

MINUTES

Oakdale, California
September 16, 2003

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
 Louis Brichetto, Vice President
 Frank Clark
 Tony Taro
 Steve Webb

Staff Present: Steve Knell, General Manager/Secretary
 Mike Evans, Water Master
 Bob Nielsen, Interim Support Services Manager
 Kathy Cook, Chief Financial Officer/Treasurer

PUBLIC COMMENT

There were no public comments.

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 actions to take various items out of sequence.

ITEM NO. 1 COMMUNICATIONS

A. GENERAL MANAGER'S REPORT

Resource Issues

1. Tri-Dam Projects
 - a. Two meetings were held over the last two weeks. September 2nd at MID and September 9th at Manteca with PG&E.

2. Groundwater Management
 - a. Requests for Quotes mailed to consultants have not yet been evaluated; looking to do so at the October 2 meeting.
3. Water Quality Issues
 - a. No new actions have transpired; waiting until the November meeting of RWQCB.
4. VAMP
 - a. VAMP Report being prepared of 2003 water year activities.
5. Water Report
 - a. Ending of water season to be on agenda.
6. Meetings
 - a. Will attend a CVP/SWP Integration Meeting on September 17 at MWD's Offices in Sacramento with Mr. O'Laughlin.
 - b. Will attend a Delta Keeper Mediation Meeting on September 30 in Sacramento with Mr. O'Laughlin.

Current and Pending Resource Contracts

1. Hazard Assessment of North and South Main Canals-Work is continuing
2. Water Measurement Plan
 - a. A copy for critical review was sent to OID's Water Counsel. Edits have been received and will be forwarded to Davids Engineering.
3. Ag Water Management Plan
 - a. Under revision by Davids Engineering.
4. CALTRANS Highway 120 Bypass
 - a. Have not received any notice from Caltrans.
5. Water Resources Plan-No activities to report

Current Internal Activities

1. Reorganization Plan
 - a. Position advertising to occur through October 17th.
 - b. An offer was made for the Special Projects Coordinator.
 - c. Engineering position not yet being advertised.
2. Hiring-None to report
3. Labor Negotiations
 - a. MOUs for all bargaining groups on agenda
4. Safety Program-No activities to report
5. Staff Training-No activities to report
6. Community Activities
 - a. GM spoke at the Sunrise Rotary Club on September 5th.
 - b. To attend the Chamber of Commerce Ag Committee meeting on September 23rd
7. Staff Activities-No activities to report

Current Construction/Maintenance/Engineering Activities

1. Reconstructing access road into Tunnel No. 9 in anticipation of repairs.

Projects on the Table

1. Hirschfeld Lateral Project

- a. Reviewed plans with Bill Kull on September 9, final guidance on rerouting of pipeline around Weeda's property given.
- b. Numerous physical encroachments (barns, buildings, bridges, fences) are present on canal, which need to be dealt with.
2. Mootz Drain-Dennis Edge drain rehabilitation
 - a. Letter to be sent to Mr. Edge on his presentation and the direction of OID regarding the Mootz Drain.
3. MID Drainage Agreement Review-On agenda
4. Annexation
 - a. A meeting with those out-of-district service agreement recipients that qualified for annexation consideration was held at 3:00 on September 11 to review the estimated costs for the annexation process.
5. Burneyville Area of Riverbank- No activities to report
6. Mootz Lateral-Duane Roots (Follow-up)-No activities to report
7. Brichetto Canal/Keeley Pipeline-Bobby Goad-On the Agenda
8. Burchell Hills/City of Oakdale bike path and usage agreement- No activities to report
9. Langum property acquisition
 - a. Process moving along. Williamson Act issue to resolve. Phase 1 Enviro Review to be scheduled.
10. Glines Pipeline
 - a. Awaiting County approval to place pipeline in road shoulder.

Pending List of Jobs

1. Additional items being researched and to be added to this list.
 - a. Lower Cometa-Steve Kessler
 - a. Researching OID commitments
 - b. Frobose Ditch-Bob Frobose
 - a. My schedule the end of this year
 - c. Root Drain Pump and Pond
 - a. Draft report ready October 17th
 - d. Adams Creek Drain Pump
 - a. Draft report ready October 17th
 - e. Brady Pipeline-No action.

Legal Activities

1. None to Report

B. COMMITTEE REPORTS

Finance Committee

Director Clark stated that the Finance Committee met on September 15 and discussed:

- The collection of delinquent accounts – There is approximately \$80,000 owed OID from delinquent accounts dating back several years. When accounts are not paid a lien is obtained which can go on forever. OID usually is not paid until the property is sold. After checking with other districts, it was determined that they use the same procedures as provided in the Water Code. Stanislaus County is offering agencies the option of transferring their

delinquencies over to them to place on their tax roles; this places our delinquency on the property owner's tax bill. They have had a lot of success in this program, and OID will look into this for the year 2004. After the specifics on this program are received the Finance Committee will meet again and bring this to the Board for action.

- Prevailing Wage Requirements – The District must make sure that any contract that is issued in an amount over \$1,000 that the contractor is paying prevailing wage to their employees.
- Improvement Districts - The Finance Committee will be reviewing each Improvement District on an individual basis to see what their financial status is, what their reserves are, and make sure that each one of the improvement districts is in good financial condition. If it isn't, then the Committee would make recommendations to improve the financial condition for each of the improvement districts.

Domestic Water Committee

Director Clark reported that a meeting was held on September 15 and the following was discussed:

- The Committee determined that the Board should look more in depth at whether OID should continue and/or expand its involvement in domestic water. Every time a subdivision puts in a water system it is dedicated to OID to run the system. The Committee questioned whether it was wise to expand involvement in domestic water or should the Committee look at privatizing this so that some other entity would manage it. More information will be brought back to the Board for discussion.
- The Committee directed staff to develop a report on the negative and/or positive aspects of OID'S city irrigation system. OID provides water to the city of Oakdale and the Committee asked staff to determine if this is good, what is good about it, and if it is bad what is bad about it. When that report is done it will be brought to the board for further discussion.

C. DIRECTORS' COMMENTS

Director Clark

- Director Clark commented that with the shortage of funds within the State that he noticed that the California Bay Delta Authority has issued a grant of State money in the amount of \$6,400,000 to implement the recovery of the riparian brush rabbit and the riparian wood rat on the Stanislaus River. The state is frivolously throwing money down the river and at the same time is trying to pass a bill in Sacramento concerning dam safety. He further stated that this would increase the fees of Tri-Dam from the tens of thousands to hundreds of thousands, should this pass.

Director Brichetto

- Director Brichetto commented regarding a newspaper article quoting Mr. Krausnick, of the Stanislaus County Counsel's office. The article stated that the County was working on a financial disclosure policy for department heads, managers, etc. and if

there was any relationship between the managers and consultants. Director Brichetto stated that he would like to obtain a copy of this after it is completed.

ITEM NO. 2
PUBLIC HEARING

On August 6, 2003 a meeting was held with the Improvement District landowners for the purpose of addressing the need to replace approximately 300 feet of the Berry Pipeline. It was the consensus of the attendees from Improvement District No. 8 that OID issue a special billing to collect the estimated amount of \$7,500 required for the pipeline replacement.

A letter was sent on September 5, 2003 informing the members within Improvement District No. 8 of the results of the consensus. The letter included a copy of the voting ballot and notified the members of the September 16, 2003 Public Hearing and their opportunity to provide input to OID's Board.

This Public Hearing is required under OID's Improvement District Policy (Resolution No. 90-26) to offer the opportunity for any member of Improvement District No. 8 to provide input as to the direction stated by the consensus of landowners at the August 6, 2003 meeting. At the end of the Public Hearing, a tally of the votes to determine approval or rejection of the proposed project was taken by the Board. If less than 1/3 of the members oppose the capital project, the project will go forward.

A Tally of the votes was taken:

Agree:	Eight (8)
Disagree:	Two (2)

OID will issue a special billing to the collect the total estimated amount of \$7,500 for the pipeline replacement prior to construction. Any additional funds required will be billed separately once construction has been completed. Any excess funds will be placed in the Improvement District's operating reserves for future operations and maintenance costs.

CONSENT ITEMS NO. 3, 5, 6, 7, 8, 9

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS' MINUTES OF
THE REGULAR MEETING OF SEPTEMBER 2, 2003

A motion was made by Director Webb, seconded by Director Clark and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of September 2, 2003.

ITEM NO. 5
APPROVE OAKDALE IRRIGATION DISTRICT
IMPROVEMENT DISTRICTS' STATEMENT OF OBLIGATIONS

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

ITEM NO. 6
APPROVE THE MONTHLY CHIEF FINANCIAL OFFICER AND
TREASURER'S REPORTS FOR THE MONTH ENDING
AUGUST 31, 2003

A motion was made by Director Webb, seconded by Director Clark and unanimously supported to approve the monthly Chief Financial Officer and Treasurer's Reports for the month ending August 31, 2003.

ITEM NO. 7
APPROVE THE RESOLUTION OF ACCEPTANCE OF MEMORANDUM OF
UNDERSTANDING WITH THE EXEMPT MANAGEMENT, EXEMPT
SUPERVISORY AND CONFIDENTIAL EMPLOYEES' UNITS –
JANUARY 1, 2003 THROUGH DECEMBER 31, 2004

A Memorandum of Understanding reflecting the total settlement agreement that was executed by the OID representatives and the Exempt Management, Exempt Supervisory and Confidential Employees' Units dated January 1, 2003 and ratified by the Board of Directors on September 2, 2003 was submitted for Board approval.

A motion was made by Director Webb, seconded by Director Clark and unanimously supported to approve the Resolution of Acceptance of Memorandum of Understanding with the Exempt Management, Exempt Supervisory and Confidential Employees' Units – January 1, 2003 through December 31, 2004.

ITEM NO. 8
APPROVE DITCHTENDERS' TRANSFER TO
CONSTRUCTION AND MAINTENANCE DEPARTMENT
FOR THE WINTER SEASON 2003-2004

In accordance with the District's Personnel Rules and Regulations, Section 7.13(a), the General Manager, subject to Board direction, shall determine if there are sufficient funds to increase the work force in the field Operations unit and/or if there is a need to increase the staff in another department to achieve a higher level of efficient operation. If sufficient funds are judged not available, Operations employees working in the Ditchtender classification that are not transferred to other departments will be laid off. Since the action

to transfer the Ditchtenders to the Construction and Maintenance Department was included in the budgeting process, staff recommended approval.

A motion was made by Director Webb, seconded by Director Clark and unanimously supported to approve the Ditchtenders' transfer to the Construction and Maintenance Department for the winter season 2003-2004.

ITEM NO. 9
APPROVE A NOTICE OF COMPLETION FOR
ESCALON RANCH COLONY PHASE 3B

Teichert Construction, Inc. has completed its improvements on the Weller and Huffman Pipelines at Escalon Ranch Colony for Phase 3B. Staff has inspected the site and prepared the Notice of Completion. As required by the Developer Agreement, the developer has supplied the District with all necessary sureties. Staff recommended approval of the Notice of Completion for Escalon Ranch Colony Phase 3B.

A motion was made by Director Webb, seconded by Director Clark and unanimously supported to approve a Notice of Completion for Escalon Ranch Colony Phase 3B.

ACTION ITEMS NO. 10, 11, 12, 13, 14, 15, 16

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON
A CLAIM OF MR. BOBBY GOAD

Mr. Goad owns a 2 acre (+/-) parcel of land at the intersection of Valk and Albers Road. He first wrote a letter in June of 2002 asserting that OID had encroached upon his property. Mr. Goad requested and was granted a presentation to the Board as a Discussion Item on August 5, 2003. The Board assigned the Water Committee (Directors Bricetto and Taro) to meet at the site and further investigate the claims made by Mr. Goad. At that meeting, held August 12, 2003, it was apparent there was a divergence of opinions on how best to resolve this issue. OID offered to engage in a court-supervised arbitration process to seek an unbiased third-party opinion on the legal and factual issues surrounding the allegations. This offer of arbitration was not acceptable to Mr. Goad, and other options offered by OID to resolve this matter were also dismissed by Mr. Goad.

It was apparent after the meeting that a settlement could not be reached with Mr. Goad at that time. Subsequently, a letter was sent to Mr. Goad on June 10, 2003, advising him to file a claim for his alleged damages, and said Claim for Damages was received by the Oakdale Irrigation District on September 2, 2003.

A motion was made by Director Webb, seconded by Director Alpers to deny the claim of Mr. Bobby Goad and was voted as follows:

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

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON THE
CLOSE OF THE 2003 IRRIGATION SEASON

Midnight of September 30, 2003 ends the 2003 irrigation season. All irrigation deliveries after this point are charged against OID's 2004 allotment. Historically, OID delivers one rotation in October and, on average, uses 15,000 acre feet of the following year's allotment.

The Water Operations Department, through a stepped up water conservation effort, has generated an estimated savings of 6% in our projected water budget for this year. Oddly enough, that 6% represents about 15,000 acre feet. Those efforts were achieved through the following:

1. A permanent reduction of hours on approximately 160 parcels of land through negotiations with landowners.
2. A reduction in deep well usage of 4,400 acre feet over last year (as measured against October 1 to August 1 usage for 2002 and 2003).
3. A reduction in water diversions of 9,610 acre feet (as measured against October 1 to August 1 usage for 2002 and 2003).

It is because of these savings that the Water Operations Department feels comfortable with recommending the delivery of one rotation in October.

In addition, with the anticipated rehabilitation work on the South Main Canal scheduled for this fall/winter season, the Maintenance Department would like to get in early to the South Main and do its inspection and minor repair work before contractors arrive on the scene. This would preclude the interference with their and our activities.

A motion was made by Director Brichetto, seconded by Director Taro and unanimously supported to approve ending the water season beginning at midnight on October 15, 2003.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON
ACWA COMMITTEE APPOINTMENT NOMINEES FOR
THE 2004-2005 TERM

Committees are an integral part of ACWA'S activities and policy development. The end of the current committee term is approaching and ACWA is requesting committee nominations from ACWA members. New officers (President/Vice President) will be elected at the fall

conference, and it is time to prepare to reconstitute all committees for the 2004-2005 term of office.

When submitting names for consideration, it should be done with the understanding that committees need active, involved individuals able to expend the time and provide their expertise if appointed. Districts are responsible for all costs associated with the participation of their representative on committees unless other arrangements have been made.

Mr. O'Laughlin submitted a letter of request to the Board for their consideration in supporting his nomination to ACWA's Legal Affairs Committee stating that he would be responsible for his expenses associated with this appointment.

A motion was made by Director Clark, seconded by Director Webb and unanimously supported to recommend Tim O'Laughlin, Esquire for a position on the ACWA Legal Affairs Committee.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION ON
ATTENDANCE AT THE ACWA FALL CONFERENCE
IN SAN DIEGO

With severe budget challenges at the state and federal levels, and a leadership void regarding water issues, local water agencies are playing an increasingly critical role in California's water future.

With limited resources, local agencies have stepped up to the plate and have made significant progress on water storage, water quality and desalination. The fall conference in San Diego will highlight this new era of local water leadership that is working to ensure tomorrow's water supply.

ACWA has invited key elected officials and industry experts directly involved in water rights, the regulatory process, groundwater issues, and laws that may impact any agency. Attendees will be able to choose from five specialty tracks: attorney, groundwater, finance, human resources and small agencies.

The day before the conference ACWA will hold a special workshop addressing Internet communications, e-government and effective online communications with customers.

A motion was made by Director Webb, seconded by Director Brichetto and unanimously supported to approve attendance at the ACWA Fall Conference for all Board members and appropriate staff.

ITEM NO. 14
REVIEW AND TAKE ACTION ON
RE-ISSUANCE OF THE WILL SERVE LETTER FOR THE
VAN KONYNENBERG SUBDIVISION

A Will Serve Letter was issued by OID on April 10, 1999 and extended another two years on March, 22, 2001 to the developer of the Van Konynenberg Subdivision. This extension of the Will Serve Letter expired on March 22, 2003. The developer is petitioning OID to reissue the Will Serve Letter so he may proceed with the installation of the 80-lot subdivision and to incorporate it into OID's RWS #2 once successfully completed.

After discussion, a motion was made by Director Clark, and seconded by Director Brichetto to deny the re-issuance of the Will Serve Letter for the Van Konynenberg Subdivision and was voted as follows:

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

ITEM NO. 15
REVIEW AND TAKE ACTION ON RE-ISSUANCE OF THE
WILL SERVE LETTER FOR THE
HILLSBOROUGH ESTATES NO. 2 SUBDIVISION

A Will Serve Letter was issued by OID on August 7, 2001 to the developer of the Hillsborough Estates No. 2 Subdivision. This original Will Serve Letter expired on August 7, 2003. The developer petitioned OID to reissue the Will Serve Letter so he may proceed with the installation of the 66-lot subdivision and to incorporate it into OID's RWS #1, once successfully completed.

This proposed subdivision was included as a potential addition to OID's Rural Water System by the State of California DHS during the permit process. OID has also issued additional Will Serve Letters to other developers whose proposed subdivisions will be connected to the Hillsborough Estates #2 Subdivision once successfully completed.

After discussion, a motion was made by Director Clark, seconded by Director Brichetto and unanimously supported to deny the re-issuance of the Will Serve Letter for the Hillsborough Estates No. 2 Subdivision.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION ON
A LETTER TO MID TO CLARIFY THE
1997 MOU ON ELECTRICAL ISSUES

At the Tri-Dam Meeting held September 2, 2003, MID made a presentation to the Tri-Dam Board regarding MID's interest in engaging in negotiations for the purchase of Tri-Dam

power generation. Mr. Allen Short, General Manager for Modesto Irrigation District, alluded to an old agreement between MID and OID whose purpose was to negate MID's involvement in Tri-Dam Project issues.

As outlined in Mr. O'Laughlin's letter to the Board dated September 11, 2003, Mr. Short requests a letter be sent to assure him that discussions on Tri-Dam power would not violate the intent of the MOU. Mr. O'Laughlin prepared a draft of such a letter for OID Board consideration.

A motion was made by Director Webb, seconded by Director Taro to approve the draft letter to MID to clarify the 1997 MOU on electrical issues and change the first sentence of paragraph 2 to read as follows:

“.....Modesto Irrigation District potentially entering into an agreement....”

DISCUSSION ITEMS 17, 18, 19, 20

ITEM NO. 17 DISCUSSION OF THE STANISLAUS AG CENTER FOUNDATION

A presentation was made to the Board at the August 19, 2003 meeting regarding the support of OID for the Stanislaus Ag Center Foundation. This was also included as a Discussion Item on the Agenda for the September 2, 2003 Board meeting. Due to time constraints this was not discussed at that meeting.

The Board President referred this to the Community Relations Committee for further discussion. It was noted that the General Manager should obtain an opinion from legal counsel as to the Board considering contributions which might be construed as a gift of public funds.

ITEM NO. 18 DISCUSSION OF THE MOOTZ DRAIN REHABILITATION

Mr. Edge resides at 4501 Wellsford Road in Oakdale and has 26.34 acres in pasture. Since the mid-nineties, Mr. Edge has been pursuing OID to repair erosion damage on his property. He believes that this damage is solely the result of OID doing inadequate maintenance on the Mootz Drain, despite the fact that the drain is not fenced and Mr. Edge's cattle have free access to the drain banks.

Mr. Edge requested and was granted the opportunity to prepare a presentation to the Board on the issues surrounding his property and the Mootz Drain on August 19th. After that presentation, the General Manager prepared a letter outlining the obligations of the district and the landowner in resolving the erosion problems on the district's facility which

was included with the Board materials. Mr. Edge reviewed a copy of this draft letter and has additional concerns he addressed before the letter is mailed.

Policy issues Mr. Edge asked the Board to comment were;

1. Fencing Policy as it relates to the requirements placed on Mr. Edge.
2. OID Drainage Policy as it relates to the requirements placed on Mr. Edge.
3. OID Easement language as it relates to the drain should it be relocated.

Mr. Edge stated that he would like to reclaim the northwest corner of his property; would like to irrigate it, control his drainage, etc. The options presented to the board were to relocate the drain or to fix it where it was. The cost numbers presented to Mr. Edge in Mr. Knell's letter were incorrect as they were just the design engineer's estimates. As to fencing, Mr. Edge stated that putting in fencing by OID is of no benefit to him, but merely a protection of the district's ditch bank. Mr. Edge stated that he would like to obtain accurate cost numbers and meet with the General Manager and then bring back to the Board for a decision.

Director Clark stated that there are two views on what needs to be done; fix the drain where it is or relocate the drain and follow the north fence line and then the south fence line with the new drain

Director Alpers stated that this is not about price alone and that Mr. Edge has made requests which are contrary to OID policy, i.e., fencing drains. Mr. Edge stated that OID policy states that fencing is at OID's option. Mr. Edge further stated that he would not accept future responsibility if OID did not put in a fence. This will be a continuance of a perpetual problem if it doesn't get fenced.

General Manager Steve Knell stated that OID had done a lot of private engineering at district expense to address a land improvement for Mr. Edge. Mr. Edge should have spent the money to investigate the improvements to his property and not relied on this district. As a courtesy, OID tried to expedite the resolution of a problem that has been there for nine years. The reason it has not gone forward is because Mr. Edge continues to disagree on the fence issue. The previous boards have not allowed the improvements there because the fencing would not protect district property. If Mr. Edge is going to damage district property we are going to bill him for those damages, as policy states.

General Manager Steve Knell stated that after the designs are done by Mr. Kull's firm, bids can then be obtained.

Director Alpers stated that regardless of what is done, it must follow policy.

ITEM NO. 19
DISCUSSION OF THE
MID DRAINAGE AGREEMENT

OID drains into the Modesto Irrigation District Main Canal at approximately 21 locations between Riverbank and Albers Road. This practice is permitted under an agreement

entered into between MID and OID dated December 1942. Although the agreement is specific on the quantities of water permitted (no more than 50 cfs of irrigation water, no more than 50 cfs of drainage water, and no more than 200 cfs of combined storm and surface waters) there is no mention of the water quality associated with that water.

In 1942, agricultural drainage water quality was not a concern. Today, under current and pending legislation and enforcement, that is not the case. Both MID and OID have vested interests in being compliant with water quality criteria. Both districts will need funding to address and correct their individual non-compliant areas as they relate to water quality. Both districts recognize that potentially working together they may find mutually beneficial avenues on how best to address and to reduce the cost of compliancy.

For this to occur however, MID and OID will need to work cooperatively over the coming months to investigate what these avenues may be. A lack of information on OID's side regarding quantities and quality of drainage water is a major stumbling block. The potential implementation of OID's Water Measurement Plan would assist in providing much of that information.

Director Clark stated that MID is always going to do what is best for MID. By their own admission, OID is giving MID 40,000 to 50,000 acre feet of drainage water that is being pumped into their canal. Over the years MID projects that into their water usage. They want and need to and almost have to keep getting the water. If you put a dollar value on that water it is \$10 million dollars per year in water that we are giving MID. OID must move ahead on the basis of not giving away drainage water it may be buying land and putting in ponds to reclaim our water, whatever, we must do that.

General Manager Steve Knell stated that before anything is decided all information should be gathered. MID estimates that between drainage water and spill water there are 40 to 50,000 acre feet of water discharged into their canals at 21 locations. They don't know what the quality is, but they do know that flows are highly variable, sometimes infrequent, and there are no consistencies in them as far as scheduling for water deliveries. They live with this because they have a 1942 agreement with OID that says that they are going to live with it.

General Manager Steve Knell stated that MID states right now, because of all the unknowns and uncertainties, it is not known the measurable benefit from the Oakdale water. However, MID does offer some advantages for OID. MID offers that OID can come in at the upper end of their system. Not only can they convey that water to their users, they also have a transport mechanism to get it back to the river. There are some things that OID should not overlook in the near term. Right now what MID and OID need to do is to obtain more information. MID recognizes that OID could go their own way and they were told that is a possibility for OID.

Director Clark questioned whether things were moving along to get some type of measuring along those drains. General Manager Steve Knell responded that MID was told that OID has a water measurement plan that is being finalized with expectations to fund that next year and to begin getting water measurement ready for March. Budgeting will also be done for water quality sampling on that drain water. There are two samplings; one within the OID

drain, and a mixing pool sample in MID's canal. If Modesto continues to accept this water and it is compliant by water quality standards because of the measuring protocols that are set up, that is an advantage to this district. Director Clark responded that OID should be moving ahead on how to keep drainage water within its boundaries and reused by the district rather than getting rid of that water. General Manager Steve Knell stated that OID needs to know what it is going to cost to do it themselves and what it is going to cost to be involved in a joint venture with MID and that is compared with what is in the best interests of the residents of Oakdale.

ITEM NO. 20
DISCUSSION OF
TRI-DAM POWER GENERATION

Since the last Board meeting of September 2, 2003, the Board has met with Modesto Irrigation District (September 2, 2003) and Pacific Gas and Electric (September 9, 2003). The Board discussed various issues concerning the presentations made by these two potential power purchasers.

Mr. Ken Krause commented that he had attended the last meeting held at SSJID during the PG&E presentation. He further stated that he got the impression from some of the SSJID people that they really didn't want to have anything to do with PG&E. Director Alpers responded that since they may be competing with PG&E in the future that his analysis of the situation was probably correct.

Director Alpers commented that Tri-Dam will probably plan on getting a consultant to put the power package together. Right now it is pretty difficult for the Tri-Dam employees to say what they have and its worth. The electric market is very complex and Mr. Felte is showing good leadership in getting this project going.

Director Brichetto stated that when Mr. Felte comes up with a package that there are going to be risk factors that the Tri-Dam Board is going to have to consider; what they are going to do in a wet year or dry year, how much they promised, what they are going to pay for overages, etc.

Director Alpers stated that the Board made the decision that they are not going to get into their own power retail business. The Board is still going to take some risk, but they haven't decided how much and that will be a 10 vote decision.

A motion was made by Director Clark, seconded by Director Brichetto and unanimously supported to adjourn the meeting to Closed Session.

ITEM NO. 21
CLOSED SESSION

- A. Government Code Section 54956.8 – Conference with Real Property Negotiator
Agency Negotiator: General Manager
Property: Eight (8) Sierra Railroad rights-of-way permit crossings at various locations along the South Main Canal

The General Manager was directed to continue negotiations with Sierra Railroad regarding the rights-of-way permit crossings.

- B. California Government code Section 54956.8 – Conference with Real Property Negotiator
Agency Negotiator: General Manager
Property: Langum Property located at 12937 South Droge Road
Under Negotiation: Price and terms of payment

No Action Taken.

At the hour of 11:40 A.M. a motion was made by Director Taro, seconded by Director Webb and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, October 7, 2003 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, October 16, 2003** at 9:00 A.M. at the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA 95366.

Attest:

Steve Knell, P.E.
General Manager/Secretary