

MINUTES

Oakdale, California
November 19, 2013

At the hour of 8:30 a.m. President Clark called the Meeting of the Board of Directors of the Oakdale Irrigation District to order to meet in Closed Session. The following Directors were present:

Directors: Frank B. Clark, President
Steve Webb, Vice President
Jack D. Alpers
Herman Doornenbal
Absent: Al Bairos, Jr.
Staff Present: Steve Knell, General Manger
Kathy Cook, Chief Financial Officer
Also Present: Roger Schrimp, Esq. and James Oliveira, Esq.

CLOSED SESSION

Closed Session to discuss the following:

- A. **Government Code §54956.9** - Existing Litigation
(1) *Agee v. Oakdale Irrigation District*

At the hour of 8:40 a.m. the meeting adjourned to open session.

Coming out of Closed Session President Clark stated that there was no reportable action.

The meeting adjourned at 8:40 a.m.

At the hour of 9:00 a.m., President Clark called the Regular Meeting of the Board of Directors of the Oakdale Irrigation District back to order and invited all to recite the Pledge of Allegiance. The following Directors were present:

Directors: Frank B. Clark, President
Steve Webb, Vice President
Jack D. Alpers
Herman Doornenbal
Absent: Al Bairos, Jr.
Staff Present: Steve Knell, General Manager/Secretary
Kathy Cook, Chief Financial Officer
Gary Jernigan, Contracts/Special Projects Manager
Jason Jones, Support Services Manager
Eric Thorburn, Water Operations Manager

**ADDITION OR DELETION OF
AGENDA ITEMS**

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to move Discussion Item No. 11 to be heard following Public Comment on the Agenda.

There was a problem with the PowerPoint presentation for Discussion Item No. 11 and the Item was moved to follow the Consent Calendar to allow time to correct the problem.

At the hour of 9:02 a.m. the Board welcomed public comment.

**PUBLIC COMMENT
ITEM NO. 1**

There being no public comment, public comment closed at 9:02 a.m.

HEARING CALENDAR

ITEM NO. 2
**PUBLIC HEARING AND CERTIFICATION OF VOTE
OF IMPROVEMENT DISTRICT NO. 41 MEMBERSHIP
REGARDING THE APPROVAL TO INITIATE THE PROCESS
TO CONNECT WITH THE CITY OF OAKDALE'S WATER SYSTEM**

On September 11, 2013 a meeting was held with the Improvement District No. 41 (ID 41) landowners for the purpose of selecting a recommended course of action in obtaining a new potable water source for ID 41. A letter was issued on October 24, 2013 (copy attached) informing the ID 41 membership of the consensus. The letter included a copy of the voting ballot and notified the members of the November 19, 2013 Public Hearing and their opportunity to provide input at the Board of Directors' meeting.

This Public Hearing is required under Oakdale Irrigation District Improvement District Policy (Resolution No. 90-26) to offer the opportunity for any member of Improvement District No. 41 to vote on the proposed connection to the City of Oakdale. At the end of the Public Hearing, a tally of the votes to determine approval or rejection of the proposed project will be certified by the Board. If less than 1/3 of the members oppose the connection, the project will go forward.

Water Utilities Supervisor Robert Nielsen was present and stated that Improvement District No. 41 Membership voted to initiate the process to connect with the City of

Oakdale's water system by the following vote:

Ayes: 17 (by mail)
Noes: 5 (by mail)
Passed by a total vote of 33 to 5
(All non-votes (16) are considered as yes votes.)

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to certify the vote for Improvement District No. 41 Membership to initiate the process to connect with the City of Oakdale's water system.

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

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF NOVEMBER 5, 2013 AND RESOLUTION NOS. 2013-90, 2013-91, 2013-92, 2013-93 2013-94, 2013-95, 2013-96, 2013-97, 2013-98

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of November 5, 2013 and Resolution Nos. 2013-90, 2013-91, 2013-92, 2013-93, 2013-94, 2013-95, 2013-96, 2013-97, and 2013-98.

ITEM NO. 4
APPROVE THE OAKDALE IRRIGATION DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 5
APPROVE IMPROVEMENT DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 6
APPROVE RENEWAL OF FLEXIBLE SPENDING ACCOUNT AND COBRA ADMINISTRATION WITH REDWOOD HEALTH SERVICES EFFECTIVE JANUARY 1, 2014

Director Alpers stated that he was disappointed with Redwood Health Services and their handling of the flexible spending account and asked if staff had looked into using a different service. Chief Financial Officer stated that she would do some research and bring this item back to the Board on December 3, 2013.

This matter was tabled until December 3, 2013.

ITEM NO. 7
APPROVE AMENDMENT NO. 01 TO GENERAL
SERVICES AGREEMENT WITH W. H. BRESHEARS, INC.

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve the Amendment No. 01 to General Services Agreement with W. H. Breshears, Inc.

ITEM NO. 8
APPROVE WORK RELEASE NO. 019, AMENDMENT NO. 005
TO PROFESSIONAL SERVICES AGREEMENT
2009-PSA-001 WITH PROVOST AND PRITCHARD FOR
DETAILED DEVELOPMENT OF KNIGHTS FERRY DELIVERY SYSTEM

Director Webb stated that he was not questioning the amendment, but merely wanted to know if we were close to completing the development of the Knights Ferry Delivery System. General Manager, Steve Knell, replied yes.

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve Work Release No. 019, Amendment No. 005 to Professional Services Agreement 2009-PSA-001 with Provost and Pritchard for Detailed Development of Knights Ferry Delivery System.

ITEM NO. 9
APPROVE ENCROACHMENT PERMIT ON THE
CHAPPEL PIPELINE (APN: 229-220-004 – PACIFIC GAS & ELECTRIC)

A motion was made by Director Webb, seconded by Director Doornenbal, and unanimously supported to approve the Encroachment Permit on the Chappel Pipeline (APN: 229-220-004 – Pacific Gas & Electric).

DISCUSSION CALENDAR
ITEM NOS. 11

ITEM NO. 11
DISCUSSION / PRESENTATION ON GROUNDWATER

Per the request of Director Clark at the October 1, 2013 Board Meeting, staff will be providing a presentation to the Board on what it knows about groundwater conditions in the District's service area. Staff will be discussing the District's groundwater operations, monitoring and planning efforts and recent trends of the groundwater levels within its water service area.

Water Operations Manager Eric Thorburn gave a PowerPoint presentation on the groundwater within the District's water service area.

There were several members of the public present at the meeting and comments were made by Neil Hudson and David Avila.

**ACTION ITEMS
NOS. 10**

**ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION TO ISSUE A
WILL SERVE LETTER REGARDING A LOT
LINE ADJUSTMENT REQUEST (APN: 010-025-080 – DUTRA)**

Mr. Frank Dutra owns the property at 11308 Scarlet Oak Drive which is located in the Improvement District No. 46 domestic water system. Mr. Dutra is proposing to do a lot line adjustment by purchasing a portion of the neighboring property at 10017 Oak Knoll Drive which is located in the Improvement District No. 51 domestic water system.

Special consideration is required since the two properties involved in this proposed lot line adjustment are located within the established boundaries of two different domestic water systems. OID will need to amend each Improvement District's water supply permit once Mr. Dutra has successfully obtained approval from both of the Improvement District Memberships.

A motion was made by Director Doornenbal, seconded by Director Alpers, and unanimously supported to issue a Will Serve Letter regarding a lot line adjustment request (APN: 010-025 -080 – Dutra).

**DISCUSSION CALENDAR
ITEM NOS. 12, 13, 14**

**ITEM NO. 12
DISCUSSION / PRESENTATION ON THE DRAFT 2014 BUDGET**

The draft 2014 budget is being submitted for your review. Staff met with the Finance Committee in developing this budget on October 8 and October 29, 2013. Staff will make a short presentation and answer any questions.

General Manager Steve Knell and Chief Financial Officer Kathy Cook gave a PowerPoint Presentation on the Draft 2014 Budget. The 2014 Budget will be brought to the Board as an action item on December 17, 2013.

**ITEM NO. 13
DISCUSSION REGARDING CHARGES RELATED
TO MISCELLANEOUS RATES AND FEES FOR 2014**

The State of California Water Code, Section 22283, provides that the District prescribe reasonable rules and regulations to carry out the provisions of Section 22280 et seq.

The District engaged CH2M Hill to conduct a comprehensive miscellaneous rates and fees study inclusive of its rural water rates. The study included meetings and teleconferences with District staff.

The District provides many special services for individual or prospective customers. Because these special services do not benefit all the customers of the District the possibilities of inequitable service exist, the costs of these services are recovered through and by way of fees related to the services provided. Many of these fees have not been updated in recent years.

A Miscellaneous Fees Model was developed to perform the calculations and document the level of effort and costs associated with each fee.

The rural water charges have been developed based on a cost of service approach. To develop the user charges, water use was analyzed, both in terms of monthly use and the number of accounts. This information helped determine the base usage and the amount of water volume to spread costs over. Operating and capital costs were estimated. Costs were allocated to either variable or fixed costs. Fixed costs were allocated to customers based on the number of accounts, known as the Immediate Availability Charge. Variable costs were spread over the total water use.

The Finance Committee and Staff met to review the Study on November 13, 2013.

Director Webb requested staff to take a closer look at the pump rental fee. General Manager Steve Knell responded that this item will be brought back to the Board as an action item on December 17, 2013 and asked that all Directors provide their concerns to staff regarding any of the rates and fees prior to that Board meeting.

ITEM NO. 14
DISCUSSION ON BUSINESS ITEMS AS THEY APPEAR ON THE
TRI-DAM BOARD AGENDA FOR THURSDAY, NOVEMBER 21, 2013

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

The Directors had some questions regarding the Draft 2014 Budget and Director Clark requested that the Directors pay attention to the capital expenses and the fact that the expenses should be spread out over several years.

ITEM NO. 15
COMMUNICATIONS

A. **GENERAL MANAGERS REPORT**

Safety Activities

1. OID has gone 196 days without a lost time injury accident.

Administration Activities

1. OID attended the Knight's Ferry CSD meeting on November 4th.
2. Attended the first meeting of the OJUSD Ag Advisory Council. Next meeting is December 12th.
3. Tunnel tours being given during November to various groups.
4. Doreen D'Adamo (Dee Dee) from the State Water Board was down on a river tour with Doug Demko and GM on Tuesday, 12th.
5. The GM spent time in court on Friday testifying in the Trinitas LLC vs. Hardester civil suit.
6. Numerous settlement conference calls and BDCP associated activities being participated in during November.

Contract and Special Project Activities

1. Two-Mile Bar Tunnel (CEQA & Engineering) – Due to the Government Shutdown, the Corps of Engineers have not posted the NEPA document for public opinion as planned in October. The Corps continues to request additional information in reviewing the documents. The Corps stated they would post the document in November for Public Comment.
2. Two-Mile Bar Tunnel Final Design – The design process has been completed and the drawings have been completed and issued for construction. The Cost Estimate has been reviewed and completed, and issued. The GBR is still in the final review process and will be issued to OID for their review in early November. Staff will meet with Condor to review the status of all the documents during the week of November 27, 2013. Final contract documents and specifications will be ready at that time. The total cost with contingency, construction management, and other potential costs has been determined to be approximately \$15.0 million.
3. Beardsley Reservoir Recreational Improvements – The construction of the Day Use Area progressed very well during October and was completed November 8, 2013 except for some punch list items. The Boat Ramp concrete curb and gutter was completed on November 7, 2013. All asphalt has been completed and striped as much as possible. The slurry seal will be completed as soon as the weather permits which will be next year. The work will be removed from Ford Construction's contract. Ford Construction has submitted claims for additional earthwork at the Beardsley Campground, the Black Oak Flat Campground and the Beardsley Day Use Area in the amount of approximately \$243,900. On July 25, 2013, Ford Construction provided the final "As-Built" topo for comparison for the Beardsley Campground. The documentation was forwarded to the Engineer for review and a response. The Engineer has acknowledged an error in the Engineer's take off which was included in the bid documents. Staff is reviewing the Engineer's comments and will prepare a response for the General Manager and the Board's review and approval. The Project's position has been there is no basis for a claim however; the position may change due to the errors in the bid document and a delay to the contractor due to SHPO investigation which would apply to the Beardsley Campground only. Staff will prepare a response for review.
4. Willms Ranch Access Easement – Still no action occurred this period, Willms are waiting on court decisions before moving forward and stated they would advise us when a decision is forthcoming.
5. District Standard Specifications – No activity this period.

6. Contract Administration activities on contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.

Construction Activities

1. Preparing and conducting employee evaluations.
2. Conducting landowner meetings for current and future projects.
3. North Main – Fields Ranch: Final Draft of the Agreement has been completed and is currently under GM review. The Agreement should be ready for BOD approval at the next scheduled meeting.
4. Morrison Lateral Extension Project: OID crews have completed the installation of the 36" and 30" concrete pipe. The inlet structure and control structure have been formed, rebar installed and concrete placement complete. Currently OID crews are working on forming the walls to the two structures.
5. Clark Pipeline Project: OID crews have placed concrete into the wall section of the structure and are currently working on stripping forms, installing the turnout pipes and backfilling the excavation.
6. Cavill Pipeline Project: OID crews have completed the replacement of the existing concrete pipe with new PVC pipe.
7. Southwest/Cavill Drain Measurement Project: OID crews have completed the demolition of the existing headwall, formed and placed concrete into the new footing, and are currently working on form work for the new headwall.
8. Edwards Pipeline Spill Project: OID crews have completed the form work and have placed concrete into the wall sections of the new structure. OID crews are currently working on stripping forms and backfilling the excavation.
9. The remainder of OID forces are working on routine maintenance tasks, turnout inspections/replacements and other various tasks on OID facilities.

Engineering Activities

1. Land use Conversion – Continuing to work with landowners, tenants, irrigation design companies and Support Services/Water Operations concerning ongoing and future land use conversion projects. Standard land use conversion letters going out on an as needed basis.
2. Processed several Encroachment, Ag. Discharge and Fencing Agreements for Board approval.
3. Continued to work with landowners on encroachment signage and project close-out.
4. Engineering staff and Support Services Manager conducted various landowner meetings to notify landowners of property adjacent to or within the project boundaries of proposed 2013-14 winter projects.
5. Attended the Groundwater Ordinance/Water Stakeholder Workgroup Meeting on November 6th. The Water Resource Manager position was posted and discussion began on formation of a Water Advisory Committee to provide input during implementation of the ordinance and on water issues moving forward.
6. Engineering staff continued review of the turnout affiliation spreadsheets completed by the DSOs during the water season.
7. Completed misc. small parcels analysis and flow calculations as necessary to complete pipeline, SlipMeter and FlumeGate design for 2014 construction and maintenance projects.

8. Completed several Requests for Work Approvals, plans and cost estimates for proposed 2014 winter construction and maintenance projects.

Water Operations Activities

Aq Water

1. Continued to research and respond to irrigation inquiries regarding new connection possibilities, disconnects and past irrigation practices.
2. Continued to research and respond to miscellaneous irrigation and maintenance issues. Completed documentation and coordinated repairs to OID facilities with the C&M Department as necessary.
3. IT/SCADA Coordinator continued to preliminary process to initiate data entry, retrieval and organization for implementation of the STORM software over the winter months.
4. IT/SCADA Coordinator continued winter SCADA maintenance work with his crew members.
5. Initiated winter water and storm water operations.
6. Processed various deep well rental and conveyance channel agreements.

Water Utilities

1. Improvement District No. 41:
 - Pumping Station No. 3 remains out of service due to high turbidity issues.
 - Continued to monitor small leak on the water storage tank at the Well No. 1 Station. The tank remains in service and under observation.
2. Improvement District No. 49 – Water Storage Tank:
 - Continued to monitor leaks on the water storage tank at Pumping Station No. 1. The tank remains in service and under observation.
3. Domestic Water Systems:
 - Monthly Coliform Bacteria water quality samples were collected on Monday, November 4th. No problems were detected and all domestic water systems under OID's jurisdiction are operating without restrictions.
 - Quarterly Nitrate water quality samples were collected on Monday, November 4th.
4. Domestic Water Pumping Stations:
 - Staff continues to conduct weekly inspection, servicing and security checks on the pumping stations. There is nothing unusual or out of the ordinary to report.
5. On-Call Activities:
 - Nothing to Report.
6. Deep Well Pumps:
 - Fall water table levels were collected on Tuesday, November 5th.
7. Irrigation Pumping Stations:
 - Furtado Deep Well Pump – The VFD was removed and was sent in for evaluation on Thursday, August 8th. The site can still be operated by using the MCP.
 - WUD staff has started to conduct routine inspection, servicing and security checks of the irrigation pumping stations used as winter drain pumps.
 - Weimer Deep Well Pump – Was removed from for rental use on Thursday, October 15th.

- Huffman Deep Well Pump – Was reactivated for use by C&M on Wednesday, October 31st.
- Oakdale Deep Well Pump – Was reactivated for rental use on Friday, October 25th.
- Allen Deep Well Pump – Was reactivated for rental use on Monday, November 4th.

Financing Activities

1. Parcel splits for the 2014 ag water billing is complete. It is anticipated that statements will be mailed out the week of November 18th.
2. Met with the Finance Committee on November 13th to review the Miscellaneous Rates and Fees Study and Rural Water Fees.
3. Easement acquisition on the Oak Grove Cemetery property is pending one more signature and is anticipated to be complete by November 15th.
4. Easement acquisitions on Bell and Valencia properties remain pending subrogation information from lending institutes.
5. Easement acquisition on the Eakin property remains pending signage.
6. Attended KFCSD's board meeting on November 14th with GM.
7. Assisted GM in several personnel issues.
8. Finance department continues to be impacted by 1 employee on medical leaves.
9. Preparation of the State of California's Government compensation survey information.
10. Met with OVCB to review credit card fees on customer payments. The District has changed to a new vendor associated with OVCB.

B. COMMITTEE REPORTS

Finance Committee, November 13, 2013

- Discussion on Charges Related to Miscellaneous Rates and Fees for 2014

Director Clark stated that the Finance Committee met and discussed the charges related to miscellaneous rate and fees for 2014 and that this item was previously discussed on the agenda.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Clark

Director Clark stated that there was a tunnel tour on Saturday, November 16, 2013 and thanked Steve Knell and Eric Thorburn for their help with the tour. He stated that the participants were very impressed with the tour and stated that this tour was invaluable to the public.

Director Alpers

Director Alpers stated that the Board's Agendas have been excellent and thanked staff for putting them together. He stated that he is looking forward to the next four years and that the new term starts next month.

At the hour of 11:07 a.m. the meeting adjourned to Closed Session.

CLOSED SESSION
ITEM NO. 16

A. Government Code §54956.8 Conference with Real Property Negotiator

Negotiating Parties: OID and San Luis Delta Mendota Water Agency, Westlands Water District, City and County of San Francisco and State Water Contractors

Property: Water

Agency Negotiators: General Manager and Counsel

Under Negotiations: Price and Terms

At the hour of 11:30 a.m. the meeting returned to open session.

Coming out of Closed Session President Frank Clark stated that there was no reportable action.

OTHER ACTION
ITEM NO. 17

The meeting adjourned at the hour of 11:30 a.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, December 3, 2013 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Regular Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, November 21, 2013 at 9:00 a.m.** in the board room of the Oakdale Irrigation District, 1205 East F Street Oakdale, CA.

Frank Clark, President

Attest:

Steve Knell, P.E., Secretary