

MINUTES

Oakdale, California
March 2, 2004

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
Steve Webb, Vice President
Jack Alpers
Louis Brichetto
Tony Taro

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, P.E., Support Services Manager
Kathy Cook, Chief Financial Officer/Treasurer
Kevin King, Special Projects Coordinator

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of Agenda Items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

A motion was made by Director Taro, seconded by Director Clark and unanimously supported to move Item No. 4 and Item No. 6 to the Action Calendar.

ITEM NO. 1 PRESENTATION

Special Projects Coordinator Kevin King presented the Turnout Measurement Program. Director Clark requested that Mr. King work with the General Manager to prepare this program for a future agenda for review and possible action by the Board.

**CONSENT ITEMS, 2, 3, 5, 7, 8, 9,
ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF FEBRUARY 17, 2004**

A motion was made by Director Webb, seconded by Director Taro and unanimously supported to approve the Board of Directors' Minutes of the regular meeting of February 17, 2004.

**ITEM NO. 3
APPROVE OAKDALE IRRIGATION DISTRICT'S
STATEMENT OF OBLIGATIONS**

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve the Oakdale Irrigation District's Statement of Obligations.

**ITEM NO. 4
APPROVE THE SELECTION CRITERIA FOR THE
AWARDING OF OID SCHOLARSHIPS**

The Board approved the awarding of two \$1,000 scholarships to eligible high school students on November 3, 2003 contingent on the establishment of eligibility criteria. Selection criteria and applications were submitted to the Board for their review and approval.

A motion was made by Director Alpers, seconded by Director Clark and unanimously supported to approve the selection criteria for the awarding of OID scholarships.

**ITEM NO. 5
APPROVE A RESOLUTION APPROVING A
POLICY FOR THE AMERICANS WITH DISABILITIES ACT**

The Oakdale Irrigation District is required to provide a policy and procedure to comply with the employment requirements of the Americans and Disabilities Act (ADA).

A motion was made by Director Webb, seconded by Director Taro and unanimously supported to approve a resolution approving a policy for the Americans with Disabilities Act.

ITEM NO. 6
APPROVE ATTENDANCE AT THE
2004 APPA NATIONAL CONFERENCE IN SEATTLE, WASHINGTON

Public Power's largest meeting, the 2004 APPA National Conference, will be held in Seattle Washington on June 19-23, 2004. The 2004 National Conference has over 50 sessions focusing on issues such as utility governance, customer service, workforce issues, technology, the environment, and system planning.

A motion was made by Director Brichetto, seconded by Director Webb and unanimously supported to approve attendance at the 2004 APPA National Conference in Seattle, Washington.

ITEM NO. 7
APPROVE ATTENDANCE AT THE
2004 ACWA SPRING CONFERENCE

The 2004 ACWA Spring Conference highlights water rights protections, professional development, board and staff education and other issues identified in OID's Strategic Plan. This is one of two meetings held annually by ACWA.

A motion was made by Director Webb, seconded by Director Taro and unanimously supported to approve attendance at the 2004 ACWA Spring Conference.

ITEM NO. 8
APPROVE THE DEDICATION OF THE
SERVICE CONNECTION AT 2704 OAKHURST DRIVE TO THE
IMPROVEMENT DISTRICT NO. 49 WATER SYSTEM

The developer has successfully completed the conditions of the will serve letter for the installation of the service connection to the new lot located at 2704 Oakhurst Drive.

A motion was made by Director Webb, seconded by Director Taro and unanimously supported to approve the dedication of the service connection at 2704 Oakhurst Drive to the Improvement District No. 49 water system.

ITEM NO. 9
APPROVE THE DEDICATION OF THE
SERVICE CONNECTION AT 2714 OAKHURST DRIVE TO THE
IMPROVEMENT DISTRICT NO. 49 WATER SYSTEM

The developer has successfully completed the conditions of the will serve letter for the installation of the service connection of the new lot located at 2714 Oakhurst Drive.

A motion was made by Director Webb, seconded by Director Taro and unanimously supported to approve the dedication of the service connection at 2714 Oakhurst Drive to the Improvement District No. 49 water system.

ACTION ITEMS 10, 11, 12, 13, 14
ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION TO
APPROVE THE GENERAL MANAGER TO
DETERMINE THE START OF THE 2004 WATER SEASON

Currently, if no additional rainfall was to occur and temperatures stay seasonal, the water season for OID would begin on March 16, 2004. Each tenth of an inch of rainfall could delay the season by one day. Three graphs detailing CIMIS versus irrigations for 2004, and actual for 2004 were presented for Board review.

A motion was made by Director Alpers, seconded by Director Webb and unanimously supported to approve the General Manager to determine the start of the 2004 water season.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON A
LANGUAGE CHANGE TO OAKDALE IRRIGATION DISTRICT'S
EXISTING POLICY FOR THE
REIMBURSEMENT OF EXPENSES TO DIRECTORS AND EMPLOYEES

This item was discussed previously at the January 20, 2004 Board meeting. The proposed change amends the current policy to reflect an activity that currently occurs but is not stated in the existing policy. That activity is to highlight the fact that the Board President is the approval authority for the General Manager's expense reimbursement.

A motion was made by Director Webb, seconded by Director Alpers to approve a language change to Oakdale Irrigation District's existing policy for the reimbursement of expenses to directors and employees. The change in the policy was to Page 1, Section 1 "C" and shall be amended to read as follows: "The Treasurer and the Board President to review and approve for the General Manager; and". Said motion was voted as follows:

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

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON A
POLICY CHANGE TO INCREASE THE
CONTRACT APPROVAL AUTHORITY FOR THE GENERAL MANAGER

OID's current policy requires the Board to approve any contract whose value is \$2,000 or greater. In today's world, very little public works business is conducted which is under this \$2,000 amount. The existing restriction severely hampers staff's ability to efficiently conduct its own business and the business of its customers.

The recommendation is to raise this limit to \$50,000 for budgeted Capital Projects and to \$25,000 for Consultant and Service Contracts that are budgeted. For non-budgeted Capital, Consultant and Service Contracts an authorization level of \$10,000 is requested.

Last year the Board approved the General Manager to execute 23 contracts.

A motion was made by Director Brichetto, seconded by Director Taro to approve a policy change to \$10,000 on Capital Projects, All Consultants to come before the Board regardless of amount, Non-Budgeted Items \$2,000, Service Contracts \$5,000. Said motion was voted as follows:

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

Motion not carried.

A motion was made by Director Webb, seconded by Director Alpers to amend the policy for approval authority for the General Manager to \$25,000 for Capital Projects, All Consultants to be Board approved, \$10,000 for Un-Budgeted Items, and \$5,000 for Service Contracts. Said motion was voted as follows:

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

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON A
FORMAT CHANGE TO THE BOARD MEETING AGENDA

Director Brichetto requested at the last meeting that this item be placed before the Board for discussion at the March 2, 2004 meeting.

After discussion and public comments, the Board concurred that the board agenda format shall remain as changed and that Public Comments shall be heard at 11:00 A.M. during each regular board of directors meeting.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON A
RESOLUTION SETTING 2004 WATER RATES FOR
IRRIGATION OF LANDS OUTSIDE
OAKDALE IRRIGATION DISTRICT BOUNDARIES

As provided for in the District's revised Agreement, Irrigation Water Rates for Lands Outside District Boundaries shall be set on the first board meeting held in March of each year. Based on the attached rate analysis, the "unsubsidized" rate for water is \$246 dollars **per acre** (flat rate) or \$49 **per acre foot** (flow rate) based on the OID's 2004 budget.

In 2003, the **per acre** charge for out-of-district water was (on average) \$61 **per acre** for parcels under 10 acres and \$48 **per acre** for parcels 10 acres and larger. In addition, last year the Board approved a \$15 **per acre foot** rate for those taking water by flow.

The Board is requested to set a rate for the **per acre** receipt of water (chiefly for those grand-fathered into the policy) and a **per acre foot** rate for all new applicants who are required to pay for the volume of out-of-district water they receive.

1. Staff recommends setting the **per acre** rate for parcels under 10 acres at \$75 (up from \$61). This was arrived at by using the average water use of 5 acre feet per acre times \$15 per acre foot.
2. Staff recommends setting the **per acre** rate for parcels 10 acres and larger at \$56.25 (up from \$48). Arrived at by maintaining the 25% difference in current rate advantage for small versus large parcels.
3. Maintain the \$15 **per acre foot** rate for those receiving water by the flow rate calculation.

Based on 2003 agreements, OID rate payers subsidize those that receive out-of-district water for approximately \$125,000 per year. Reducing those benefits would help maintain lower rates for in-district water users.

A motion was made by Director Alpers, seconded by Director Webb to approve a resolution setting 2004 water rates for irrigation of lands outside Oakdale Irrigation District boundaries and for those recommended increased rates. Said motion was voted as follows:

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

Motion not carried.

A motion was made by Director Clark, seconded by Director Brichetto to approve a resolution setting 2004 water rates for lands outside Oakdale Irrigation District boundaries maintaining the current 2003 rates. Said motion was voted as follows:

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

DISCUSSION ITEMS 15, 16, 17, 18
ITEM NO. 15
DISCUSSION OF BUDGET CONSIDERATIONS FOR THE
YEARS 2004, 2005 AND 2006

Director Brichetto requested this item be placed on the Agenda requesting an update on Finance Committee meetings.

Director Clark stated that the Finance Committee has scheduled a meeting to take place on Monday March 8, 2004 at 3:00 P.M. during which time discussions will take place as to a long-term financial plan for the District. Director Clark stated that he would report to the Board the progress made during the Finance Committee meeting during the March 16, 2004 meeting.

ITEM NO. 16
DISCUSSION ON STATUS OF HEALTH CARE PLAN RENEWAL

Director Brichetto requested this item be placed on the agenda. Limited information was provided to staff to prepare this item for discussion. It was assumed that Director Brichetto wished to share his views on how OID should look at other options for providing this benefit to the employees. The Director has discussed in the past that OID should look at self-funding a portion of its cost and then purchasing "excess" insurance for the unfunded portion.

Currently staff has directed TSM, its insurance broker, to secure quotes for OID's health care plan. The current OID contract is up for renewal in May.

General Manager Steve Knell stated that OID reviews its health plan and receives new quotes on a yearly basis. Director Clark suggested that a report be made to the Board regarding the deductible clause options relative to any insurance quotes that we receive during the bidding process.

ITEM NO. 17
DISCUSSION OF A PROPOSED RESOLUTION
REGARDING THE USE OF ATTORNEYS

Director Brichetto requested this item be placed on the agenda. It was assumed that Director Brichetto wished to share his views and promote a resolution on how attorneys, both general and water counsels, are accessed or used by the Board of Directors.

Director Brichetto stated that he was under the impression that talks were ongoing regarding real property sales and felt that the entire board should be involved in that.

Director Clark stated that the board is well involved in any sale of real property and its activities regarding legal counsel. It is the Board that tells the General Manager or legal counsel what to do, where to go and how to do it.

Director Brichetto stated that he would like to be kept apprised of anything going on regarding Hetch Hetchy.

General Manager Steve Knell stated that if anything were to be going on that he would keep the Board informed as he has done in the past.

ITEM NO. 18
DISCUSSION REGARDING THE AMENDING OF THE
OAKDALE IRRIGATION DISTRICT
CONFLICT OF INTEREST CODE

Director Brichetto requested this item be placed on the agenda to share his views on changes he wishes to see in OID's Conflict of Interest Code. Changes to an agency's Conflict of Interest Code must be approved by the FPPC and be in place by January 1. OID adopts its Conflict of Interest Code every other year in October, therefore any changes would not be incorporated until that time.

After discussion, General Manager Steve Knell stated that in the fall of 2004 the amending of the Conflict of Interest Code would take place and those changes requested by the Board would be incorporated.

A. GENERAL MANAGER'S REPORT

Resource Issues

1. Tri Dam Projects has received 6 proposals for purchase of power generation
2. OID has been served with notice that it will be sued by Delta Keepers for its adoption of the Aquatic Pesticide Negative Declaration

Current Resource Contract Activities

1. Hazard Assessment of North and South Main Canals
Critical Items to be completed
 - a. Tunnel 2 North – Upstream Portal needs soil nails and shotcrete
 - b. Tunnel 2 North – Downstream Portal rock bolts & liner repairs
 - c. Point 11 (Goodwin Dam area) – Repairs to shotcrete
 - d. Tunnel 9-Upstream Portal Anchors and shotcrete above waterline, Repair shotcrete in Upstream portal area, Complete tunnel shotcrete on crown, Place LDCC in Air Shaft #3
 - e. Tunnel 7-Rock bolt and soil nail installation, Shotcrete all work above water line
 - f. Canal-Goodwin to 2-Mile Bar-Remaining shotcrete in Tunnel 3 canal upstream portal, above water line

- g. Canal–2-Mile Bar to Tunnel 7-Sump Hole in invert at Point 93 needs concrete backfill

Current Internal Activities

1. Community Activities
 - a. Board members and GM attended the Northeast Regional Farm Bureau Meeting on February 24th. Tom Pinkos, Executive Director with the CVRWQCB gave the presentation on the Conditional Ag Waiver
2. Staff Training
 - a. Kevin King attended a week long Water Measurement Seminar in Phoenix
 - b. Gary Jernigan, Bob Nielsen and Derek Davis attended a 3-day training seminar on confined space near Stockton

Current Construction/Maintenance/Engineering Activities

1. Hirschfeld Lateral – Installation of pipeline complete, structures being installed
2. Fairbanks Pipeline – Material received, need some dry weather to begin work
3. Riverbank Pipeline – Inspections continuing, repairs will start week of March 1st
4. Reed Pond and Pump - Tree removal and cleaning at intake structure and canal
5. Moulton Pipeline – Pipe split, evaluating extent of repairs required
6. McKinney Lateral – 50% of lateral cleaning complete
7. Brady Pipeline – Material arrived, need some dry weather for access
8. Cavil Drain and Pond – Cleaning started
9. Palmer Lateral – 1,000 feet of guniting is 30% complete, dry weather needed
10. Palmer Pump Discharge Piping – Material received, installation start next week
11. New Lone Tree Pump – Pump received, need some dry weather for access
12. Yearly Maintenance Services on Pumps and Panels – 70% complete
13. ID #46 Pump #1 – Disinfecting before putting new pump into service
14. ID #52 Temp. Tie-in – Bid package for new tie-in to be sent out next week
15. ID #52 – Proposal for location of new well received from Caltrans

PUBLIC COMMENTS

Mr. Laurens Foard questioned why individual land owners are responsible for drain water when it doesn't belong to them.

Mr. Roger Beymer questioned the amount of money that OID spends for coffee service.

B. COMMITTEE REPORTS

There were no Committee reports given.

C. DIRECTORS' COMMENTS

Director Webb

- Commented that Kathy Cook and Bob Nielsen had completed their Supervisor Certification through ACWA.
- Stated that it is sad when the General Manager has to spend his time answering questions of local newspapers regarding "doughnuts".

Director Brichetto:

- Stated that he had gone to the Farm Bureau dinner recently and expressed his opinion that the water quality people don't seem to have any practical experience in understanding agriculture.

Director Alpers

- Wished to thank staff for problems resolved quickly and efficiently
- Stated that the board is beginning to focus on more important issues
- There is a great article about Tri-Dam in today's Modesto Bee regarding the relicensing. Director Taro and Director Alpers will be meeting with Tri-Dam for a committee meeting March 9, 2004.

Director Taro

- Commented that with all this talk of the newspaper articles that perhaps the General Manager should prepare some sort of report to give to the newspapers so that they get the information correct before writing articles. General Manager Steve Knell stated that Agendas and other information are already provided to the newspapers and that they both get full board packages before each meeting.

At the hour of 12:00 P.M. a motion was made by Director Alpers, seconded by Director Brichetto and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, March 16, 2004 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, March 18, 2004** at 9:00 A.M. at the Oakdale Irrigation District, 1205 East F Street, Oakdale, Ca 95361.

Attest:

Steve Knell, P.E.
General Manager/Secretary