

MINUTES

Oakdale, California
March 21, 2006

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: Steve Webb, President
Jack D. Alpers
Louis Brichetto
Tony Taro
Frank B. Clark

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

Also Present: Tim O'Laughlin, Water Counsel
Michael Ijams, General Counsel
Katherine Boyd, General Counsel

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.

Director Clark requested that Consent Item Nos. 7 be pulled from the Consent Calendar.

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

PUBLIC COMMENT ITEM NO. 1

Steve Fields asked if the Board had any questions regarding his prior comments concerning Lesinini Creek. Mr. Fields was advised that this matter was going to be discussed in Closed Session today.

Lorens Foard stated that he would like to comment on Action Item No. 17 when appropriate.

Dennis Edge had a question concerning whether or not the Administrative Policy was a draft. Steve Knell replied, yes.

Public Comment was closed at 9:05 a.m. and the Board Meeting continued.

Director Clark retracted his request to remove Item No. 7 from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9

ITEM NO. 2
APPROVE THE BOARD OF DIRECTOR'S MINUTES OF THE
REGULAR MEETING OF MARCH 7, 2006
AND RESOLUTION NOS. 2006-15 THROUGH 2006-18

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the Board of Director's Minutes of the Regular Meeting of March 7, 2006 and Resolution Nos. 2006-15 through 2006-18.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Brichetto, seconded by Director Alpers, 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 Brichetto, seconded by Director Alpers, 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 FEBRUARY 28, 2006

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the Treasurer and Chief Financial Officer's report for the month ending February 28, 2006.

ITEM NO. 6
APPROVE RESOLUTION TO SURPLUS
DISTRICT PROPERTY (TOSHIBA 6560 COPIER)

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the Resolution to Surplus District Property (Toshiba 6560 Copier).

ITEM NO. 7
APPROVE ENCROACHMENT AGREEMENT ON THE PAULSELL
LATERAL PIPELINE (APN: 011-005-026 – QUINTO LAND COMPANY, LLC)

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the Encroachment Agreement on the Paulsell Lateral Pipeline (APN: 011-005-026 – Quinto Land Company, LLC).

ITEM NO. 8
APPROVE ENCROACHMENT AGREEMENT
ON THE DIXON PIPELINE (APN: 010-068-015 – GREEN)

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the Encroachment Agreement on the Dixon Pipeline (APN; 010-068-015 – Green).

ITEM NO. 9
APPROVE GENERAL SERVICES
CONTRACTS FOR VARIOUS VENDORS AND CONTRACTORS

A motion was made by Director Brichetto, seconded by Director Alpers, and unanimously supported to approve the General Services Contracts for various vendors and contractors.

ACTION ITEMS
ITEM NOS. 10, 11, 12, 13, 14, 15, 16, 17

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON
2006-2007 WORKERS' COMPENSATION INSURANCE COVERAGE

On March 14th Staff met with Special District Risk Management Authority's (SDRMA) CEO and Claims and Loss Prevention Manager. SDRMA has had no "retrospective adjustments" in 18 years, their average experience mod out of 328 participants is .94, and their average payout per claim is \$3,700. SDRMA provides the following services at no additional cost:

- Risk Management
- Loss Prevention Assistance
- On-line Certified Safety Training
- On-site Safety Inspections and Training
- Contract Review
- Video Training Library
- Training Workshops
- Credit Incentive Program which allows members to lower premiums
- Administrative Technical Assistance
- Pre-Claim Legal Review

Under SDRMA's quote the District will not have a Self Insured Rate (SIR). The District's current SIR with ACWA JPIA is \$10,000 per claim. SDRMA requires a 3-year commitment, after this period a 90-day notice must be given to withdrawal from the program.

The JPIA requires a notice be given to them 90-days prior to the coverage's renewal date to withdraw from its program. The renewal date for workers' compensation coverage is July 1, 2006; therefore, the District would need to give notice no later than April 1, 2006.

A motion was made by Director Brichetto, seconded by Director Clark, and unanimously supported to approve withdrawal from the ACWA JPIA Workers' Compensation Program and enroll in Special District Risk Management Authority Workers' Compensation Program.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON
2006-2007 HEALTH INSURANCE COVERAGE

The District's employee health insurance renewal with PacifiCare will occur on May 1, 2006. Attached is TSM's Health Insurance Quote Summary. To maintain the same plan (with a few changes dictated by the provider as identified on the summary) the District's renewal with PacifiCare will increase premiums by 18%. The summary also provides other health plans for consideration.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve health insurance renewal with PacifiCare.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE
ACTION ON APPOINTMENT OF JPIA DIRECTOR

The following Committee vacancy exists and needs to be appointed by the President and approved by the Board.

Special/Ad Hoc Committees
ACWA/JPIA Designated Director

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the appointment of Director Steve Webb as the Designated Director with Director Frank Clark as an alternate.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON A
CHANGE TO OAKDALE IRRIGATION DISTRICT'S ADMINISTRATIVE POLICY

The Personnel Committee has been presented with some options for consideration on a change to the District's Administrative Policy as it relates to the General Manager and District Staff. Their recommendations may be brought to the Board for consideration and action.

After discussion by the Board and members of the public a motion was made by Director Clark and seconded by Director Alpers to approve the changes to the Oakdale Irrigation District Administrative Policy, and was voted as follows:

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

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON
REJECTION OF FLOODING CLAIM (GREGG)

The Board previously reviewed and rejected a previous claim on this property and it is recommended by staff that this claim likewise be rejected. As stated previously, Management makes no assertion as to fault in this case, only that the damages involved should be addressed by our insurance carrier and not OID staff.

A motion was made by Director Clark, seconded by Director Brichetto, and unanimously supported to reject the flooding claim filed by Patricia and Carey Gregg, and refer it to ACWA JPIA for handling.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON
FENCING COST-SHARE PROJECT (APN: 006-082-003 – SIKKEMA)

A portion of Oakdale Irrigation Districts (OID) River Road Lateral is located on the aforementioned parcel currently owned by Mr. Ralph Sikkema. Mr. Sikkema is currently fencing the parcel in question and has asked the Board to consider cost-sharing on a portion of the fencing to be installed. Per Board Resolution 92-05, the District may assist in capital improvement projects from ten (10) to ninety (90) percent of the total construction cost. As noted in Resolution 92-05, "the actual percentage of contribution by the District whether in terms of labor and equipment, or financial contribution will be determined on a case-by-case basis...." District staff recommends a fifty (50) percent cost share with Mr. Sikkema as set-forth by previous Board decisions given the following conditions of approval. Those conditions are as follows with no specific merit given to the order in which they appear.

1. Any and all fencing installed on the east side of the River Road Lateral/Pipeline shall be done at a distance of thirty (30) feet from centerline. Please refer to the attached February 27, 2006 correspondence for clarification purposes.
2. A sixteen (16) foot Powder River gate shall be installed on the west side of the parcel as shown in the February 27, 2006 correspondence.
3. Fencing and or gate installation at locations "A" and "B" as shown in the February 27, 2006 correspondence shall be done at the owner's expense and any installation not in accordance with OID standards must be covered with an Encroachment Agreement and approved by the OID

Board of Directors. There is a \$250 staff processing fee associated with the Encroachment Agreement preparation.

4. OID fencing standard is six (6) strand barbed wire and as such, should the Board choose to cost share, final payment will be reflective of this standard.

A final inspection must be done by OID prior to final payment.

A motion was made by Director Brichetto, seconded by Director Clark, and unanimously supported to approve a 50% cost share with Mr. Sikkema contingent upon Mr. Sikkema meeting all conditions of the District.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION ON ADOPTION OF
GUIDING PRINCIPLES FOR EXPANSION OF WATER SERVICE
WITHIN OAKDALE IRRIGATION DISTRICT'S SPHERE OF INFLUENCE

The Water Resources Planning Committee has met, reviewed and provided input on the Guiding Principles for the expansion of water service within Oakdale Irrigation District's Sphere of Influence. The Guiding Principles will be presented to the Board for consideration and action.

Greg Eldridge of CH2M Hill recapped the Water Resources Plan to date and then turned over the discussion to Steve Knell, General Manager, for a Power Point presentation on the Guiding principles for expansion of water service within Oakdale Irrigation District's sphere of influence.

Following the presentation there was a discussion by the Board and members of the public. Thereafter a motion was made by Director Clark and seconded by Director Alpers to adopt the guiding principles as drafted, and was voted as follows:

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

ITEM NO. 17
REVIEW AND TAKE POSSIBLE ACTION
PROVIDING WATER TO USBR PER SECTION 5.6 OF THE
SAN JOAQUIN RIVER GROUP AGREEMENT-DOUBLE STEP YEAR

To facilitate the discussion on this agenda item, portions of the San Joaquin River Agreement have been included in the attachments. Please reference sections 3.8, 5.5, 5.6 and all of section 8 as background.

The water year 2006 is shaping up to be a double-step year based on the 60-20-20 indexes of this year and the previous year. Under those conditions the Bureau will be looking to purchase water from willing buyers to fulfill the double-step requirement terms. The Bureau

would purchase this water as indicated in section 8.5 of the Agreement for \$75/acre foot. *This is a one-time commitment.*

Based on the time constraints of section 8.3 of the Agreement, the SJRGA tentatively made available 30,000 acre-feet to the Bureau. This was contingent upon a firming up of the 2006 water year and after the March and April water supply updates. OID has a place holder to provide 10,000 acre-feet of the anticipated 30,000 acre-foot of available water.

The purpose of this agenda is to determine the Board's desire to participate at the required level, a lesser level, or not at all.

With the late start of the 2006 water season; with the likelihood of a significant reduction in the typical 4,000 acres of rice plantings; and the unused 40,000 acre foot of water left in Melones at the end of the 2005 water season, which is shaping up to be very similar to 2006, staff believes the 10,000 acre-foot goal is achievable.

A motion was made by Director Clark and seconded by Director Alpers to provide water to USBR per Section 5.6 of the San Joaquin River Agreement-Double Step Year up to 10,000 acre feet, and was voted as follows:

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

At the hour of 11:18 a.m., a motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to move to closed session.

CLOSED SESSION
ITEM NO. 18

Closed Session to discuss the following:

A. Government Code §54956.9 Existing Litigation

- (1) Fields
- (2) *Banducci v. Fields*

B. Government Code §54957.6 Conference with Labor Negotiator

Agency Negotiator: General Manager

Unrepresented Employees: Operating Engineers Local Union No. 3

At the hour of 12:22 p.m., a motion was made by Director Taro, seconded by Director Webb, and unanimously supported to move to Open Session.

There were no other reportable actions following closed session.

COMMUNICATIONS
ITEM NO. 19

A. GENERAL MANAGER'S REPORT

Safety Activities

1. Continuing to implement our Target Zero Program.
2. We are back on our "Dog Day" incentive program. To date, we have gone 97 days since our last lost-time injury accident.
3. Met with Special Districts Risk Management providers on Workers Comp

Water Operations Activities

1. Start of water season is still influx. If no significant rain from Friday's storm, maybe start Friday the 24th, if sufficient rain, may start the following Monday or Tuesday (27th or 28th).

Administration Activities

1. Received bulk of revised PR&R policies back from our labor contractors. Trying to find time to review.
2. Strategic Training Plan (Taylor and Associates) skills matrixes are being reviewed by staff.
3. Another Stanislaus County Water Summit has been scheduled for April 26th.
4. The Chamber of Commerce's Ag Luncheon, which OID is a sponsor, is this Thursday at 11:00 a.m. at the Gene Bianchi Community Ctr. Directors needing tickets are to see Lori.
5. CH2M Hill and Condor meeting held March 13th to look at integrating better the main canal and tunnel improvement projects with the rebuilding and modernization projects of the WRP.
6. Met with Special Districts Risk Management providers on Workers Comp.
7. A Union meet and confer session was held Wednesday, March 15th.
8. City of Oakdale is preparing for its 100th Anniversary in September. OID was asked to be a participant in the event and will be working with the City on providing an agricultural program/display during the celebration.
9. The Start of Water Season BBQ is this Friday. Directors and appetites welcome.

Finance Activities

1. Preparing a draft 2005 Annual Report.
2. Reviewing and preparing a revised Capital Asset Policy.
3. Working on an Anti-Fraud Policy.
4. Assisting in 2006 meet and confer process.

C&M Operations Activities

1. Frymire Rehabilitation Project was completed except for temporary fence removal and re-installation of permanent fence, clean-up work and re-seeding which will be completed next fall.
2. Kearney Siphon, approximately 50% of pipe installed as of March 3rd.
3. Clarke Pipeline Phase 1 is 90% complete with a Turn-out, grading and clean up remaining

4. Cunningham Construction started the demolishing and re-construction of the Schuller box on Pioneer Road
5. Cunningham Construction completed the installation of the Lower Cometa Crossing of the SSJID.
6. Sweets Lateral guniting was completed with final grading and clean up remaining.
7. South Lateral bank rehabilitation, rebuilding of structures and guniting was completed with final grading and clean up remaining.
8. Beck Enterprises completed the installation of the flow Monitoring Bridges up stream of 2-mile Bar, upstream of Tunnel #7 and one upstream of Tunnel #9.
9. Construction on Turn out for Steve Fields off North Main was completed.
10. Adams II rehabilitation continued with the ditch shaping and Turn out Construction
11. Twenty Job Set Up Forms were completed
12. The four projects essential to be completed by the start of Water Season were awarded. The Clarke Pipeline completed except for final grading and cleanup, Root Drain Victory Road Crossing completed. North Dudley Horseshoe Road Crossing started with completion on March 8th and the Mootz Pipeline scheduled to start March 8th.

Engineering Activities

1. Engineering on the Campbell, Fairbanks and Grider Pipelines continued
2. Field inspections of ongoing construction work
3. Engineering and Surveying activities to support field construction
4. Responses to a number of Suspense Forms

Water Utility Activities

1. Nielsen developing a ballot and setting up a vote for the ID 46 multiple lot split issue.
2. Setting up a meeting with the ID 52 Committee to discuss options of joining OID's RWS.
3. Released to printer the spring edition of "*The Tap*", which is OID's newsletter to the ID's we service.

Legal Issues Being Addressed

1. Working with ACWA/JPIA on the Gregg flooding suit.
2. Working with the attorneys on the Fields vs. Banducci case

B. COMMITTEE REPORTS

There were no committee reports.

C. DIRECTORS' COMMENTS/SUGGESTIONS

There were no Directors' comments.

OTHER ACTION **ITEM NO. 28**

At the hour of 12:23 p.m. a motion was made by Director Brichetto, and seconded by Director Taro, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, April 4, 2006, 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, April 20, 2006, at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary