

MINUTES

Oakdale, California
September 19, 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: Steven A. Webb, President
Jack D. Alpers
Frank B. Clark
Tony Taro
Al Bairos, Jr.

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, Support Services Manager
Kevin King, Water Operations Manager

Also Present Katherine R. Boyd (Arrived at 10:30 a.m.)

ADDITION OR DELETION OF AGENDA ITEMS

General Manager, Steve Knell, stated that Action Item No. 12 was deleted from the Agenda.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

President Steve Webb stated that at 10:30 a.m. the Board may have to go to Closed Session.

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

PUBLIC COMMENT ITEM NO. 1

Gloria Wamhoff stated that she has lived at the corner of Victory and Highway 120 (10524 Victory) for twenty years and there is an OID ditch that keeps flooding her property. Kevin King stated that he is aware of the situation and it is being worked on. President Steve Webb stated that we need to keep her property from getting flooded. Ms. Wamhoff requested that the District forward a letter to keep her apprised of what the District is doing to rectify this flooding problem.

Lorens Foard commented on a discussion item that was on the September 5, 2006 agenda regarding the sale of the Oakdale Irrigation District property.

David Zwald stated he was there representing the Eugene Irrigation District. He was present to respond to an article that was in the Farm Bureau Newspaper about LAFCO being the reason that the District cannot annex any property. Mr. Zwald had a letter which was received twenty-two (22) years ago which he felt contained a written contract stating that the District could service Eugene. President Webb stated that the District will take a look into this again. Director Clark set a timeline of sixty (60) days to bring this matter back to the Board. General Manager, Steve Knell, would like to meet with the Water Committee in twenty (20) days to discuss the facts and find out what questions the Water Committee may have. Thereafter, another meeting will be scheduled in another twenty (20) days to make sure that all questions asked by the Board have been answered. The Board will be updated by the Water Committee at the second meeting in October. Director Clark requested that Mr. Zwald be notified of these meetings so he can be present.

Ken Krause stated that he had some concerns about the District money wise. The District is in the middle of going forward with a Water Resource Plan which he agreed needs to be done. Mr. Krause stated that the maintenance of the system needs to be accomplished because it is an old system and OID spends a lot of money on consultants' fees, but that again is something that needs to be done. He does not understand why a lot of this cannot be done in house. He stated that it seems that the District is going back to a project two and three times to get it completed. He is concerned that the projects are not brought back to the meetings for an explanation to the public.

Director Al Bairos, Jr. requested that Items No. 6 and 8 be removed from the Consent Calendar.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 7

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING OF SEPTEMBER 5,
2006 AND RESOLUTION NOS. 2006-42, 2006-43, 2006-44,
2006-45, 2006-46, 2006-47, 2006-48, 2006-49, 2006-50, AND 2006-51

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 September 5, 2006 and Resolution Nos. 2006-42, 2006-43, 2006-44, 2006-45, 2006-46, 2006-47, 2006-48, 2006-49, 2006-50, and 2006-51.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Alpers, 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 Alpers, seconded by Director Clark, 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 AUGUST 31, 2006

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending August 31, 2006.

ITEM NO. 7
APPROVE GENERAL SERVICE CONTRACTS FOR
VARIOUS VENDORS AND CONTRACTORS
(MODESTO INDUSTRIAL ELECTRIC, DENTONI'S WELDING
WORKS, INC., AND RIVERA AND SON EARTH MOVING)

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to approve the General Service Contracts for various vendors and contractors (Modesto Industrial Electric, Dentoni's Welding Works, Inc., and Rivera and Son Earth Moving).

ACTION CALENDAR
ITEMS 6, 8, 9, 10, 11, 12, 13, 14

ITEM NO. 6
APPROVE AWARD OF BID FOR PAINTING OF THE WATER
STORAGE TANK AT IMPROVEMENT DISTRICT NO. 51, PUMP 1, TO BTE

Director Bairos had a question concerning the cost of \$2,800 to paint a 10,000 gallon water tank. Director Bairos requested that this matter be sent out for bid again.

ITEM NO. 8
APPROVE AMENDMENT TO PROFESSIONAL
SERVICES AGREEMENT (BILL SMITH CONSULTING)

Director Bairos had a question concerning the payment of an additional \$7,000 to Bill Smith.

A motion was made by Director Bairos, seconded by Director Alpers, and unanimously supported to approve the amendment to Professional Services Agreement (Bill Smith Consulting).

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION
ON CLAIM FOR DAMAGES ON THE PEART DRAIN (TWER)

Mr. Twier appeared before the Board on September 5, 2006 at which time the Board recommended that the Water/Engineering Committee review this issue. A Committee Meeting was scheduled for Monday, September 18th and they will report their findings to the Board.

Mr. Twier was present at the hearing.

The General Manager, Steve Knell, stated that the District's recommendation to Mr. Twier would be to connect the drainpipe coming down the hill to the drainpipe leading from his pond so all drain water would flow through the pipeline. The Board asked staff to go out to Mr. Twier's property to show him what the District is going to do so that Mr. Twier will fully understand. The Board decided that any action on this matter will be deferred until Mr. Twier can review the changes to be made by the District.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION
AUTHORIZING THE GENERAL MANAGER TO EXECUTE
PROFESSIONAL SERVICES AGREEMENT FOR ENGINEERING SERVICES

Currently, OID contracts out its engineering services on an annual basis to Giuliani and Kull (G&K) through a Professional Services Agreement. OID budgets each year for these services at the estimated rate of 15% of the approved capital budget. The 15% engineering expense is estimated to cover costs related to planning, pre-project surveying, design, plans and specifications development, bid release and award, construction staking, inspection, contract and construction management, and project close out. Depending on the project, G&K has done all, some or a few of each category listed and OID has backfilled those unaddressed categories with its own limited staff. While for the past couple of years OID has contracted out an additional \$2 million a year in emergency replacement projects, these projects have been going forward without benefit of engineering. While we have discussed previously the inefficiency in the expenditure of public funds to continue down this path we believe it is now time to make that change.

OID is now entering a transitional period for which planning level projects identified in the Water Resources Plan (WRP) are to be converted into physical construction projects. At the present time, OID is not equipped with the staff or technical personnel to meet the anticipated six fold annual increase in replacement and modernization projects identified in the WRP. In the near-term, OID needs to budget for a greater engineering presence within its workforce if it intends to accomplish that which the Board has directed its staff to do.

In April of this year OID released a Request for Qualifications (RFQ) for engineering design services. OID received seven (7) Statements of Qualifications (SOQ) from consulting firms located in California and Arizona. Three firms were interviewed and at the Board meeting of September 5th staff presented its findings and recommendations to the Board. Staff selected CH2M Hill for the continuation of planning services and for the initiation and

completion of project specific CEQA processing that may be required. Provost and Pritchard were selected to perform all post planning engineering and construction management services. G&K will continue to provide a necessary roll in ongoing OID work as well.

Staff met with Provost and Pritchard and CH2M Hill firms on Wednesday, September 13, 2006 and discussed the framework for moving forward. Each firm has been asked to prepare a Professional Service Agreement (PSA). Attached to this PSA will be a scope of work outlining their respective engineering responsibilities. The near term goal for all our engineering consultants is three fold;

Goal No. 1: Design immediately what needs to go out-to-bid and be built in this upcoming construction season.

Goal No. 2: Begin the detailed planning of \$6 million in high priority "shelf projects" that can be let to bid when monies and approval are available. As a sub-goal, we believe it is important to keep that level of project commitment "on-the-shelf."

Goal No. 3: To begin design of the north side reservoir.

For the mechanics of how the PSA's and these projects will be managed, we offer the following outline;

Annually the Board will be asked to fund the PSA's commensurate with the CIP needs of the OID. The projects contained in the CIP will be those identified to meet and advance the replacement and modernization needs of the OID, which under the WRP have been identified at \$6 million per year, exclusive of major reservoir projects, tunnel and main canal rehabilitation work.

Under the PSA, OID staff will assign Task Orders for each CIP project. Each project Task Order will be released to the consultants and they shall respond with an engineer's estimate for their respective portion of the project's design and construction. As an example, for each project, CH2M Hill would prepare an estimate outlining its share of engineering planning and CEQA related processing costs for project construction. Provost and Pritchard would similarly prepare a cost estimate for its level of surveying, design, and project support to arrive at an engineer's estimate for project construction. This would all be done prior to any design work commencing. Once released for design and upon arrival at an engineer's estimate OID would evaluate the engineer's estimate for project construction and how those costs fit into the planned budget for that year. At this evaluation point, the project could either become a "shelf project" or a project to be released for bid and construction. If released for bid and construction, Provost and Pritchard would provide another engineer's estimate for services to assemble a bid and spec package, bid evaluation and award, pre-construction site work, survey, staking, inspection, contract and construction management, and project close out of that specific Task Order. At any one time we would expect 3-5 project Task Orders to be in effect.

In the beginning, OID anticipates some standing Task Orders. Examples include;

Surveying: A geodetic grid needs to be established within the OID service area. This is required to facilitate the extensive surveying work that will be done in the coming years to design these projects.

Service Standard Development: To provide adequate water service, and to achieve the highest standard available for the least cost, and to insure we design to that standard, it will be necessary to spend some time up front evaluating what level of service OID can achieve.

Standards and Specification Review and Updating: OID's current design standards and specifications have served OID well over the last decade, but they need to be updated and in some cases revised to meet modern technology requirements.

Catch All Task Order: A "catch all" Task Order for small construction projects is anticipated. These projects will require little to no engineering and are not worth the level of detailed cost accounting required for larger projects.

A motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to authorize the General Manager to execute a Professional Services Agreement for engineering services.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON APPROVAL
OF RESOLUTION ADOPTING AN ETHICS TRAINING POLICY

AB1234 took effect on January 1, 2006. This Bill required all Special District Directors and Trustees to receive ethics training by December 31, 2006. AB 1234 also requires the Districts to have a written policy setting forth the requirements of AB 1234. The Ethics Policy was discussed by the Board of Directors at the Board Meeting held on September 5, 2006. It is now being submitted to the Board for final refinement and adoption.

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Resolution Adopting an Ethics Training Policy.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION AUTHORIZING
GENERAL MANAGER TO NEGOTIATE A CONTRACT WITH
DOROTHY KING FOR A BORROW SITE (APN: 006-006-017 – KING)

Oakdale Irrigation District (OID) is currently in need of fill material for its construction and maintenance operations. OID staff has invested a considerable amount of time looking into potential borrow sites throughout the District and staff believes that the aforementioned property owned by Mrs. King offers OID the best option. This borrow site has the most well defined project scope of all the parcels researched, offers good vehicular access and is centrally located within OID's service area. In addition, preliminary geotechnical research performed by Holdrege and Kull, Inc. indicates that the King site is conducive to OID's operations although it doesn't contain as large a quantity of fill as some of the other sites. The King site will produce approximately eighty-thousand (80,000) cubic yards of fill material. On an average year, OID uses approximately thirty-thousand (30,000) to forty-thousand (40,000) cubic yards annually, giving this site a 2-3 year life.

Taking into account the preliminary conditions of the agreement (see the attached cost estimate) as set-forth in Mrs. King's August 8, 2006 correspondence, the estimated cost will be \$3.87 per cubic yard. Please keep in mind that OID has not accepted this offer and intends to bargain further with Mrs. King, however, the "going" rate for good fill material is approximately \$5 per cubic yard netting OID an estimated savings of \$1.13 per cubic yard. On Monday, September 18th, 2006 the Water Committee discussed this proposal and may wish to add further to any discussions.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to authorize the General Manager to negotiate a contract with Dorothy King for a borrow site (APN: 006-006-017 – King). Once the contract has been negotiated the Board requested the General Manager to bring the matter back to the Board for approval.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON ENDING
THE 2006 WATER SEASON AND BEGINNING THE 2007 WATER SEASON

The 2006 Water Season will end on September 30th, at the completion of Rotation No. 15. The end of the water season ends OID's water availability for 2006 and all waters delivered after September 30th are charged to OID's 2007 water usage. This item is on the agenda for the Board to either approve the use of water in October or not. If October water is offered, all users would be offered an opportunity to take one irrigation, thereby ending Rotation No. 1 at midnight on October 12th (12-day rotation).

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to end the 2006 water season on September 30, 2006, and begin the 2007 water season with Rotation No. 1 on October 1, 2006 for one twelve (12) day rotation which will end at midnight on October 12, 2006.

DISCUSSION ITEMS
ITEM NOS. 15, 16, 17

ITEM NO. 15
DISCUSSION ON DRAFT BUDGET FOR
SAN JOAQUIN RIVER GROUP & TRIBUTARY AGENCIES

Lowell Ploss has submitted the SJRGA (San Joaquin River Group Authority) and the SJTA (San Joaquin Tributary Agencies) budgets for the 2007 calendar year. They are submitted here for your review and discussion. These budgets will be presented to the SJRG Commission for approval at the end of this month.

General Manager, Steve Knell, discussed the draft 2007 budget for the San Joaquin River Group & Tributary Agencies.

At the hour of 10:33 a.m. a motion was made by Director Alpers, seconded by Director Taro, and unanimously supported to go to Closed Session.

ITEM NO. 19
CLOSED SESSION

A. Government Code §54957.6 Conference with Labor Negotiator
Agency Negotiator: Katherine Boyd
Unrepresented Employees: Operating Engineers Local Union No. 3

B. Government Code §54957
Public Employee Discipline/Dismissal/Release

At the hour of 2:47 p.m. a motion was made by Director Alpers, seconded by Director Clark and unanimously supported to return to the regular meeting.

General Manager, Steve Knell, reported that the Public Employee Discipline/Dismissal/Release matter was heard and the Board of Directors had made a decision which was voted on as follows:

Ayes: Directors Alpers, Clark, Webb, Bairos
Abstain: Director Taro

There was no other reportable action following Closed Session.

DISCUSSION ITEMS
ITEM NOS. 16, 17

ITEM NO. 16
DISCUSSION ON DRAFT 2007
BUDGET FOR OAKDALE IRRIGATION DISTRICT

The draft 2007 budget has been attached for your review. Staff met with the Finance Committee in developing this budget on August 21, 2006. Staff will make a short presentation and answer any questions.

This matter was deferred to the next scheduled Board of Directors Meeting on October 3, 2006.

ITEM NO. 17
DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR
ON THE TRI-DAM BOARD AGENDA FOR THURSDAY, SEPTEMBER 21, 2006

This item is placed on the agenda to allow Board members an opportunity to openly discuss issues related to the upcoming Tri-Dam Board meeting.

There was no discussion on the Tri-Dam Board Agenda for Thursday, September 21, 2006.

ITEM NO. 18 **COMMUNICATIONS**

Safety Activities

1. OID has gone 119 days without a lost time injury accident.

Water Operations Activities

1. OID is on 12-day rotations and will stay there until the end of the irrigation season.

Administration Activities

1. The Water Resources Plan development continues with reviews of various sections of the PEIR. See the attached progress report from CH2M Hill.
2. A site visit to the Gregg property occurred on September 15th with JPIA attorney Tom Brazier.
3. I will be requesting from our General Counsel a review of mechanisms to pass on previously unknown developer's costs in the way of assessments.
4. A Mr. Rouk, representing himself as a member of the Stanislaus Grand Jury, called on Thursday, September 7, seeking information on OID's water transfers. He picked the information up on Monday, the 11th. A follow up letter was sent to the Grand Jury Commission.
5. It seems an El Nino year is ahead of us. What that means, if anything, can be seen in the attached National Weather Service Prediction materials.
6. Viewed the vacant office in the southwest corner of the strip mall building to our east as a potential future office site.

Finance Department

- a. Preparation of draft budget and budget presentation.
- b. Met with ID 08 to review pipeline replacement.
- c. Preparing parcel split information for 2007 billing.
- d. Working with OVCB for possible ID52 improvements funding.
- e. Meet and confer preparation.

C&M Operations Activities

1. The Grider Pipeline Replacement Project Kick-off meeting was held and work started on September 14, 2006. Completion scheduled for mid-October, 2006.
2. Ditch cleaning is a major emphasis on laterals and drains
3. Pipeline repairs were a major emphasis with the Adams II, Coop, Stone, and Union just to mention a few.
4. Condor drafting reports for "2-Mile Bar Tunnel" and the Permanent Bank Repair Program. Six reports are to be issued between September 25th and October 13th. Presentation scheduled for November 7th Board Meeting.
5. Clean up of chunkers on various laterals and City Yard continued
6. Developing options for selecting a Borrow Pit source for dirt needed for bank rehabilitation
7. Winter Work Identification and Scope Development program in progress

Engineering Activities

1. Design continued on the Campbell Pipeline, Lambuth Pipeline, Clarke Pipeline and the Merryhew Pipeline Replacements
2. Landowner meetings for Campbell, Grider and North Dudley Pipelines completed
3. Bid packages being assembled for the Campbell and North Dudley pipelines
4. Scope development for the Engineering firms
5. Project Development for the Winter Season
6. Providing support to the Water Operations Department
7. Completing engineering drawings for the Pioneer, Bentley, Crow and Sonora road crossings.
8. Support to Construction & Maintenance department

A. **COMMITTEE REPORTS**

There were no Committee Reports made.

B. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Alpers

Director Alpers had no comments.

Director Clark

Director Clark had no comments.

Director Taro

Director Taro had no comments.

Director Webb

Director Webb had no comments.

Director Bairos

Director Bairos had no comments.

OTHER ACTION **ITEM NO. 20**

At the hour of 2:56 p.m. a motion was made by Director Clark, and seconded by Director Alpers, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, October 3, 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, September 21, 2006, at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District 11011 East Highway 120, Manteca, California.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary