

MINUTES

Oakdale, California
July 20, 2010

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

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.

At the hour of 9:01 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

Bruce Elliott, owner of TCB Industrial, 2955 Farrar Avenue, Modesto, CA. He stated that he was the contractor for the Cashman Dam Project. He stated that he completed the project in February and there has been no notice of completion filed on the project. He asked if the Board would research the reason why TCB Industrial has not been paid the balance of their contract.

There being no further Public Comment; Public comment closed at 9:05 a.m.

Director Clark requested that Item No. 3 be pulled from the Consent Calendar; Director Alpers requested that Item No. 5 be pulled from the Consent Calendar; Director Doornenbal requested that Item No. 7 be pulled from the Consent Calendar, Director

Bairos requested that Item No. 8 be pulled from the Consent Calendar; and Director Webb requested that Item No. 13 be pulled from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 4, 6, 9, 10, 11, 12

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF JULY 6, 2010
AND RESOLUTION NOS. 2010-34, 2010-35, AND 2010-36

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of July 6, 2010 and Resolution Nos. 2010-34, 2010-35, and 2010-36.

ITEM NO. 4
APPROVE IMPROVEMENT DISTRICT
STATEMENT OF OBLIGATIONS

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

ITEM NO. 6
APPROVE RESOLUTIONS AND CONTRACTS
WITH STANISLAUS AND SAN JOAQUIN
COUNTIES FOR PLACEMENT OF DELINQUENT FIXED
CHARGES ON THE 2010/2011 TAX ROLLS

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Resolutions and contracts for placement of delinquent fixed charges on the 2010/2011 tax rolls.

ITEM NO. 9
APPROVE NOTICE OF COMPLETION FOR
THE CASHMAN DAM REHABILITATION PROJECT

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Notice of Completion for the Cashman Dam Rehabilitation Project.

ITEM NO. 10
APPROVE CONDITIONAL WORK RELEASE NO. 012
TO PROFESSIONAL SERVICES AGREEMENT WITH
GIULIANI & KULL TO PERFORM ENGINEERING SERVICES TO ID41

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Conditional Work Release No. 012 to Professional Services Agreement with Giuliani & Kull to perform engineering services to ID41.

ITEM NO. 11
APPROVE RESOLUTIONS FINDING VARIOUS
PROJECTS EXEMPT UNDER THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve resolutions finding various projects exempt under the California Quality Act (CEQA).

ITEM NO. 12
APPROVE ABANDONMENT OF THE MARSHALL
PIPELINE (APN: 064-001-004 – RIVER PARADISE
PARTNERSHIP AND 064-001-005 – CITY OF OAKDALE)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Abandonment of the Marshall Pipeline (APN: 064-001-004 – River Paradise Partnership and 064-001-005 – City of Oakdale).

ACTION CALENDAR
ITEM NOS. 3, 5, 7, 8, 13

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

Director Clark asked for an explanation of the Productivity Enhancement Program. Chief Financial Officer Kathy Cook explained the program. Director Clark asked if the General Manager Steve Knell could show what the impact of this program has been on sick leave use at the next board meeting.

Director Clark asked what the remaining balance was in the Certificate of Participation. Chief Financial Officer Kathy Cook stated that it is down to about \$9.3 million and we have \$2.1 million remaining in our reserve fund which cannot be withdrawn until we have spent the \$9.3 million. She stated that we have two more construction seasons to use the money.

Director Clark asked if the District received 100% collection on the delinquent accounts that are forwarded to the Counties for collection. Chief Financial Officer Kathy Cook stated that this is the best method for collection of past due accounts. Director Clark asked if there was a significant increase in the number of delinquent accounts this last year. Chief Financial Officer Kathy Cook responded that the District collected \$75,000 last year compared to \$26,000 this year. She stated that the reason for this is because there were no irrigation collections this year. The majority of the \$26,000 is improvement district collections.

A motion was made by Director Webb, seconded by Director Alpers, 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 JUNE 30, 2010

Director Alpers had a question concerning the Union Bank Account on the Monthly Financial Report for the Period Ending June 2010 which were answered by the Chief Financial Officer, Kathy Cook.

Director Bairos asked if the Chief Financial Officer Kathy Cook could explain under the Comparative Income Statement the Revenues from joint ventures with the Tri-Dam Project. Chief Financial Officer Kathy Cook stated that it indicates zero revenues because there has been no determination as to whether or not there are any funds available for the SSJID and OID to draw down.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending June 30, 2010.

ITEM NO. 7
APPROVE GENERAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS
(FAGUNDES & SON, INC., SIERRA CONTROL SYSTEMS,
INC., NORTH COAST LABS, LTD., AND POWER SERVICES, INC.

Director Doornenbal stated that he had heard that Fagundes & Son, Inc. was going out of business and whether we should be entering into a General Services Agreement with them. General Manager Steve Knell stated that this agreement is used as an "on call" basis only and if they have gone out of business we will not use them.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Fagundes & Son, Inc., Sierra Control Systems, Inc., North Coast Labs, Ltd., and Power Services, Inc.).

ITEM NO. 8
APPROVE AMENDMENT NO. 01 TO
GENERAL SERVICES AGREEMENT 2010-GSA-001
WITH MAXUM PETROLEUM FOR CHANGE OF NAME

Director Bairos asked if Maxum Petroleum purchased Paul Oil or if it is a name change and does the District need to go out for bid on this contract. General Manager Steve Knell stated to his knowledge this is just a name change. Director Bairos asked if Maxum Petroleum is honoring the same pricing as Paul Oil. Chief Financial Officer Kathy Cook stated that they are honoring the same pricing as Paul Oil.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Amendment No. 01 to General Services Agreement 2010-GSA-001 with Maxum Petroleum for change of name.

ITEM NO. 13
APPROVE QUITCLAIM OF THE MARSHALL PIPELINE
RIGHT-OF-WAY EASEMENT (APNS: 064-001-004 – RIVER
PARADISE PARTNERSHIP AND 064-001-005 – CITY OF OAKDALE)

Director Webb asked if this pipeline discharged to the river at one time. District Engineer John Davids stated that he did not know. Director Webb also asked if the City of Oakdale has responded to our letter regarding our old pipelines within the City of Oakdale. John Davids stated that the District has not received any response.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Quitclaim of the Marshall Pipeline Right-of-Way Easement (APNS: 064-001-004 – River Paradise Partnership and 064-001-005 – City of Oakdale).

DISCUSSION
ITEM NOS. 14 - 15

ITEM NO. 14
DISCUSSION/PRESENTATION BY CORI FARWELL
OF HIGHMARK CAPITAL MANAGEMENT ON OID INVESTMENTS

Cori Farwell was present and provided the Board with a Presentation on the status of the District's Investment Portfolio.

The Board may wish to provide direction to Highmark on changes it sees as necessary to the OID investments, all keeping within the scope of the Investment Policy.

The Finance Committee met on July 20, 2010 prior to the Board Meeting and it was their recommendation to not change the allocation of any investments at this time.

ITEM NO. 15
DISCUSSION ON
DEVELOPMENT OF A STRATEGIC PLAN

In 2003 OID adopted a Strategic Plan and implemented a 3 year action plan in January 2004 as part of that planning effort. The Action Plan has termed out and in 2007 staff has been putting its efforts into implementing the Water Resources Plan, an element of the Strategic Plan.

There has been discussion about renewing our Strategic Planning efforts in light of the recent water and economic challenges before OID and to renew for our constituents, OID's plans for the future, with their input.

As part of budgeting for next year, I thought it appropriate we review that which we have accomplished for our more recent Board members and discuss how best to move forward in updating our Strategic Plan.

The Board directed the General Manager to obtain an approximation of the cost of hiring a consultant to assist with the strategic plan and present it to the Finance Committee.

ITEM NO. 16
COMMUNICATIONS

A. GENERAL MANAGERS REPORT

Safety Activities

1. 554 days without a lost-time injury accident.

Administration Activities

1. VAMP negotiations have begun with the Bureau of Reclamation.
2. Will work with Mr. O'Laughlin to schedule Warren Contract meetings with the BOR
3. SavetheStan efforts continue. Lion's Club talk on the 22nd.
4. San Joaquin River Group Commissioner's meeting is still scheduled for July 29th.
5. SEWD,SSJID and OID scheduled to meet with BOR and FWS on July 23 regarding the Biological Opinion.
6. Mother Lode Fair and FishBio's display had some positive benefits.
7. Gary Jernigan will have foot surgery July 20th and be out 4-6 weeks.
8. Tulloch Project activities continue to consume time. July 26th is tentative meeting with MWH. Will discuss TD controls that day as well.
9. Legal Activities:
 - Knights Ferry-Judges written decision out. Decision is exactly what OID submitted.
 - Nothing to report on other matters

Contract and Special Project Activities

1. South Main Canal and Tunnel Projects – Have not received any feedback from the Department of Labor concerning their complaint against Magorian Mine Services. Notice forward to legal counsel for review no feedback from legal counsel.
2. 2-Mile Bar Tunnel (CEQA & Engineering) – CH2MHILL completed the Mitigated Negative Declaration and it has been sent to the State Clearing House. Receiving public comments; CH2MHILL and OID are responding to each comment. However, OID is still waiting for USFWS comments on the Technical Memo sent to them in March. Still waiting on legal review of Reversal Clause in Deed of ownership advised this language was dissolved in the 90's but waiting on confirmation. The District has responded to the Marie Atherton Trust series of questions and the responses are being reviewed by the Marie Atherton Trust beneficiaries. Presently, the answers are acceptable to the Marie Atherton Trust but, they too want to know how OID intends to address Reversal Clause of the Deed. The Marie Atherton Beneficiaries were informed about the legal review in process for the Hodgdon Enterprise property concerning the Reversal Clause. Before any further movement, the Marie Atherton Beneficiaries would like to know the OID's position on the Reversal Clause.
3. North Side Regulating Reservoir – The Retention has been paid, PG&E has completed their work and permanent power is to the site, tested and operational. The electrical contractor finalized their work and it has been signed off. Sierra Controls is in the process of completing the SCADA system.
4. Cashman Dam Rehabilitation Project – TCB Industrial was given a final offer of \$110,000 which they rejected and counter offer of \$125,000 and go to mediation. OID informed TCB the offer of \$110,000 was the final offer and any amount of mediation would not improve the final offer. TCB's counsel stated they will proceed with litigation. OID Staff has re-evaluated the Change Orders on their merit as they were presented as a basis to start from for litigation. OID Staff has reviewed these Change Orders and believes the amount owed TCB based on timeliness and merit of the submittal of timesheets, claims, etc to be \$88,595.47. OID has returned and is evaluating the course of action.
5. Contracts performed an audit of the reporting format and is in the process of reviewing all of the operation on the Tri-Dam Project Tulloch 3rd Unit Addition.
6. The development of a Construction Administration Manual continued.
7. Contract Administration activities on contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
8. The Contracts Manager will be over from 4-6 weeks due to ankle surgery on July 20, 2010. Will have e-mail and telephone contact if needed.

Construction Activities

1. Conducting routine maintenance on District Facilities.
2. Performance Evaluation preparation.
3. Conducting various landowner meetings in regards to maintenance and gaining back drive able access.
4. Processing Job Set Up Forms from the Water Department.
5. Started mechanically cleaning our laterals by means of drag chaining. Initial start up has gone well.

6. Assisting Engineering Dept. with the TCC program and constructability review of upcoming Capital Projects.

Engineering Activities

1. V.A. Rodden – DRAFT Baseline Biological Assessment Report complete although OID has not seen a copy to date.
2. Ongoing project management with Provost and Prichard.
3. Joslin – DRAFT Baseline Biological Assessment Report has been submitted. Staff review complete and FINAL has been delivered.
4. Furtado Deep Well Site Project – Waiting on drillers logs from DWR and on exclusion resolution from Chicago Title. No update has been provided from Water Utilities.
5. Honolulu Bar Mitigation Project – Project start dated pushed back to July 2011. On CVFPB Agenda for July 22nd. FISHBIO and cbec will be in attendance to answer any questions that the CVFPB Board may have concerning the project. Issues surround placement of “dredge” material and vegetation within Floodplain. Keep in mind, all material and vegetation has been placed above the 8,000 cfs inundation level which is the maximum release from Melones.
6. Continued Environmental assistance with Two Mile Bar Tunnel Project. Numerous comments received concerning the MND circulation. Adoption of the MND has been pushed back until the 8/3/10 Board meeting to provide time for USFWS to comment on the CTS exclusionary fence design and to allow for preparation of responses to the comments received.
7. Willms Ranch – Legal Counsel preparing correspondence to Ms. Savery. No update as of 7/14/10.
8. Patterson Deed – Discussed with Water Committee on 5/18/10 and subsequent correspondence set to adjoining landowner. No update as of 7/14/10.
9. Fringe Parcel Analysis – Meeting with Water Committee set for this afternoon.
10. Knights Ferry – Alignment meetings being set-up with landowners in question. Continued negotiations with Ms. Boatright.
11. SCADA – Assisting Mr. Davis as necessary. Sierra Controls has made significant headway on integrating the 2009/2010 capital projects.
12. Boundary Flow Measurement – June flow data downloaded and processed.
13. Honchariw – Legal Counsel Review. No update as of 7/14/10.
14. Rubicon – TCC walk through completed 7/13 → 7/15. List of options and preliminary design forthcoming. G&K nearly complete with survey work on Claribel Lateral. Further refinement of the survey requirements lead Staff to believe that survey costs will dramatically decrease.
15. SBX7-7 – JBD to attend 1st Advisory Committee meeting in Sacramento on July 29th.
16. USEPA NPDES Permit for Pesticide Applications – ACWA to prepare and circulate comments for CALEPA.
17. Frymire Headgate – Continuing to work with Tri-Dam and Sierra Controls to put together a scope of work for moving control over to OID.
18. OID Engineering Department working on misc. designs for the 2010/2011 winter work season.
19. Processing numerous requests for information and CEQA - Early Consultation reviews.

Water Operations Activities

Ag Water

1. Are planning on 4-10 day rotations.
2. Unauthorized water taking fines have been assessed.
3. Inquiries by SSJID District wanting to get OID water. We are saying the “out-of-district rate is \$68 per acre. Should discourage this.
4. Meeting water budgets for the year so far. Short term warming trend in effect. Long term outlook is seasonal. La Nina talk is getting stronger.

Water Utilities

1. Weekly servicing and inspection of both the irrigation and domestic water pumping stations continues. Nothing unusual to report.
2. Crawford River Pump: The flow sensor for the VFD motor control panel failed. The repairs have been completed and the sight remained operation by means of the Across-the-Line motor control panel while the repairs were being made.
3. Marquis Deep Well Pump: The pump has been removed and the well has been inspected. It was discovered that the pump column had rusted through which prevented any water from reaching the surface. The WUD is in the process of obtaining a price to replace the pump.
4. Monthly Coliform Bacteria water samples were collected on July 6th. No problems were found. All domestic water systems under OID’s jurisdiction are fully operational and operating without restrictions.
5. Hillsborough Estates No. 2: Title 22 water samples were collected on July 7th. No problems are anticipated to be found. Title 22 testing is performed every 3 years.
6. Improvement District 41: Met with representatives of the City of Oakdale and the ID Committee to discuss the possibility of the City taking over the operation of their water system. A general meeting of the ID membership has been scheduled of 6:00pm on Thursday, July 22nd to discuss the idea further.
7. OID’s Rural Water Systems: Tested the automatic operation of the two 10” pressure differential valves that supply water to the river bottom area in the event of an emergency or power outage. No problems were experienced. Testing of these valves is conducted every 6 months.
8. Note: Joe Spanos who over sees the operation of OID’s Rural Water System for the State of California Department of Public Health is retiring this month. Joe and his staff have been a great help to the WUD in the operation of not only OID’ RWS but also the domestic water improvement districts. I wish him well in his retirement.

Finance Activities

1. Received \$1.56 million from BOR for 11,000 a.f. of “difference” water and 15,000 a.f. of “supplemental”.
2. Will be testing 25 applicants for the Principal Account Clerk on July 21st.
3. All delinquent collection accounts will be forwarded to the counties in August to be added to their tax rolls.
4. Met with ID46’s committee on July 12th. A letter will be sent out sometime next week to all landowners explaining available options and their committee’s recommended option.

5. Attending Tri-Dam committee and board meetings to get up-to-date on the potential revenue impact to the District.
6. CFO will be on vacation starting July 27th – August 6th.

B. COMMITTEE REPORTS

Tri Dam Committee Meeting, July 12, 2010

- Review of Tulloch Project

Finance Committee Meeting, July 20, 2010

- Review of HighMark Investment Portfolio

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Webb

Director Webb had no comments.

Director Alpers

Director Alpers had no comments.

Director Doornenbal

Director Doornenbal had no comments.

Director Clark

Director Clark had no comments.

Director Bairos

Director Bairos had no comments.

At the hour of 11:03 a.m. the meeting adjourned to Closed Session.

CLOSED SESSION
ITEM NO. 17

B. *Government Code §54956.9* - Existing Litigation

1. *Mangante v. OID*
2. *Eakin, et al. v. Oakdale Irrigation District*

C. *Government Code §54956.9(b)* - Anticipated Litigation
Two (2) Cases

At the hour of 12:12 p.m. the meeting returned to open session.

Coming out Closed Session President Bairos stated that there was no reportable action. President Bairos further stated that he recused himself from participating in any discussions

concerning the *Mangante v. OID* and *Eakin v. Oakdale Irrigation District* matters. He reported that Director Clark ran the meeting for these agenda items.

OTHER ACTION
ITEM NO. 20

The meeting adjourned at the hour of 12:12 p.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, August 3, 2010 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, August 19, 2010 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Al Bairos, Jr., President

Attest:

Steve Knell, P.E., Secretary