

MINUTES

Oakdale, California
June 19, 2012

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 9:03 a.m. following the Board of Directors of the Oakdale Irrigation District Financing Corporation Meeting. Upon roll call, there were present:

Directors: Frank Clark, President
Steve Webb, Vice President
Jack D. Alpers (Arrived at 9:05 a.m.)
Steve Webb
Herman Doornenbal
Absent: Al Bairos, Jr.

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

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.

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

PUBLIC COMMENT ITEM NO. 1

Tom Orvis with the Stanislaus County Farm Bureau was present and asked if the public will be afforded an opportunity to comment on the proposed City of Brisbane Water Transfer that is scheduled for Closed Session today. General Manager Steve Knell responded that the public will have an opportunity to comment.

There being no further Public Comment; Public comment closed at 9:04 a.m.

Director Clark requested that Item No. 8 be pulled from the Consent Calendar.

CONSENT ITEMS

ITEM NOS. 2, 3, 4, 5, 6, 7, 9, 10, 11, 12

ITEM NO. 2

**APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE
REGULAR MEETING OF JUNE 5, 2012 AND RESOLUTION NO. 2012-25**

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of June 5, 2012 and Resolution 2012-25.

ITEM NO. 3

**APPROVE THE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS**

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

ITEM NO. 5

**APPROVE THE TREASURER AND CHIEF FINANCIAL
OFFICER'S REPORT FOR THE MONTH ENDING MAY 31, 2012**

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending May 31, 2012.

ITEM NO. 6

**APPROVE GENERAL
SERVICES AGREEMENT WITH HOTSYS**

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve the General Services Agreement with Hotsys.

ITEM NO. 7
APPROVE AMENDMENT NO. 03 TO PROFESSIONAL SERVICES AGREEMENT 2009-PSA-003 WITH CONDOR EARTH TECHNOLOGIES TO ADD AND/OR DELETE CLASSIFICATIONS AND MODIFY RATES ON THE RATE SCHEDULE

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve the Amendment No. 03 to Professional Services Agreement 2009-PSA-003 with Condor Earth Technologies to add and/or delete classifications and modify rates on the rate schedule.

ITEM NO. 9
APPROVE WORK RELEASE NO. 004 TO GENERAL SERVICES AGREEMENT 2011-GSA-035 WITH HAZARDOUS MANAGEMENT SERVICES, INC. TO PERFORM AN ASBESTOS SURVEY OF THE EXISTING STRUCTURE LOCATED ON OID PROPERTY AT GREGER AND KAUFMAN ROADS

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve Work Release No. 004 to General Services Agreement 2011-GSA-035 with Hazardous Management Services, Inc. to perform an asbestos survey of the existing structure located on OID property at Greger and Kaufman Roads.

ITEM NO. 10
APPROVE DISCHARGE AGREEMENT WITH SCONZA CANDY COMPANY (APN: 063-028-024 - SCONZA CANDY COMPANY)

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

ITEM NO. 11
APPROVE RESOLUTION FOR ABANDONMENT OF A PORTION OF THE UNION DRAIN (APNS: 015-001-008/010/067/068)

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve Resolution of Abandonment of a Portion of the Union Drain (APNS: 015-001-008/010/067/068).

ITEM NO. 12
APPROVE RESOLUTION FOR QUITCLAIM OF EXISTING EASEMENTS ON A PORTION OF THE UNION DRAIN (APNS: 008-010-067/068)

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve the Resolution for Quitclaim of Existing Easements on a Portion of the Union Drain (APNS: 008-010-067/068).

Director Alpers arrived at 9:05 a.m.

ACTION CALENDAR

ITEM NO. 8

APPROVE WORK RELEASE NO. 003 TO GENERAL SERVICES AGREEMENT 2011-GSA-035 WITH HAZARDOUS MANAGEMENT SERVICES, INC. TO OBTAIN COUNTY PERMIT, TEST, REMOVE, CERTIFY SOIL, AND DISPOSE OF THE UNDERGROUND GASOLINE STORAGE TANK ON PARCEL ONE FOR THE GREGER ROAD PROPERTY

Director Clark asked if there was something in the agreement that stated the Seller would be responsible for the removal of any hazardous material that may be discovered during the removal of the underground gasoline storage tank. Contract/Special Projects Manager Gary Jernigan stated no, but the fuel in the tank was tested prior to the purchase of the property and was found to be fine. The issue is the soil under the tank that may be contaminated.

A motion was made by Director Doornenbal, seconded by Director Webb, and unanimously supported to approve Work Release No. 003 to General Services Agreement 2011-GSA-035 with Hazardous Management Services, Inc. to obtain county permit, test, remove, certify soil, and dispose of the underground gasoline storage tank on Parcel One for the Greger Road property.

DISCUSSION ITEM NOS. 13, 14, 15

ITEM NO. 13

DISCUSSION ON SBX7-7 AND ITS POTENTIAL IMPACTS ON THE OAKDALE IRRIGATION DISTRICT'S WATER RATES

While the final word on SBX7-7 has not been issued, it is apparent that changes in the way OID charges and collects fees for water will change. Volumetric pricing will need to be implemented in such a way as to meet the legislative intent. Those that use more water will begin paying more under the new requirements.

It is also apparent that the implementation of a volumetric pricing structure will necessitate a higher standard of water measurement at the farm gate, somewhere in the 90% (+/-) accuracy range. In order to get to that standard, gate replacements of current facilities will need to occur, both to insure measurement and to meet the standard of measurement. Similarly, OID will need to upgrade many of its canal gates in order to volumetrically track the water it delivers.

It is recommended by staff that the costs associated with upgrading deficient deliveries and the cost of ongoing replacement and maintenance of these new legislative requirements be a part of the water rate structure OID establishes.

As has been locally reported, all irrigation districts around OID have already moved to volumetric pricing. It's time for OID to begin this process; the district needs to set and develop an acceptable water rate structure, process that associated rate increase through the 218 process and meet the intent of the legislation. It is staff's recommendation that we not delay this action further.

There was a lengthy discussion by the Directors and the General Manager on the implementation of volumetric measurement. General Manager Steve Knell stated that as the District moves forward with the volumetric measurement that the costs associated with the implementation may need to be a part of the water rate because the District's budget cannot absorb all of the costs associated with being compliant with this regulation. It was agreed that the Board would continue to discuss this issue and potential implementation of this regulation.

ITEM NO. 14
DISCUSSION ON OAKDALE IRRIGATION DISTRICT'S
UNFUNDED LIABILITIES AS OF YEAR ENDED DECEMBER 31, 2011

Staff provided a memorandum to the Board for discussion as requested by the President of the Board.

Chief Financial Officer Kathy Cook discussed the memorandum with the Board of Directors.

Mike Eggener, Union Representative for Operating Engineer Local Unit No. 3, was present and stated that he read the Memorandum attached to this Discussion Item and that the Chief Financial Officer Kathy Cook did a really good job explaining the District's Unfunded Liabilities. He stated that it is refreshing because the General Manager and Chief Financial Officer are doing a really good job for the District just like the rest of the District employees. He wanted to tell the District from the Union perspective that they appreciate and find what the District is doing refreshing. He stated that out of the eighteen other agencies that the Union represents the Oakdale Irrigation District is far ahead of the other agencies and he wanted to thank the District for that.

ITEM NO. 15
DISCUSSION ON OAKDALE IRRIGATION DISTRICT'S
LEGAL REPRESENTATION FOR TRI-DAM PROJECT AND TRI-DAM ADVISORY

This item was placed on the agenda at the request of certain Board members who wish to share their views on the subject.

The Board discussed the services of O'Laughlin and Paris over the years and they are very pleased with their representation. Director Clark discussed whether or not it would be prudent to have the District's Water Counsel present at all Tri-Dam Project Board Meetings.

There was also a discussion about SSJID's hiring of Attorney Ken Robins from Merced. No information as to "why" was known.

ITEM NO. 16 **COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID has gone 21 days without a lost time injury accident.

Administration Activities

1. Bargaining Group meetings will be scheduled to resume after today's Board Meeting.
2. Walliman depositions were taken by staff on June 6th and 7th. Settlement conference scheduled for July 2nd and trial currently scheduled for July 24th-26th.
3. Made a presentation about OID activities at the Oakdale Tea Party Patriots meeting on June 13th.
4. Continue to have talks with CCWD on upper basin water matters and their conjunctive use grant application.
5. SJ River Settlement talks scheduled for June 22nd.
6. Steiner review of unimpaired flow modeling scheduled for June 27th for all eastside tributary rivers and irrigation districts.
7. Stanislaus Fish Studies meeting with the BOR set for June 29th in Folsom.
8. A reminder that the Tri Dam meeting this month is on Tuesday, the 24th immediately following the SSJID Board meeting, at about 1:00 p.m.

Contract and Special Project Activities

1. 2-Mile Bar Tunnel (CEQA & Engineering) – Agreement in principle, has been reached with the Hodgdon Enterprises, LP for the Two-Mile Bar Tunnel and Service Road easements. The Offer Letter was sent to the Hodgdon Enterprise's attorney, Mr. Michael Abbott, on April 20, 2012. In a telephone conversation, Mr. Abbott has advised Staff to communicate directly with Hodgdon Enterprises. In a conversation with the Hodgdon Enterprise, the District was advised Hodgdon Enterprise are still in the review process and will be in contact in a few weeks.
2. The Corps of Engineers, Sacramento Section, has responded to the District request for a construction and tunnel easement by granting, in principle, the construction and operation easements on government land. They also request the District to provide funds in the amount of \$76,302.00 to review and perform the approval process and documentation preparation. However, in the latest email, the Corps is revising their estimate and reduced it to \$56,759.81 to perform the review process. The review process is for the NEPA document which is being finalized by CH2M HILL. The document draft was completed in March and forward to the District for their review. The District completed the review and return to CH2M HILL to finalize. The final document has now been completed and is being returned to the District for submittal to the Corps. The Corps will require 2-3 months for their review.

3. Land Purchase for Office Relocation – The closing on Parcel #1 (Brown's Property) was completed on May 17, 2012. The closing date for Parcel #3 will be completed on June 15, 2012. There is one exception on the Title Report concerning the Mineral Rights. This exception is being address with an endorsement being provided by Chicago Title for the mineral rights exception. However, OID's legal council is working with the Bank of America to quitclaim the Mineral Rights to the land owner.
4. New Office Project Development – Contact is being made with three (3) Irrigation Districts and one (1) public works who have recently constructed new office complexes to review their facility. The Irrigation Districts are: Solano, Tulare, Fresno, and the Public Works is the City of Clovis.
5. South Main Rehabilitation from the 2nd Concrete Flume to, and including, the Willms Siphon, the initial field investigation by the engineers and surveyors was completed. There was no work this period, waiting for the full or near capacity water in South Main for next work activities.
6. Two-Mile Bar Tunnel Design continuation started on February 2, 2012. The drilling company mobilized on May 2, 2012 and demobilized on May 18, 2012 completing drilling four (4) bore holes. The core samples were reviewed on May 31, 2012. There was additional work required on the depth of the bore holes which will result in some additional charges the cost has not been submitted but will be in a week or so with the final report. The good news is extra borings determined the entire length except for the last 500 feet will be in the Mehrton (Softer Rock Conglomerate Sandstone) formation not as originally thought. The first exploration required interpolation of data between the bore holes indicating there could be Gopher Ridge (Very Hard Rock Formation) intrusions into the Mehrton formation. With the new findings, the drilling could be accomplished with a Tunnel Boring Machine (TBM) instead of Road Header or conventional drill and blast. Using a TBM would result in a more efficient method resulting in a 5%-10% savings on the drilling cost. The final report will be available in two or three weeks and a better understanding can be determined. The monitoring process has begun and continues for approximately one (1) year.
7. North Side Regulating Reservoir Deep Well – Bid Package drafting has started again. Provost & Pritchard will have the drilling criteria and specs completed by July 1, 2012. PG&E will conduct a site review on June 20, 2012 of the location and routing of the power to the pump. The determination of the route was finalized and it will be through the Tillbury property to the North Side Reservoir property. It is estimated the package will go out for bids in mid-July.
8. MID Water Conveyance System – A meeting was held with CH2MHILL on May 22nd to further define the Scope of Work. CH2MHILL are organizing their staff and have started on the initial tasks. The first task is to assemble a specific data and information request for the District. This should be completed by June 22, 2012.
9. Water Resources Plan Update – A meeting was held with CH2MHILL to commence the Water Resources Plan update and what information is needed from the District. Information gathering as requested by CH2M HILL is progressing.
10. District Standard Specifications – Work continues on the draft of the District's Standard Specification and Contracts Manual. The rough draft is approximately 20% complete.
11. Contract Administration activities on contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction Activities

1. OID crews are working on routine JSF's generated by the Water Dept. staff. Equipment operators are conducting chaining operations on the north side of the District, grading roads and gaining back drive able access.
2. Received the two axle truck approved in the 2012 Budget on May 31st. The Auto Shop has completed the inspection and the truck was received per the specifications. The truck has been outfitted with all safety equipment and decals and has been placed in service.
3. Honolulu Bar Project – OID crews have begun the vegetation removal on the island. This task will take approximately two weeks to complete with heavy construction to begin mid-July.
4. Mike Machado's last day at OID was on June 13th.
5. Met with Mike Burden on June 12th. JBD working on summary memo.
6. Kaufman & Greger Property – Working on obtaining demolition permits from the San Joaquin Valley Air Pollution Control District and the City of Oakdale for the demo of the existing structure. Met with well companies to obtain quotes to abandon the existing domestic well. Working with Mr. Jernigan in regards to the removal of the existing underground tank.

Engineering Activities

1. Honolulu Bar Mitigation Project – Vegetation removal began yesterday. Vegetation removal will last at least a couple of weeks with gravel sorting and construction to begin approximately the middle of July.
2. SBX7-7 – Measurement Regulation at OAL for review. No reportable action since the last Board meeting.
3. Irrigated Lands Coalition – JBD attended Delta Coalition Board meeting on 6/11/12 and will attend ESJWQC WDR workshop on 6/28/12 in Modesto.
4. STRGBA – Letter of Support prepared for City of Modesto LGA Grant Application. Public workshop being held this 6/19/12 in afternoon. JBD to attend. USGS model completed and report being drafted.
5. Knights Ferry/Boatright – DRAFT appraisal received on 6/7/12. Waiting for DRAFT plats and legals from P&P. CH Enviro Tech Memo received and progressing with CEQA on pipeline portion from Frymire to Morrison.
6. Willms – Status email sent to Ms. Savery on 5/31/12 and no response to date.
7. Trinitas – Review of DRAFT MND complete. Working of response to comments and revised doc. Still waiting for several environmental summary docs from Trinitas.
8. Hinds Lateral Relocation – JBD working on Agreement between OID and Brichetto.
9. Rate Study – Comments received from Management on rate matrix. JBD to deliver to CH.
10. Asset Management – Progressing well. Currently working out data processing issues, but field work going well.
11. CCWD – LGA Grant Application update conference call held 6/14/12.
12. Fields Ranch – Engineering and Support Services working on summary memo for review by GM.

13. Landuse Conversion – Engineering working with Water Ops and Support Services concerning multiple scheduled landuse conversion projects. Correspondence being sent to underlying landowners regarding OID's Rules and Regs.
14. Correia Sweet Lateral Encroachments – No plans received from NRCS as of 6/12/12.
15. JBD attended the Bay-Delta Tour given by the Water Educational Foundation on 6/13 → 6/15.

Water Operations Activities

Ag Water

1. Met with SSJID and TriDam staff on 06-07-12 to review and discuss progress on compiling draft water rights reports for submittal to the SWRCB by the June 30th deadline.
2. Continued to review, document and address numerous private irrigation, flooding and maintenance issues throughout the District.
3. Collected monthly meter readings and continued volumetric tracking of water allocations to fringe parcels and parcels with Out of District Service Agreements.
4. Assisting Engineering Department with review of flow tree data as compiled by Provost and Pritchard.
5. Fielded multiple requests for clarification on the fringe parcels annexation terms and inquiries regarding other options available to them for water supply in the future.
6. Continued to work with PG&E along with the Support Services Dept. to finalize the proposed pole locations and power supply alignment for the proposed NSRR deep well.
7. Pest Department concentrating on post emergent, thistle control and squirrel control. Mag-H applications also continued on both the north and south side of the District.
8. Continued to work with Davids Engineering to compile the remaining pieces of data necessary to complete a rough draft of the updated AWMP with the exception of the two (2) optional tasks.
9. The first ten (10) day rotation of the 2012 irrigation season began on or about June 17th and will be followed up by another ten (10) day rotation beginning on or about June 27th.

Water Utilities

1. Improvement District No. 41:
 - Pumping Station No. 3 remains out of service due to high turbidity issues.
2. Domestic Water Pumping Stations:
 - Staff continues to conduct weekly inspection, servicing and security checks of the pumping stations. There is nothing unusual or out of the ordinary to report.
3. Domestic Water Systems:
 - Monthly Coliform Bacteria water quality samples were collected on Monday, June 4th. No problems were detected. All domestic water systems under OID's jurisdiction are operating without restrictions.
 - Annual Nitrate water quality sample was collected from Country Club Estates Well #1 in OID's Rural Water System #1 on Monday, June 4th. Test results are still pending.
4. On-Call Activities:
 - Nothing to Report.

5. Irrigation Pumping Stations:

- Staff continues routine inspection, servicing and security checks of the irrigation pumping stations. There is nothing unusual or out of the ordinary to report.
- Staff continues with the annual performance and flow testing of each pumping station.

Finance and IT Activities

1. As a matter of information all of the 2012 Community Service Budget has been committed.
2. Land Purchase for Office Relocation-assisted Contracts Manager with review of escrow paperwork for the purchase of the Brown property.
3. Preparation of report for discussion agenda on the District's fund and unfunded liabilities.
4. Continue assist General Manager on renewal of labor contracts.
5. Rural water late fees-May billing
 - a. Late payments – 26
 - b. 15-days notices – 7
 - c. 48-hours shut off notices – 3
6. Routine accounting functions (AP, AR, PR, billings, account reconciliations, etc.)

IT Activities

- Worked on ArcGIS issue with VBA corruption on some maps.
- Cleaned up older laptop for use with the GPS data logger pilot.
- Resolved an issue with Google Earth for users.
- Preventative maintenance and research to guard against new virus.
- Routine maintenance checks on antivirus, WSUS applications.
- Worked on various computer operation issues.
- Resolved an issue with Abecas and Windows updates.
- Setup DSO computer for Defensive Driver Training and Google Earth.
- Assisted with the setup and installation of the new plotter.

B. **COMMITTEE REPORTS**

Water Committee Meeting June 5, 2012

- Burnett Lateral Encroachments (APN: 006-082-001 – Shively)

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Clark

Director Clark stated that the proposed water transfer to the City of Brisbane is on the Agenda in Closed Session today and he just wants to be sure that the District keeps the public apprised of its progress and affords the public an opportunity to respond to this transfer.

Director Alpers

Director Alpers had no comments.

Director Webb

Director Webb had no comments.

Director Doornenbal

Director Doornenbal stated that Charles Hoppin is resigning from the Farmer's Rice Cooperative so that he can direct all of his time to the California State Water Resources Control Board.

At the hour of 10:08 a.m. the meeting adjourned to Closed Session.

CLOSED SESSION
ITEM NO. 17

- A. **Government Code §54956.8** - Conference with Real Property Negotiator
Negotiating Parties: OID and Brunk
Property: APNS: 002-020-006
Under Negotiations: Price and terms

- B. **Government Code §54957.6** – Conference with Labor Negotiator
Agency Negotiator: General Manager
Unrepresented Employee Organization: Operations Employees, Exempt Management, Exempt Supervisory, and Confidential Employees

- C. **Government Code §54957.6** - Conference with Labor Negotiator
Agency Negotiator: Board of Directors
Unrepresented Employee Organization: IBEW and All Employees of the Tri-Dam Project

- D. **Government Code §54956.9** - Existing Litigation
(1) *Walliman v. OID*
(2) *Agee v. OID*

- E. **Government Code §54956.8** – Conference with Real Property Negotiator
Negotiating Parties: OID and City of Brisbane
Property: Water
Agency Negotiators: General and Counsel
Under Negotiations: Price and Terms

At the hour of 11:35 a.m. the meeting returned to open session.

Coming out Closed Session President Clark reported that by a vote of 4-0 the Board authorized staff to make a final offer to Mr. Brunk for the purchase of his dirt pile.

OTHER ACTION
ITEM NO. 18

The meeting was adjourned at the hour of 11:35 a.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, July 3, 2012 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 **Tuesday, July 24, 2012 at 1:00 p.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Frank Clark, President

Attest:

Steve Knell, P.E., Secretary