

MINUTES

Oakdale, California
September 16, 2008

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

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

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

Director Bairos requested that Item Nos. 8, 9 and 10 be pulled from the Consent Calendar.

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

PUBLIC COMMENT ITEM NO. 1

There being no public comment, public comment closed at the hour of 9:01 a.m. and the Board Meeting continued.

CONSENT ITEMS
ITEM NOS. 2, 3, 4, 5, 6, 7, 11, 12

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING OF SEPTEMBER 16, 2008
AND RESOLUTION NOS. 2008-38, 2008-39, AND 2008-40

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of September 16, 2008 and Resolution Nos. 2008-38, 2008-39, and 2008-40.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE TREASURER AND CHIEF
FINANCIAL OFFICER'S REPORT FOR
THE MONTH ENDING AUGUST 31, 2008

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending August 31, 2008.

ITEM NO. 6
APPROVE ASSIGNMENT OF
CAPITAL WORK ORDER NUMBERS

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the following Capital Work Order Numbers:

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Faxon Pipeline	Install 100' of new 24" 100 PIP PVC and a new 24" C-10 canal gate west of the Brichetto Lateral where it crosses Albers Road.	\$36,000	0840

Lesnini Lateral	Install new precast turnout structure, 12" C-10 canal gate and stilling well located approximately 1,800' west of Rodden and Mc Leod Roads.	\$10,000	0841
Little Johns Creek Diversion Dam	Install new slide gates with automatic gate actuators, install new facing wall on the existing headworks and a new replogle flume downstream.	\$468,800	0842
Cape Horn Tunnel	Phase I & III consist of repairing air vents 5 & 6, the installation of rock bolts at the downstream portal and throughout 4,016 feet of the tunnel, application of shotcrete to the portal, tunnel walls and ceiling, and pouring a concrete floor. Construction of temporary access roads, installation of sedimentation control basins and check dam.	\$4,284,800	0843

ITEM NO. 7
APPROVE GENERAL SERVICES AGREEMENTS
FOR VARIOUS VENDORS AND CONTRACTORS

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the General Services Agreements for various vendors and contractors (Modesto Industrial Electric, dba Industrial Electric Co., Dentoni's Welding Works, Rivera & Son Earth Moving and Grading, Valley Air Conditioning, Don's Mobile Glass, Black Diamond Aggregates, Chambers Transport, Far West Safety, Inc., Allen A. Waggoner Construction, and Far West Laboratories, Inc.)

ITEM NO. 11
APPROVE REJECTION OF
CLAIM FILED BY DELAREE WOODBURY

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to reject the claim filed by Delaree Woodbury and forward it to ACWA /JPIA for handling.

ITEM NO. 12
APPROVE ATTENDANCE BY STAFF AND
DIRECTORS AT THE 2008 ACWA FALL
CONFERENCE IN LONG BEACH

A motion was made by Director Clark, seconded by Director Webb, and unanimously supported to approve the attendance by staff and Directors at the 2008 ACWA Fall Conference in Long Beach, California.

ACTION CALENDAR
ITEM NOS. 8, 9, 10, 11, 13, 14, 15, 16

ITEM NO. 8
APPROVE RESOLUTION DECLARING IMPROVEMENT
DISTRICT NO. 52 MATERIALS AS SURPLUS

Director Bairos asked for background on the surplus items and who receives the funds from the surplus items. Steve Knell, General Manager stated the hardware and materials on the site are no longer needed and will be salvaged. Any money received will go to the Improvement District.

A motion was made by Director Bairos, seconded by Director Alpers, and unanimously supported to approve the Resolution Declaring Improvement District No. 52 Materials as Surplus.

ITEM NO. 9
APPROVE AWARD OF BID FOR THE
DESTRUCTION OF TWO DEEP WELLS AND
PUMPING STATIONS IN IMPROVEMENT DISTRICT NO. 52

Director Bairos' questions were answered under Item No. 8.

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to award the bid for the destruction of two deep wells and pumping stations in Improvement District No. 52 to Don Pedro Pump Company in the amount of \$13,613.00.

ITEM NO. 10
APPROVE REJECTION OF CLAIM FILED
BY STEVEN AND NORMA ARISTOTELOUS

General Manager, Steve Knell explained the claim process. Mr. Aristotelous was present and discussed his reason for the claim.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to reject the claim filed by Steven and Norma Aristotelous and forward the claim to ACWA/JPIA for handling.

ITEM NO. 11
APPROVE REJECTION OF
CLAIM FILED BY DELAREE WOODBURY

Following the Consent Calendar and discussion on Item Nos. 8, 9, and 10, Director Clark made a motion to place Item No. 11 back on the agenda, which was seconded by Director Bairos and unanimously supported to place this matter back on the agenda.

Director Clark stated that after review of the claim he felt that the District was at fault and the District should accept the claim rather than forward the claim to ACWA/JPIA for handling.

A motion was made by Director Clark and seconded by Director Webb to accept the claim filed by Delaree Woodbury, and was voted as follows:

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

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION TO
AMEND CONDITIONAL "WILL SERVE LETTER" FOR
THE PROPOSED LANDS OF THOMAS SUBDIVISION

On September 5, 2006, the developer was issued an OID "Will Serve Letter" for a proposed new six (6) lot residential subdivision located between the Hillsborough Estates No. 2 Subdivision and the Stanislaus River. The developer is requesting an extension of this expired "Will Serve Letter".

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to amend the "Will Serve Letter" for the proposed Lands of Thomas Subdivision with added buy in fee language.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION
ON AWARD OF BID ON THE SOUTH MAIN
REHABILITATION PROJECT (RIVERBANK HEADING
AND SOUTH LATERAL HEADING REPLACEMENTS)

Provost & Pritchard solicited bids for the South Main Rehabilitation Project (Riverbank and South Lateral Heading Replacement Projects) from ten (10) contractors. The bid opening is scheduled for Monday, September 15, 2008.

The Engineer's Estimate for the South Main Rehabilitation Project is \$1,082,600.00 (base bid of \$1,060,700 plus \$21,900 for the additive bid items).

Staff recommends awarding the project to the lowest qualified bidder and authorizes the General Manager to execute the contract and any change orders associated with the project. A bid spread sheet will be provided at the Board Meeting.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to award the bid to Sierra Mountain Construction in the amount of \$932,795.00 and to authorize the General Manager to execute the contract and any change orders associated with this project.

ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION
TO PRE-AUTHORIZE AN AWARD OF BID FOR BOTH
THE FAIRBANKS/COMETA DROP 8 PROJECT AND
THE FAIRBANKS CROSSING OF THE SSJID MAIN CANAL PROJECT

Staff solicited bids for two winter construction projects, the Fairbanks/Cometa Drop 8 Project and the Fairbanks Lateral Crossing of the SSJID Main Canal Project. Twelve (12) contractors were solicited for bids. Bids will be opened on September 22, 2008 for the Fairbanks/Cometa Drop 8 Project and on September 29, 2008 for the Fairbanks Lateral Crossing of the SSJID Main Canal Project.

Due to the timing of the next Board Meeting, these projects need to be awarded no later than September 30, 2008 in order for work to start on October 13, 2008. Staff is requesting the Board to pre-authorize the General Manager to execute a contract to the lowest bidder once the bids are received and evaluated for both projects and any change orders associated with these projects.

A motion was made by Director Webb and seconded by Director Bairos to authorize the General Manager to select the lowest qualifying bid, execute the contract and any change orders associated with this project and was voted as follows:

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

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION
ON FUTURE MANAGEMENT OF
IMPROVEMENT DISTRICTS

In April 2005, the District paid for a Reserve Study for its domestic water IDs. The intention of the Reserve Study was to forecast the ID's ability to repair or replace major components of their system as they wear out in future years. Three of the seven IDs did not implement a reserve fund. In light of Improvement District No. 52's domestic water system failure, staff has concerns with the management of the remaining six IDs and their ability to pay for future infrastructure replacements. Staff is seeking Board's direction regarding future management of these improvement districts.

For discussion purposes, options may include:

1. Continue to manage the IDs as their systems fail
2. Require the IDs to implement an infrastructure replacement plan and fund the plan
3. Offer a buy-in to those IDs that can connect to the District's rural water system
4. The District provide a notice of intent to dissolve those IDs that do not implement an infrastructure replacement plan and fund the plan

Improvement District No. 22 Background

- Total O&M fund balance as of 8/31/08: \$16,126
- Average annual O&M expenditures: \$16,000
- No reserve fund
- Infrastructure replacement needs during the next 10 years: \$195,000 (does not include land purchase, if necessary)
- ID22 would need to start contributing in 2009 approximately \$19,000 annually to meet its infrastructure replacement needs.

Improvement District No. 41 Background

- Total O&M fund balance as of 8/31/08: \$15,802
- Average annual O&M expenditures: \$27,000
- No reserve fund
- Infrastructure replacement needs during the next 10 years: \$153,000 (does not include land purchase, if necessary)
- ID41 would need to start contributing in 2009 approximately \$15,000 annually to meet its infrastructure replacement needs.

Improvement District No. 45 Background

- Total O&M fund balance as of 8/31/08: \$13,808
- Average annual O&M expenditures: \$17,000
- No reserve fund
- Infrastructure replacement needs during the next 10 years: \$294,500 (does not include land purchase, if necessary)
- ID45 would need to start contributing in 2009 approximately \$29,000 annually to meet its infrastructure replacement needs.
- ID45 is interdependent with ID49

Improvement District No. 46 Background

- Total O&M fund balance as of 8/31/08: \$2,769
- Average annual O&M expenditures: \$49,900
- Reserve fund balance as of 8/31/09: \$107,770
- Infrastructure replacement needs during the next 10 years: \$473,400 (does not include land purchase, if necessary)
- ID46's annual reserve fund contribution ranges \$15,600 - \$23,400 over the next ten years. In order to meet their infrastructure replacements over the next 10 years starting in 2009 they need to contribute an estimated *additional* \$16,000 annually.

Improvement District No. 49 Background

- Total O&M fund balance as of 8/31/08: \$9,211
- Average annual O&M expenditures: \$16,000
- Reserve fund balance as of 8/31/09: \$26,901
- Infrastructure replacement needs during the next 10 years: \$103,500 (does not include land purchase, if necessary)
- ID49's annual reserve fund contribution is \$10,000 and to date on track to funding its infrastructure replacement needs over the next 10 years.
- ID49 is interdependent with ID45

Improvement District No. 51 Background

- Total O&M fund balance as of 8/31/08: \$53,746
- Average annual O&M expenditures: \$30,000
- Reserve fund balance as of 8/31/09: \$55,343
- Infrastructure replacement needs during the next 10 years: \$273,000 (does not include land purchase, if necessary)
- ID51's annual reserve fund contribution ranges \$19,100 - \$25,700 and to date on track to funding its infrastructure replacement needs over the next 10 years.

After explanation of this item by the General Manager, Steve Knell and discussion with the Directors a motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to table this item until after the Improvement Districts' operations and maintenance meetings are complete.

**DISCUSSION ITEMS
ITEM NOS. 17, 18, 19**

**ITEM NO. 17
DISCUSSION ON BUSINESS ITEMS AS
THEY APPEAR ON THE TRI-DAM BOARD
AGENDA FOR THURSDAY, SEPTEMBER 18, 2008**

This item is placed here for the Board to discuss Tri-Dam agenda items.

Tim O'Laughlin, Water Counsel discussed the issues regarding the Poker Flat project.

**ITEM NO. 18
DISCUSSION ON THE SAN JOAQUIN RIVER
GROUP AUTHORITY 2090 PROPOSED BUDGET**

A draft budget for the SJRGA has been made available to the General Manager's for review. The budget will be up for discussion and approval at the Commissioner's October 30th meeting.

Tim O'Laughlin, Water Counsel and Steve Knell, General Manager were present to answer any questions of the Board.

**ITEM NO. 19
DISCUSSION ON
100-YEAR CELEBRATION ACTIVITIES**

Director Webb asked that the 100 year celebration budget be placed on the agenda for any additional input from Directors. The Board reviewed the suggested items and made decisions on which items were most important on the list and which ones they could eliminate. The General Manager will take this information back to the committee for review and bring it back to the Board for decision.

ITEM NO. 20
COMMUNICATIONS

A. GENERAL MANAGERS REPORT

Safety Activities

1. 125 days without a lost time injury accident.

Administration Activities

1. Legal or Pending Issues;
 - a. Goad – awaiting Goad's engineer's report
 - b. Knight's Ferry – Nothing to report
 - c. Chappell Drain- Nothing to report
 - d. Clark Pipeline- Nothing to report
 - e. Cahoon Property- Soil samples taken last week to test for contaminants.
 - f. Gregg Case- Nothing to report
2. A couple of ID 52 residents seem to think the ID 52 infrastructure belongs to OID. Numerous requests for documents have been made.
3. Jackson Ranch meeting with Mike Burton on their project / land improvements.
4. City of Modesto meeting on regional water treatment plant needs
5. Finance Committee meeting held September 10th.
6. Winter work schedule to return September 15th for all workers.
7. SJ River Flow workshop on September 17th.
8. VAMP II Meeting scheduled for September 29th.
9. Labor and Management meeting scheduled for September 25th.

Contract and Special Project Activities

1. Verbal discussions held with RTC on Board's decision to accept RTC offer plus warranty through the 2009 water season. Letter sent to RTC stating conditions and a follow up telephone conversation was conducted. RTC stated their accountant is finalizing the company's financial status and would provide to RTC the week of September 8, 2008.
2. The Notice of Award was issued for the Cape Horn Tunnel Rehabilitation Project on August 26, 2008. The Notice to Proceed will be issued on September 15, 2008 with Submittals and temporary construction following. The upstream portal will not be completed this year due to the potential of California Tiger Salamanders (CTS) being present. The work will be rescheduled for next year to complete all the remaining work. Condor will be released to continue with Change Order No. 4 – Modification to complete all of the remaining engineering work.
3. Teichert Construction returned the Notice of Award signed. Insurance Certificates and bonds have been requested. A Notice to Proceed will be issued by September 19, 2008 for a start date of October 6, 2008.
4. CH2MHILL/OID completed discussions with DFG for the Cape Horn Tunnel. All issues with Vernal Pools for the Downstream Portal have been resolved and/or mitigated and the Notice to Proceed issued on September 15, 2008. Temporary road construction and the laydown lay will start during the week of September 22, 2008.
5. Derek Davis is to coordinating Kick-off meeting with Tracer for the RMP Compliance Audit was conducted on September 11, 2008.

6. A Work Release was issued to Hazardous Management Services for a hazardous assessment of the Cahoon property on Sierra Road. The field sampling was completed and the results and report will be issued on or before September 26, 2008.
7. Pre – Bid meetings were conducted for the Riverbank/South Rehabilitation and the Fairbanks/Cometa Drop 8 Rehabilitation Projects on September 3rd and 4th respectively. The Riverbank/South bid is due on September 15, 2008 and the Fairbanks/Cometa Bid is due on September 22, 2008.
8. The Bid package for the Fairbanks Lateral Crossing at the SSJID Main Canal project will be sent out on September 10, 2008 and the bids are due on September 29, 2008.
9. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
10. Project coordination with Engineering Consultants

Construction & Maintenance Activities

1. Routine Summer C&M Summer Duties
2. Job offer accepted for the C&M Senior Position
3. Review of Job Set Up Forms
4. On-going review for potential dirt sites
5. On-going constructability review 2008/2009 Capital Projects
6. Various Landowner meetings
7. Performance Evaluation preparation
8. Preparation of upcoming 2008/2009 Winter Work Season
9. Posted for (2) Temporary C&M Worker Position's

Engineering Activities

1. Ongoing Suspense Forms.
2. Board Agenda Report preparation.
3. Master Encroachment Agreement preparation. MID, PG&E, City of Oakdale and City of Riverbank draft complete. Draft documents have been sent to Legal Council for review.
4. Stanislaus County Road Crossing Agreement. County comments have been received and the Agreement has been modified and is in to the General Manager for review.
5. OID Standard Detail Review.
6. Draft Structure Permit complete, John Davids to review
7. Working with Pacific Southwest Irrigation and Mr. Te Velde on a new turnout request off of the Cometa Drain.
8. Assisting Mr. Jernigan in compliance with the CEQA phase of the Cape Horn Tunnel Project
9. Plan check and design review on Engineering in progress:
 - a. Riverbank/Crane Split – 90% Design Drawings Complete
 - b. Fairbanks Crossing at SSJID – 90% Design Drawings Complete
 - c. Johnny Creek Headworks Rehabilitation Project – 100% Design Drawings Complete and project awarded. PG&E has staked trees to be removed and obtaining estimate from Grover for tree trimming/removal. Awaiting streambed alteration permit from DFG.
 - d. Riverbank/South Rehabilitation Project – 100% Design Drawings Complete. Began landowner meetings on 8/13/08 and have now met with all landowners involved.
 - e. Diliberto Long Crested Weir – At ITRC for review by Dr. Charles Burt.

- f. Lone Tree Creek – ITRC Flap Gate Review – Project on hold at this time
 - g. Burnett Lateral Rehabilitation Project – G&K preparing the design drawings in five (5) separate bid packages for implementation of Phase I during the 2009/2010 construction season.
 - h. Knights Ferry Delivery System – No progress to date
 - i. Pipeline Replacement Program – Identification of top facilities for replacement – Water Department currently generating a list.
 - j. West Pump Pipeline Relocation – Two different relocation options have been prepared and currently awaiting confirmation of a meeting with the landowner
10. Service Standard Review.
 11. Performance Evaluation preparation.
 12. Continued North Side Reservoir project management. Currently working on setting up a meeting with DOC and STANCO. Comments received from DSOD, confirmation that the north side reservoir is non-jurisdictional.
 13. Conde's CEQA package is complete. Waiting for compliance with three (3) outstanding conditions of approval before the package will be taken to the Board for approval and subsequently sent to LAFCO for their review.

Water Operations Activities

1. Continuing with conservation efforts to stretch surface water supply through the end of September
2. Coordinating with CT Brayton (General Contractor) on the Riverbank Elementary School Project with respect to the Olds Pipeline
3. Working with the USGS on Modesto Sub-basin groundwater flow model
4. ID 52 – Contractor has completed the underground work and System Testing has begun. An update was provided to ID 52 members on September 8th.
5. Meeting notices were mailed to all Improvement Districts with regard to 2009 budget preparation.
6. Modesto Irrigation District received a notice from the Regional Board regarding the mandatory development of a management plan to address water quality issues that have been identified by MID's Ag Waiver monitoring. Part of this management plan will include OID's discharges to their main canal.
7. Various landowner meetings and consultations
8. Preparing for system shut down and winterization
9. Mailed water user notice to Knight's Ferry water users regarding the system shut down on October 10th.
10. Researching AB 2175 and its potential impacts on OID

Finance and Accounting Activities

1. Preparation of a bond counsel services agreement and financial advisor services agreement
2. Preparation of 2009 budgets for all Improvement Districts. Meetings will be held the week of September 15th with the domestic water system IDs to review 2008 financials and 2009 projections.
3. Preliminary draft budget pending General Manager and staff review
4. Review and processing of contract payments
5. Routine accounting functions (AP, AR, PR, billing, reconciliations, etc.)
6. Received and processing two claims from ID52 landowners

7. Finalizing draft Fixed Asset Capitalization and Depreciation Policy
8. Sent out five 15-day rural water shut-off notices in September

B. COMMITTEE REPORTS

There were no Committee Reports.

C. DIRECTORS' COMMENTS/SUGGESTIONS

There were no Directors' Comments/suggestions

At the hour of 11:09 a.m. the Board moved to Closed Session.

CLOSED SESSION
ITEM NO. 21

A. Government Code §54957.6 Conference with Labor Negotiator
Agency Negotiator: General Manager
Unrepresented Employees: Supervisory Exempt Employees

B. Government Code §54956.8 Conference with Real Property Negotiator
Negotiating Parties: OID and SEWD
Property: Water
Agency Negotiators: General Manager and Water Counsel
Under Negotiations: Price and terms

C. Government Code §54956.9(b) Anticipated Litigation

At the hour of 11:50 a.m. the Board returned to open session.

General Manager Steve Knell stated that there was no reportable action following Closed Session.

OTHER ACTION
ITEM NO. 22

At the hour of 11:50 a.m. the meeting was adjourned to the next **Board of Director's Meeting on Tuesday, October 7, 2008, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Thursday, September 18, 2008 at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, California.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary