

MINUTES

Oakdale, California
August 16 2005

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
Louis Brichetto
Tony Taro
Jack D. Alpers
Steve Webb

Staff Present: Steve Knell, P.E., General Manager/Secretary
Kathy Cook, Chief Financial Officer
Gary Jernigan, Special Projects Supervisor
Bob Nielsen, Water Utilities Manager

Also Present: Michael Ijams, General Counsel

ADDITION OR DELETION OF AGENDA ITEMS

None.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

None.

Director Webb requested that Item No. 7 be removed from the Consent Calendar.

CONSENT ITEMS **ITEM NOS 1, 2, 3, 4, 5, 6**

ITEM NO. 1 **APPROVE THE BOARD OF DIRECTOR'S MINUTES OF THE** **REGULAR MEETING OF AUGUST 2, 2005** **AND RESOLUTION NOS. 2005-23 AND 2005-24**

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the Board of Director's Minutes of the Regular Meeting of August 2, 2005 and Resolution Nos. 2005-23 and 2005-24.

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 IMPROVEMENT DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE THE TREASURER AND CHIEF FINANCIAL
OFFICER'S REPORT FOR THE MONTH ENDING JULY 31, 2005

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the Month Ending July 31, 2005.

ITEM NO. 5
APPROVE A RESOLUTION FOR THE DISSOLUTION OF
IMPROVEMENT DISTRICT NO. 23 (MULLIN-EDGMON PUMPING DISTRICT)

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the dissolution of Improvement District No. 23 (Mullin-Edgmon Pumping District).

ITEM NO. 6
APPROVE WRITE-OFF OF UNCOLLECTIBLE RURAL WATER ACCOUNTS

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the write-off of uncollectible Rural Water accounts.

ACTION ITEMS
ITEM NOS. 7, 8, 9, 10, 11, 12

ITEM NO. 7
APPROVE AWARD OF BID(S) FOR
AUCTION OF OID SURPLUS PROPERTY

Director Webb had a question concerning the 1986 Cat 950 Loader. Thereafter a motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve award of bid for auction of OID surplus property to RE & Associates and Ritchie Bros. Auctioneers of Dunnigan, CA.

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON
ATTENDANCE AT THE CSDA ANNUAL CONFERENCE
AND EXHIBITOR SHOWCASE IN LONG BEACH, CALIFORNIA

The California Special Districts Association is planning their annual conference in Long Beach from September 27-29. OID is a recent member of CSDA and has seen many benefits of this membership. Likewise, the conference seminars are very relevant to the day-to-day activities of our irrigation district.

A motion was made by Director Alpers, seconded by Director Brichetto, and unanimously supported to approve attendance at the CSDA Annual Conference and Exhibitor Showcase in Long Beach, California.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON
ISSUANCE OF A "WILL SERVE LETTER" FOR THE
PROPOSED HILLSBOROUGH ESTATES NO. 3 SUBDIVISION

On May 17, 2005 the Developer requested will serve letters for both the proposed Hillsborough Estates No. 2 and Hillsborough Estates No. 3 Subdivisions. The Developer was notified that OID would only process the original request for a will serve letter for Hillsborough No. 2 and that an additional deposit would be required for a separate will serve letter for the Hillsborough No. 3 subdivision.

The Developer has now submitted the additional deposit and is requesting a "Will Serve Letter" for the proposed Hillsborough Estates No. 3 Subdivision. Once completed this new system will become part of OID's Rural Water Systems.

A motion was made by Director Webb, seconded by Director Clark, and unanimously supported to approve the issuance of a "Will Serve Letter" for the Proposed Hillsborough Estates No. 3 Subdivision.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ANNUAL
AUDIT SERVICES FOR THE YEARS 2005 AND 2006

Based on the poor performance on the 2004 annual audit conducted by Moss, Levy and Hartzheim staff recommends that one of the two following *options* be taken:

Option 1: Send out new Requests for Proposals for audit services for the years 2005, 2006, and 2007, or

Option 2: Contract with a firm that previously responded to the District 2004 Request for Proposals for the years 2005 and 2006.

A motion was made by Director Brichetto, seconded by Director Alpers, to use the services of John L. Barnhart, CPA for the annual audit, and was voted as follows:

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

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON
REJECTION OF CAREY AND PATRICIA GREGG'S AMENDED
FLOODING CLAIM (OAKDALE PIPELINE DRAIN)

This claim has previously been before the Board and rejected. The Claimants have secured legal counsel and have increased the claim amount damages and amended their previous claim.

A motion was made by Director Webb, seconded by Director Brichetto, and unanimously supported to reject the Amended Flooding Claim of Carey and Patricia Gregg and to forward the Amended Claim to our insurance carrier, and was voted as follows:

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

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON AWARD OF BID
TO UPDATE AND PROVIDE A LEGAL REVIEW OF
OID'S POLICIES, REGULATIONS AND PROCEDURES MANUAL

OID's policy, regulations and procedures manuals are significantly deficient in many areas. The last time OID's employment policies were reviewed was in 1995. In the last 10 years substantial changes have taken place in this area and unfortunately have not been incorporated into OID's policies. During the last three years staff has been piece-mealing, updating, and changing policies in an effort to catch up to these changes but it is not working. The extent of the work that needs to be done is beyond the time staff has available, and when and if it ever gets completed, the policies still would not have had a legal review for compliance with the laws.

In an effort to correct this deficiency and to minimize the liability and risk to OID for non-compliance in these areas, OID put out an RFP and Scope of Work to nine (9) legal firms who do this kind of work. We received 3 responses back and request the Board award the bid to Renne Sloan, Holtzman Sakai LLP.

The low bid of Cook Brown, LLP was not selected due to the unreasonably low hours committed to completing the task. Staff felt it was an unrealistic time element. Phone references were conducted as well and the selected bidder received the best feedback from those respondents.

A motion was made by Director Brichetto, seconded by Director Taro, to award bid to update and provide a legal review of OID's policies, regulations, and procedures manual to Cook Brown, LLP, and was voted as follows:

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

The motion failed.

Thereafter a motion was made by Director Alpers, seconded by Director Clark, to award bid to update and provide a legal review of OID's policies, regulations, and procedures manual to Renee Sloan Holtzman Sakai LLP, and was voted as follows:

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

DISCUSSION ITEMS
ITEMS NOS. 13, 14

ITEM NO. 13
DISCUSSION ON CREATING A MAINTENANCE
RESERVE FOR THE NORTH AND SOUTH MAIN CANALS

General Manager, Steve Knell, opened up the discussion of creating a maintenance reserve for the North and South Main Canals and then turned the discussion over to Director Brichetto who requested that this item be placed on the Agenda for this meeting.

Director Brichetto stated that he felt that we made some headway on the North and South Mains and we should continue the maintenance on the Mains. Besides doing necessary annual maintenance he would like to start putting \$750,000 or \$1 million dollars into a fund until we reach \$5 to \$6 million. We will then have an emergency fund in case of a canal break and we will be able to address it in a faster manner. Director Brichetto stated that he looks at this as part of risk management as an alternative to another tunnel and rehabilitation.

ITEM NO. 14
DISCUSSION ON THE
APPLICATION FOR ANNEXATION PROCESS

General Manager, Steve Knell, discussed with the Board the current Annexation Policy process that was adopted by the Board in 1996.

At the hour of 9:55 a.m. the Board welcomed public comment.

PUBLIC COMMENT
ITEM NO. 17

Henry Burtschi – Mr. Burtschi commented on the article that was published in the Oakdale Leader entitled, *OID is Now a Professional Organization*.

Dennis Edge – Mr. Edge cautioned the Board that the *Government Code* prohibits public agencies from supporting specific candidates with public funds.

Public Comment was closed at 10:05 a.m. and the Board Meeting continued

COMMUNICATIONS
ITEM NO. 15

A. GENERAL MANAGER'S REPORT ON STATUS OF OID ACTIVITIES

South San Joaquin Irrigation District is sending a projected expenditure of \$680,000 to \$690,000 on the Gable Tunnel for 2005/2006. The Gable Tunnel is the first tunnel in the Joint Main. They have had their tunnels evaluated and the extent of repairs needed on the Gable Tunnel has necessitated them to go out for bid. They have awarded a bid for doing this work and it will start this winter. They have also sent us a bid schedule for the next four years for all of the tunnel repair work that they are going to be doing on the Joint Main. The Gable Tunnel is only 457 feet and that is nearly \$700,000. The next tunnel down is the Long Tunnel and that is over 7000 feet. I don't know what the total costs are, but our estimation based on the work that we have done is that we are looking at several million dollars on the Joint Main in the next four years. Our percentage of this expenditure is 28%. This is going to be difficult for us to budget and we may just incorporate it into our budget as an annual lump sum payment for the next four years and then have a final payment at year five.

B. COMMITTEE REPORTS

Director Alpers stated that he will be reporting on the Ad Hoc Committee appointed to go out to the Fields' Property in closed session.

Finance Committee – Director Clark stated that he and Director Webb met with staff and went over the capital improvements budget for 2006. They are going to have one more meeting after some revisions are made from the meeting on Monday and will bring a draft to the Board the first meeting in September and, depending on comments and input, adopt a final budget by the second meeting in September.

Subdivision Parcel Map – Director Alpers reported that the Ad Hoc Committee met on Monday and came to an agreement not completely satisfactory to the sub-dividers or to the District. I think that it was a good compromise. There was good input and good attitude. We came to an agreement that we can bring to the Board. It was a really good solid meeting. I think that the attendees finally realized that the policy is not for the sub-dividers,

the policy is for the entire District and has to be tailored to meet everybody's needs, not just the sub-dividers' needs.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Clark

None.

Director Brichetto

Director Brichetto asked what the ten-day weather forecast was.

Director Taro

Director Taro commented on a flooding issue at his sisters. Director Taro's sister called the district approximately one month earlier to tell them that there was a breach in the canal and OID came out and patched it. On Saturday or Sunday his sister noticed that their old ranch was flooded and she called the District and she told one of the Assistant Watermasters about the flooding and was advised that someone would be out on Monday. Someone from OID called his sister at 3:00 a.m. in the morning on Saturday or Sunday and asked her if she was irrigating. I do not believe that anyone would like to have a telephone call at 3:00 a.m. in the morning, they have a ditchtender - we have a night ditchtender - and they know who is irrigating, or they should know and why are they bothering people to ask them if they are irrigating. I think we need to do some better supervision out there.

Director Alpers

Director Alpers stated that he was contacted by Pacheco to go out and look at the flooding that Director Taro was speaking about and in all fairness he has checked it with Director Taro's sister on two prior occasions and most of that water was not coming out of an OID ditch, it was coming out of the corn fields that are adjacent. It comes from draining the corn into the pond and then into the ditch.

Director Webb

Director Webb stated that the General Manager is using the example of the cast-in-place concrete pipelines being 25 years old and according to all of the information there is available they have lived out their usefulness; however, in this District we have things that are probably 90 years old that we will probably attend to prior to the 25 year old pipeline.

At the hour of 10:33 a.m. a motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to move to Closed Session.

CLOSED SESSION
ITEM NO. 16

Closed Session to discuss the following:

A. Government Code §54956.9 Existing Litigation

- (1) *Fields*
- (2) *Goad*
- (3) *Cahoon*
- (4) *RTC*
- (5) *Silveira*

B. Government Code §54957.6(f) Conference with Labor Negotiator

Agency Negotiator: General Manager

Unrepresented Employee: Construction and Maintenance Worker II

C. Government Code §54956.9 Conference with Legal Counsel

Potential Litigation - (1) Case

At the hour of 12:10 p.m., a motion was made by Director Brichetto, seconded by Director Webb, and unanimously supported to move to Open Session.

Thereafter the General Manager made the announcement that a settlement agreement for retirement had been reached for Bob Candelaria.

OTHER ACTION
ITEM NO. 12

At the hour of 12:12 p.m. a motion was made by Director Webb, and seconded by Director Brichetto, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, September 2, 2005 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, August 18, 2005 at 9:00 A.M.** in the Board Room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Frank B. Clark, President

Attest:

Steve Knell, P.E., Secretary