working with G&K/City of Riverbank as it pertains to the Riverbank Pipeline Relocation as part of the Army Munitions Plant Project. Board presentation on hold until the City knows whether or not they will receive the funding necessary to complete the project.
11. Working with the City of Riverbank to set-up 12/8/09 Special Board Meeting to discuss RDA.
12. Letter submitted to GM on Bricchetto backflush encroachments. Request to have his issue heard before the Water Committee. Working on Staff response.
13. Processing cost estimates/Requests for Work Order Approval for the 2009/2010 winter work season.
14. Mr. Walker and JBD met with Mr. Gary Lev to discuss his fence encroachments on 11/10/09. Facilities to be potholed and JBD to prepare a memo outlining the options for Water Committee/Board review.
15. Correspondence sent to adjoining property owner concerning Patterson Deed. Adjoining landowner currently reviewing options as presented.
16. Fringe Parcel analysis being undertaken.
17. Engineering Department responding to numerous requests for new turnouts and staking of easements associated with new plantings.
18. Continuing to work on Steve Kistler property issues. Fringe water, new pipelines, delivery issues, etc.
19. Misc. Knights Ferry design work.

Finance and Accounting Activities

1. Continue to work on implementation on Springbrook software.
2. Submitted a draft budget to staff and the Finance Committee.
3. The improvement district 2010 billing was mailed out on November 9, 2009. We have been receiving several inquiries regarding rate increases.
4. Reviewed 70 plus Principal Account Clerk applications. Testing is scheduled for Monday, November 23rd.
5. Reviewing construction contract invoices to insure all supporting documents, conditional and unconditional lien releases, and certified payrolls are submitted.
6. Prepared documents to complete Conde annexation regarding their installment agreement. Condes have not signed as of November 13th.
7. Preparing bond proceeds reimbursement requests to Union Bank
8. Routine accounting functions (AP, AR, PR, billings, account reconciliations, etc.)

B. COMMITTEE REPORTS

Finance Committee Meeting, November 5, 2009

- Draft 2010 Budget

This item was previously discussed.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Webb

Director Webb had no comments

Director Clark

Director Clark had no comments.

Director Bairos

Director Bairos asked if the staff was going to participate in the interview process for the hiring of a new Water Operations Manager. General Manager Steve Knell stated that there will be an interview panel of three; however, the potential candidate is invited to come back to the District and spend an hour with each Manager which allows us to see if they can get along with us and we can get along with them.

Director Alpers

Director Alpers stated that he has four things he would like to discuss:

1. Director Alpers stated that he thinks everyone at the District should be thinking about the water bond and what kind of stance we are going to take politically. He would like an open discussion sometime in February or March.
2. Director Alpers asked when the District is going to meet with Riverbank regarding the RDA. District Engineer John Davids stated that there is a Special Meeting scheduled

for December 8, 2009 and he needs to send a follow-up email to Tim Ogden to see if he is available.

3. Director Alpers stated that he was contacted by one of the Knights Ferry litigants about the water situation. General Manager Steve Knell stated that they should be communicating through their attorney with our attorney.

4. Director Alpers asked about the status on the Atherton Trust Property. Contract and Special Projects Manager Gary Jernigan stated that the appraisal has been completed and is in the mail. Once we receive the appraisal we will come back to the Board with a recommendation for an offer.

At the hour of 11:45 a.m. the Board adjourned to Closed Session

CLOSED SESSION
ITEM NO. 15

- A. Government Code §54956.8** Conference with Real Property Negotiator
Negotiating Parties: OID, SSJID, Stockton East Water District
Property: Water
Agency Negotiators: General Manager and Counsel
Under Negotiations: Price and Terms

At the hour of 12:15 p.m. the Board adjourned to open session

General Manager Steve Knell stated that coming out of Closed Session there was no reportable action.

OTHER ACTION
ITEM NO. 16

At the hour of 12:15 p.m. the meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, December 15, 2009 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, November 19, 2009 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary