

## **MINUTES**

Oakdale, California  
June 17, 2008

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 9:15 a.m. Upon roll call, there were present:

Directors: Jack D. Alpers, President  
Steve Webb  
Frank B. Clark  
Tony Taro  
Al Bairos, Jr., Vice President

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

Also Present: Tim O'Laughlin, Esq., Water Counsel

### **ADDITION OR DELETION OF AGENDA ITEMS**

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

There were no items taken out of sequence

At the hour of 9:03 a.m. the Board welcomed public comment.

### **PUBLIC COMMENT ITEM NO. 1**

There being no public comment, public comment closed at the hour of 9:03 a.m. and the Board Meeting continued.

**CONSENT ITEMS**

**ITEM NOS. 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13 14, 15, 16, 17, 18, 19, 20**

**ITEM NO. 2**

**APPROVE THE BOARD OF DIRECTORS'  
MINUTES OF THE REGULAR MEETING OF JUNE 3, 2008**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of June 3, 2008.

**ITEM NO. 3**

**APPROVE OAKDALE IRRIGATION  
DISTRICT STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 4**

**APPROVE IMPROVEMENT DISTRICT  
STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 5**

**APPROVE TREASURER AND CHIEF  
FINANCIAL OFFICER'S REPORT FOR  
THE MONTH ENDING MAY 31, 2008**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending May 31, 2008.

**ITEM NO. 6**

**APPROVE RENEWAL OF  
DELTA DENTAL PLAN INSURANCE COVERAGE**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the renewal of Delta Dental Plan Insurance Coverage.

**ITEM NO. 7**  
**APPROVE GENERAL SERVICES AGREEMENTS**  
**FOR VARIOUS VENDORS AND CONTRACTORS**  
**(INTEGRATED TELECOM SOLUTIONS, HAZARD**  
**MANAGEMENT SERVICES, INC., NORTHERN**  
**STEEL REBAR, AND 711 MATERIALS, INC.)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Integrated Telecom Solutions, Hazard Management Services, Inc., Northern Steel Rebar, and 711 Materials, Inc.).

**ITEM NO. 8**  
**APPROVE RESOLUTION**  
**TO SURPLUS DISTRICT PROPERTY**

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

**ITEM NO. 9**  
**APPROVE RESOLUTION FINDING THE LITTLE**  
**JOHN CREEK DIVERSION DAM REHABILITATION**  
**PROJECT CATEGORICALLY EXEMPT UNDER**  
**THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Resolution Finding the Little John Creek Diversion Dam Rehabilitation Project Categorically exempt Under the California Environmental Quality Act (CEQA).

**ITEM NO. 10**  
**APPROVE NOTICE OF COMPLETION ON THE**  
**KEARNEY PIPELINE REPLACEMENT**  
**PROJECT (2007-CA-011) (APNS: 010-073-005/006)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Notice of Completion on the Kearney Pipeline Replacement Project ( 2007-CA-011) (APNS: 010-073-005/006).

**ITEM NO. 11**  
**APPROVE ENCROACHMENT AGREEMENT ON**  
**THE UNION DRAIN (APN: 015-001-068 – BRICHETTO)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Union Drain (APN: 015-001-068 – Brichetto).

**ITEM NO. 12**  
**APPROVE ENCROACHMENT AGREEMENT ON THE**  
**LOWER COMETA PIPELINE (APN: 002-001-053 –**  
**SOUTH SAN JOAQUIN IRRIGATION DISTRICT)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Lower Cometa Pipeline (APN: 002-001-053 – South San Joaquin Irrigation District).

**ITEM NO. 13**  
**APPROVE ENCROACHMENT AGREEMENT ON THE**  
**CHAPPEL PIPELINE (APN: 229-022-035 – DAVIS)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Chappel Pipeline (APN: 229-022-035 – Davis).

**ITEM NO. 14**  
**APPROVE ENCROACHMENT AGREEMENT ON THE**  
**CHAPPEL PIPELINE (APN: 229-022-03 – CUIEL)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the Chappel Pipeline (APN: 229-022-033 – Cuiel).

**ITEM NO. 15**  
**APPROVE ENCROACHMENT AGREEMENT ON THE**  
**RIVER ROAD LATERAL (APN: 006-082-003 – SIKKEMA)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Encroachment Agreement on the River Road Lateral (APN: 006-082-003 – Sikkema).

**ITEM NO. 16**  
**APPROVE RESOLUTION OF ABANDONMENT**  
**OF A PORTION OF THE GRIDER**  
**PIPELINE (APN: 229-009-002 – DOORNENBAL)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Resolution of Abandonment of a Portion of the Grider Pipeline (APN: 229-009-002 – Doornenbal).

**ITEM NO. 17**  
**APPROVE QUITCLAIM OF GRIDER PIPELINE**  
**EASEMENT (APN: 229-009-002 – DORNENBAL)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Quitclaim of Grider Pipeline Easement (APN: 229-009-022 – Dornenbal).

**ITEM NO. 18**  
**APPROVE RESOLUTION OF ABANDONMENT OF A PORTION**  
**OF THE MILNES DRAIN (APNS: 014-033-012/013 – WOOL/CARGILL)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Resolution of Abandonment of a Portion of the Milnes Drain (APNS: 014-033-012/013 – Wool/Cargill).

**ITEM NO. 19**  
**APPROVE QUITCLAIM OF MILNES DRAIN EASEMENT**  
**ON TWO (2) PARCELS (APNS: 014-033-012/013 – WOOL/CARGILL)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Quitclaim of Milnes Drain Easement on Two (2) Parcels (APNS: 014-033-012/013 – Wool/Cargill).

**ITEM NO. 20**  
**APPROVE DISCHARGE AGREEMENT WITH SCONZA**  
**CANDY COMPANY (APN: 063-028-024 – SCONZA CANDY COMPANY)**

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Discharge Agreement with Sconza Candy Company (APN: 063-028-024 – Sconza Candy Company).

**ACTION CALENDAR**  
**ITEM NOS. 21, 22, 23**

**ITEM NO. 21**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**AUTHORIZING AN INCREASE TO ALLEN A.**  
**WAGGONER CONSTRUCTIONS' BID TO INCLUDE**  
**MATERIAL PRICE INCREASES FOR THE ID No. 52**  
**WATER DISTRIBUTION SYSTEM REPLACEMENT PROJECT**

At the February 5, 2008 Board Meeting, Allen A. Waggoner Construction was awarded the bid for the ID 52 Water Distribution System Replacement Project. However, the funding instrument for the release of the contract was not in place at the time and the actual bid award was delayed. The Contractor was asked to extend his pricing until the funding was in place. The Contractor, on April 28, 2008, notified the District that on May 30, 2008,

material prices would increase 15% or more. The Contractor was informed a release date was unknown and if it was after May 30, 2008 then the District would ask the Contractor to submit a proposal for increasing his bid based on the material price increases. The Contractor sent to the District those notifications from the various materials vendors on their anticipated price increases.

On May 30, 2008, the Contractor was notified that the bid award would not be forthcoming until on or about June 16, 2008. The Contractor was advised at that time to submit a letter with the proposed price increases and an extended bid assurance period. The Contractor was also advised the District would do an engineer's estimate for the price increases as a comparison. The Contractor submitted a revised estimate for the price increase for the project in the amount of \$26,793.00. The engineer's estimate, based on some assumptions, was \$20,000 at the low end and \$30,000 at the high end for the price increase.

Staff believes these price increases are within the acceptable range and the Contract price should be increased from \$299,999.00 to \$326,792.00. Therefore, Staff recommends the increase be approved and the Board authorizes the General Manager to execute a contract with Allen A. Waggoner Construction, Inc. once the funding is in place.

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve authorizing an increase to Allen A. Waggoner Constructions' bid to include material price increases for the ID No. 52 Water Distribution System replacement project.

**ITEM NO. 22**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**AUTHORIZING A REVISED SCOPE OF WORK TO**  
**CH2M HILL TO CONDUCT A DOMESTIC WATER RATE**  
**STUDY FOR OID'S RURAL WATER SYSTEM AND**  
**TO REVIEW OTHER MISCELLANEOUS FEES**

On January 8, 2008, the Board authorized the General Manager to execute a work order release to provide a rate study on the District's rural water system under CH2M Hill's 2006 PSA 005. Subsequently, staff was directed to include a study of the District's miscellaneous fees. The attached revised scope of work includes both a rate study on the rural water system and the miscellaneous fees study.

The District's rural water rates and related fees were last reviewed and updated in January 1997. Other District miscellaneous fees (as shown on the attached summary) have not been reviewed or updated since 1994. When setting rates a water utility needs to adhere to the legal and technical principles of establishing rates, such as:

- Comply with laws and regulations relevant to the utility's legal authority
- Follow recommended guidelines for rate making by American Water Works Association and Water Environment Federation
- Implement a rate design that recovers costs from customers proportional to the costs to service them

➤ Avoid subsidization of any customer class or with a class  
Prop 218 and Government Code Section 54999 (GCS) state that a cost of service analysis needs to be conducted. GCS 54999 requires that this analysis be conducted at least every 10 years. One of the requirements of Prop 218 is that an engineer's report needs to be developed for an assessment district to show that the fee is proportionate to the benefit received.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve authorizing a revised scope of work to CH2M Hill to conduct a domestic water rate study for OID's Rural Water System and to review other miscellaneous fees.

**ITEM NO. 23**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**APPROVING WORK RELEASE NO. 1 AND BUDGET**  
**AUTHORIZATION FOR PROFESSIONAL SERVICES AGREEMENT**  
**2008-PSA-003 WITH ASTONE FOR THE DEVELOPMENT**  
**OF THE 100-YEAR ANNIVERSARY CELEBRATION**

The Oakdale Irrigation District will achieve its 100<sup>th</sup> year of operation on November 9, 2009. To organize and assist in the celebration of this event, the Staff would like to issue a Work Release to Vern Crowe of ASTONE to assist the Staff in planning this event. ASTONE has been used in the past by the OID for numerous outreach activities for which OID has been very satisfied with. They are well versed in these types of events and would be very beneficial to the Staff in planning this event.

Staff recommends that the Board authorize the General Manager to execute Work Release #001 to ASTONE for the event listed above in the amount of \$15,000. This amount has not been budgeted for 2008 and would require a budget authorization.

Director Clark explained the reasons for this service agreement and requested that the Board approve the agreement, and the committee would bring their and ASTONE's ideas back to the Board for review.

A motion was made by Director Clark, seconded by Director Webb, to approve, and unanimously supported to approve Work Release No. 001 to ASTONE for services related to the 100<sup>th</sup> Year Anniversary and to amend the budget for said purpose as outlined.

**DISCUSSION ITEMS**  
**ITEM NOS. 24, 25, 26**

**ITEM NO. 24**  
**DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR**  
**ON THE TRI-DAM BOARD AGENDA FOR**  
**THURSDAY, JUNE 18, 2008**

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

Director Webb voiced his concerns regarding the cancellation of the PG&E Contract. Directors Clark and Bairos shared their views as well during this discussion.

Director Webb also stated that they voted no at the last Tri Dam meeting on the labor contract. He is not convinced that the incentives program contained in the contract is appropriate. He stated he would have hoped to have been apprised of this provision prior to the having the Union vote on it first, and then having it come to the Board.

**ITEM NO. 25**  
**DISCUSSION ON**  
**2008 WATER STATUS**

Water Operations Manager, Kevin King, will provide the Board with the status of the 2008 irrigation season and projections for the remainder of the season.

Water Operations Manager, Kevin King passed out a report and explained to the Board where we are with our water supply and that the decision to stay with the 12 day rotations should allow us to stay within our allocations.

Director Clark asked if it would make sense as part of the drought contingency plan to identify those people that would be willing to use there deep wells and how much they could use and if we got to a critical stage it would be just a matter of a phone call. Kevin King stated that that was a committee recommendation as well and they had already identified those people. Kevin stated that a full report would be at the next Board Meeting.

Director Bairos asked if there had been any response to the Water User letter. Kevin said that there had been some feedback, but there were no major complaints.

**ITEM NO. 26**  
**DISCUSSION/PRESENTATION OF**  
**CONSULTANTS' CONTRACT STATUS AND**  
**QUARTERLY REPORT ON 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 2008 and made separate authorizations for additional work as the year progressed. Attached is a list of engineering consultants 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 OID to Modesto Reservoir Conveyance System Feasibility Study and the WRP CEQA implementation and compliance.

Mr. Jernigan was present to answer questions.

Director Clark asked about the North Side Reservoir. Mr. Davids was also present to answer those questions and explained where we are in the process and would keep the board informed of the progress.

## **ITEM NO. 27** **COMMUNICATIONS**

### **A. GENERAL MANAGERS REPORT**

#### **Safety Activities**

1. 34 days without a lost time injury accident.

#### **Administration Activities**

1. Legal Issues;
  - a. Goad –All items are before Mr. Goad and awaiting his signature.
  - b. Knight's Ferry –Case set for March 24, 2009 and a mandatory case settlement hearing on March 3, 2009. Now the Discovery period is opened.
  - c. Chappell Drain- Attorney on case left C&A
  - d. Clark Pipeline- Attorney on case left C&A
  - e. Ed Perez and OE3 vs. OID: Case date set for late summer
  - f. Cahoon Property tour with Ijams
2. Admin Issues;
  - a. Negotiations with SEWD –exchanges of documents are going on.
  - b. P.R. &R. review status – No activity
  - c. Cell Phone Policy being reviewed in-light of law changes on July 1<sup>st</sup>
  - d. OSHA Compliance memo being reviewed for employee incident with anhydrous ammonia
  - e. Attending a Leadership and Management Conference (free) in Sacramento June 16<sup>th</sup>
  - f. Attended SEWD's 60<sup>th</sup> Anniversary
  - g. Held first Union/Management Meeting on June 11<sup>th</sup>
  - h. 59 attendees for the Modesto Nuts Family Outing. This is twice last year's attendance.
  - i. Water Summit IX scheduled for June 18<sup>th</sup>

- j. Meeting with SSJID on June 20<sup>th</sup> on 2008 water budget

### **Contract and Special Project Activities**

1. The Campbell Pipeline – RTC addressed the Finance Committee on June 10, 2008. The result of the Finance Committee meeting was for RTC reimburse OID for the back-charges. First, RTC and Giuliani & Kull with OID would meet and obtain a credit from G&K to present back to the Finance committee in the next two (2) weeks.
2. Finalizing the 5-Yr WRP CIP plan based on the Board's direction. Will present to the GM the week of June 12, 2008.
3. Assisting Condor with preparing construction documents for the Cape Horn Tunnel Rehabilitation Project. To be completed by July 1, 2008 to go out for bids.
4. Working with the Land Owners for access to the Cape Horn Tunnel work this and the subsequent years.
5. CH2MHILL continues with is preparing the documents for the Cape Horn Tunnel and the North Side Reservoir CEQA process.
6. Provost & Pritchard continued with the North Side Reservoir detail design phase of the project. Provost & Pritchard continues with the lot line adjustments for the site purchase during the discovery period.
7. Sent out RFP for the FMP Compliance Audit to several firms in the area.
8. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
9. Project coordination with Engineering Consultants

### **Construction Activities**

1. Routine C&M summer duties.
2. Trash pick-up north and south sides.
3. Review of test process for the (1) C&M Senior Position, (1) Welder Position
4. Constructability review of the upcoming 2008/2009 Capital Projects.
5. Review of possible dirt sites for upcoming 2008/2009 winter season.
6. Completed the Reed Reclamation Pump discharge pipe replacement project.
7. 2009 Budget preparation
  - A. Capital Purchases
  - B. Man Power

### **Engineering Activities**

1. Ongoing Suspense Forms.
2. Board Agenda Report preparation.
3. 2009 Budget Preparation.
  - A. Man Power
  - B. Capital Purchases
4. Master Encroachment Agreement preparation and internal review. MID and PG&E draft complete.
5. Stanislaus County Road Crossing Agreement. County has replied indicating that they have reviewed the document and OID should be receiving their review comments shortly.
6. OID Standard Detail Review.
7. Draft Structure Permit complete, awaiting internal review.
8. Sconza Drainage Agreement preparation.

9. Plan check and design review on Engineering in progress:
  - a. Albers I/II Split
  - b. Riverbank/Crane Split
  - c. Dry Creek/ South Split
  - d. Fairbanks Crossing at SSJID
  - e. Fairbanks/Cometa Split
  - f. Johnny Creek Headwork's Rehabilitation Project
  - g. Riverbank/South Rehabilitation Project
  - h. Diliberto Long Crested Weir
  - i. Lone Tree Creek – ITRC Flap Gate Review
  - j. Burnett Lateral Rehabilitation Project
  - k. Knights Ferry Delivery System
6. Service Standard Review.
7. Performance Evaluation preparation.
8. Continued North Side Reservoir project management. Meeting with Department of Conservation in the coming days to discuss Williamson Act issues.
9. CEQA preparation for Johnny Creek Rehabilitation Project.
10. CEQA preparation for Riverbank/South Rehabilitation Project.

#### **Water Operations Activities**

1. 2009 Budget Preparation
2. Processing Job Setup Forms for Maintenance Work
3. Conducting Various Landowner Meetings
4. Lead and Copper testing has begun on all Domestic Systems – 3 year update
5. Magnacide-H Applications ongoing where needed
6. Assisting in SEWD negotiations
7. Monthly performance evaluations
8. Received a Notice of Violation from the CVRWQCB for Ag Waiver Compliance – will be responding to the notice.
9. Continued troubleshooting with SCADA system
10. Continued delivery of MID VAMP true-up water
11. Currently evaluating potential sites for new groundwater wells.

#### **Finance and Accounting Activities**

1. The 2009 budget preparation process has begun.
2. Reviewing cell phone policy

The Board took a break at 10:03 a.m. and reconvened at 10:07 a.m.

#### **B. WATER COUNSEL, TIM O'LAUGHLIN'S QUARTERLY REPORT**

Water Counsel, Tim O'Laughlin, was present and presented his quarterly report to the Board of Directors.

C. **COMMITTEE REPORTS**

**Board Workshop Meeting**

9:00 a.m.

- Annexations

**Water/Engineering Committee**

1:00 p.m.

- Blevins Irrigation Issue – Director Bairos stated that we are not going to be able to work with them they are going to have to take their neighbors back to court.
- Fields Matter – OID is waiting for letter from Mr. Fields and will bring back to the Board.

**Finance Committee Meeting**

2:00 p.m.

- Auditor's Recommendations – reviewed with Kathy and the only thing that was a concern was we need to implement spot checks on physical inventories periodically throughout the year.
- RTC Campbell Pipeline Relocation – discussed back charges and they will meet with Giullian and Kull to see if they give any type of rebate.

**Planning and Public Relations Committee Meeting**

3:00 p.m.

- OID's 100-Year Celebration – the Committee submitted an agenda item for a Professional Services Agreement with Astone for Development of OID's 100-year Anniversary Celebration.

**Personnel Committee Meeting - Closed**

3:30 p.m.

- Conference with Labor Negotiator: Personnel Committee  
Represented Employee: Chief Financial Officer

D. **DIRECTORS' COMMENTS/SUGGESTIONS**

Steve Webb – Several months ago Amerine wanted a letter from OID stating that they could run a business out there. Director Webb felt that OID should work with them to keep them in business and wanted the issue to go to the water committee again for review.

Director Taro – None

Director Clark – Stated that there would be a Finance Committee on Monday and welcomed people to come to the meeting, they would be reviewing projects and the prospect of borrowing money for these projects. Review cost versus benefits.

Director Bairos – Complimented the Water Department for doing a good job this season.

Director Alpers – None

**OTHER ACTION**  
**ITEM NO. 28**

At the hour of 11:15 a.m. the meeting was adjourned to the next **Board of Director's Meeting on Tuesday, July 1, 2008, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Thursday, June 19, 2008 at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District, 11101 East Highway 120, Manteca, California.

\_\_\_\_\_  
Jack D. Alpers, President

Attest:

\_\_\_\_\_  
Steve Knell, P.E., Secretary