

MINUTES

Oakdale, California
January 4, 2005

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

Staff Present: Steve Knell, P.E., General Manager/Secretary
Gary Jernigan, P.E., Support Services Manager
Kathy Cook, Chief Financial Officer
John Davids, Assistant Engineer

Director Taro did not attend the Board Meeting due to an illness.

Director Brichetto arrived at 9:05 a.m.

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

CONSENT ITEMS **ITEMS 1, 2**

ITEM NO. 1 **APPROVE THE BOARD OF DIRECTORS'** **MINUTES OF THE REGULAR MEETING OF DECEMBER 21, 2004**

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to approve the Minutes of the Regular Meeting of December 21, 2004.

ITEM NO. 2 **APPROVE OAKDALE IRRIGATION DISTRICT STATEMENT OF OBLIGATIONS**

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

Director Alpers requested that Item No. 3 be removed from the consent calendar.

ACTION ITEMS
ITEMS 3, 4, 5, 7

ITEM NO. 3
APPROVE DIRECTORS' ABSENCE RELATING TO
COMPENSATION AND BENEFITS- WEBB AND TARO

Director Alpers requested that this matter be placed on the Board's next agenda to amend the District's policy. Director Alpers stated that he did not feel that it was necessary for the Board to approve compensation and benefits every time a Director is ill, or is gone. In the last three years, the Board has never turned down this request.

A motion was made by Director Alpers, seconded by Director Webb, and unanimously consented to approve Directors' absence relating to compensation and benefits, but to also place this matter on the agenda for the next Board meeting to amend the District's policy.

ITEM NO. 4
REVIEW AND TAKE POSSIBLE ACTION ON A CONSIDERATION TO
OAKDALE IRRIGATION DISTRICT'S SUBDIVISION AND PARCEL
MAP POLICY (NORTH DUDLEY PIPELINE – GRAUPNER)

Mr. Karl Graupner, the property owner, has split a 10.10 acre parcel into two 5.05 acre parcels, each capable of irrigating 2.3 acres of land. Under OID's Subdivision and Parcel Map Policy, parcels of 10 acres or less must receive a variance from the Board of Directors in order to continue to receive irrigation water. Mr. Graupner has requested to come before the Board, to request a variance from the aforementioned policy as well as staff's conditions of approval for such a variance as noted in the attached letter to Mr. Graupner, dated November 18, 2004.

Mr. Graupner's property is currently classified as "fallow", however, it historically was irrigated through the use of a private irrigation system originating off the North Dudley Pipeline, a District owned facility. OID has no control over the private pipeline and it is not known how many users irrigate off this private facility. The serviceability of the private pipeline has not been determined and its ability to adequately convey water in a "reasonable and beneficial" manner is in question. In addition to the aforementioned information, the addition of Mr. Graupner's properties poses scheduling conflicts due to an increase in irrigated acres.

Mr. Graupner was first notified of staff's conditions of approval at the November 16, 2004 Board of Directors meeting and again notified through correspondence dated November 18, 2004 (see attached). In a meeting with Mr. Graupner on December 6, 2004 he stated that he understood the conditions of approval, however, he wanted to challenge them on the basis of cost.

As stated in the November 16, 2004 Board Agenda Report and all subsequent correspondence, staff will only support granting a variance if those conditions are met as listed in the attached documents.

Mr. Graupner was present at the meeting and stated that he felt that the cost was prohibitive for what the District is requiring him to do. He sold the piece of property as an irrigable piece of property with OID water. The distance required for the new pipeline makes it prohibitive for him to afford. He requested that the Board reconsider its decision.

After further discussion by the Board and Mr. Graupner, Director Alpers asked Mr. Graupner if he is agreeable to leaving the water on the first parcel and not irrigating the second parcel. Mr. Graupner was agreeable to this.

A motion was made by Director Webb, seconded by Director Brichetto, to allow the parcel split on the condition that Mr. Graupner install a shutoff valve and give the District access to the shutoff valve, and was voted as follows:

Ayes : Webb, Clark, Brichetto
Abstain: Alpers

ITEM NO. 5

REVIEW AND TAKE POSSIBLE ACTION ON A CONSIDERATION TO OAKDALE IRRIGATION DISTRICT'S SUBDIVISION AND PARCEL MAP POLICY (BENTLEY PIPELINE – MURDOCH)

Mr. Murdoch approached the Board at the last meeting regarding his planned 8-Lot property development located along Sierra Road and just west of its intersection with Maag Avenue. Mr. Murdoch's attached letter and map provide a good overview of the situation.

It is the district's current policy to protect active pipelines from being lost to overburdening encroachments as has occurred in the past. However, with OID's intent to abandon the existing Town Water System, the Bentley Pipeline could well be abandoned in the coming year(s). In light of the Board's direction, staff sees the following options to choose from;

- Plan A: Leave the pipeline in its current location and allow development to occur under signed easement documents recognizing OID's rights. There are enough pipelines in backyards in Oakdale to not make this a big impact. Upon final abandonment of the Bentley, OID could quitclaim easements back to landowners.
- Plan B: Relocate pipeline between the yards of Lot 5 and 6 and place pipeline in the street to be reconnected to the Bentley Pipeline at Sierra Road. A grant of easement to OID between Lots 5 and 6 could occur and placement of a fence to separate the two lots could be located to accommodate the pipeline underneath. Upon final abandonment of the Bentley, OID could quitclaim easements back to landowners.
- Require full fencing of OID easement from developer to maintain pipeline access. Upon final abandonment of the Bentley, OID could quitclaim easements back to landowners. There are developer issues with this proposal that Mr. Murdoch may elaborate on.

Mr. Murdoch was present at the meeting and after discussion by the Board and Mr. Murdoch it was recommended that the Board choose Plan A.

A motion was made by Director Clark, seconded by Directors Alpers, and unanimously supported to approve leaving the pipeline in its current location and allowing development to occur under signed easement documents recognizing OID's rights. Upon final abandonment of the Bentley Pipeline, OID will quitclaim easements back to the landowners.

ITEM NO. 6

REVIEW AND TAKE POSSIBLE ACTION ON CHANGE ORDER NO. 3 FROM CONDOR EARTH TECHNOLOGIES RELATED TO THE LONG TERM ALTERNATIVES FOR THE SOUTH MAIN CANAL

Condor Earth Technologies has been contracted to perform an analysis of the South Main Canal for Long Term Improvements. With the presentation to the Board on November 16, 2004, additional work is required for which Condor is requesting a change order to their contract. The additional work not included in the original contract includes additional presentations to the Board, the Water Committee and to OID Staff.

After a brief discussion a motion was made by Director Alpers, seconded by Director Clark to approve the Change Order No. 3 from Condor Earth Technologies in the amount of \$11,500.00, and was voted as follows:

Ayes: Alpers, Webb, Clark
Noes: Brichetto

ITEM NO. 7

REVIEW AND TAKE POSSIBLE ACITON TO ADOPT THE 2005 BUDGET

Staff presented the preliminary 2005 Budget at the Board's November 16, 2004 meeting as a Discussion Item and then again at the December 7, 2004 meeting. At the December 21, 2004 Board meeting the decision on the budget was delayed due to two members of the Board being absent.

Just prior to the December 7th meeting, OID was noticed of the loss in property tax revenues as a result of actions by the State of California. Based on that change, plus a more recent notification on the contract price for the Claribel Project, plus notification of OID's share of the Tulloch Enhancement Reserve Funds, the following 2005 Budget has been recalculated and is submitted for the Board's review and approval.

At the last meeting it was requested that any director with comments to the budget submit their requests/comments etc. so they could be reviewed and discussed at this meeting. One Director submitted comments and those requested budget revisions are included in a Summary Sheet for the Board's use. Those changes reflect not hiring three of the five new

positions proposed in the 2005 Budget. The overall budget would be reduced \$159,275 by this proposal.

Director Brichetto expressed concern about the fact that SSJID is anticipating \$7 million from Tri-Dam and is putting \$7 million into their reserves and OID is pulling \$1.9 million out of reserves. He stated that the Water Resources Plan that we are currently working on should only cost a couple of hundred thousand. He felt that we ought to re-negotiate with CH2M Hill and do a more modest plan that satisfies the State's CEQA process. Administration costs are up due to the shifting of sick time, vacation, and training time being shown as an administration cost rather than being charged to the jobs.

Director Webb stated that we have worked on the budget quite extensively. Most of these items have to come back before the Board for approval. The budget is just a guideline.

Director Alpers stated that the state is taking an additional \$1 million. He also confirmed that we have removed the Condor-South Main Relocation Plan and the Aerial Survey from the 2005 Budget.

Other public comments were received.

A motion was made by Director Alpers, seconded by Director Webb to adopt the 2005 Budget, and was voted as follows:

Ayes: Alpers, Webb, Clark
Noes: Brichetto

ITEM NO. 9 **COMMUNICATIONS**

A. GENERAL MANAGER'S REPORT

Safety Activities

1. OID employees have gone 235 work days without a lost time injury accident.

Administration/Accounting Activities

1. Water Resources Plan Status Report-See attached
2. The Finance Department is busily working to close the 2004 budget year.
3. Meet and confer continues with the non-Union bargaining groups.
4. Reviewing New Laws being mandated in 2005 and how they will impact OID. Looking at Mandatory Sexual Harassment Training for all supervisors.

Water Operations Activities

1. Assisting C&M construction activities.
2. Scope of Work inspections with Engineering Dept.
3. Continue patrolling District facilities – new encroachments and dairy waste.

C&M Operations Activities

1. Work continued on the Campbell Lateral Rehabilitation with bank rebuild, installation of new structures, gunite application between the Headgate and Pleasant Valley Road. Also, work continued on the rehabilitation of Campbell Lateral between Pioneer and Victory road with demolition, installation of new structures and bank rebuild.
2. Corn Box on the Fairbank Lateral poured and stripped. Installation of 36" RCP started, chipping and patching of existing 36" pipe started, and box prepared for water test.
3. Cleaning of the Wills Pond started
4. Mootz Lateral to Pipeline Conversion continued
5. Wills Lateral to Pipeline Conversion continued
6. Glines Pipeline relocation continued
7. The Williams Pipeline replacement was started
8. Clavey Booster Pump Station rehabilitation continued. Drawings received and approved
9. Claribel Lateral Rehabilitation Project had a Kick-Off meeting with Granite Construction. Granite will mobilize on January 10th.
10. Rodden Dam Gate Replacement project started with the dismantling of the SCADA system.
11. Maintenance and cleaning operations on Rodden Reservoir were completed

Engineering Activities

1. Revision of Subdivision and Parcel Map Policy
2. Cometa crossing over SSJID design
3. Development of "Phased Implementation Plan" as it pertains to town water
4. Continued construction inspection throughout the District

Water Utility Activities

1. Routine pump maintenance continues.

B. COMMITTEE REPORTS

None.

At 10:00 a.m. the Board of Directors welcomed participation by the public in the meeting.

ITEM NO. 10 PUBLIC COMMENT

Mr. Burtschi stated that he did not have any comments, but he would like to be better informed on the Tri-Dam Project. Thereafter, he directed several questions regarding the Tri-Dam Project to the Board Members, which were all answered. Director Webb advised Mr. Burtschi that the Sandbar contract for the capacity has been extended and is worth probably \$1 to \$1.5 million per year, and Director Brichetto advised Mr. Burtschi that the Coordinated Operations Agreement was concluded.

Mr. Edge asked if there had been any decision regarding the repayment of the compensation paid by Tri-Dam to the Directors of OID and SSJID. Director Clark stated that it was the opinion of the SSJID's attorney that the money did not have to be paid back.

ITEM NO. 9
COMMUNICATIONS

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Webb

Director Webb stated that he would like us all to look forward to the next year and would like to state a few things that he believed we need to work on in the next year.

- Director Webb stated that at the top of anyone's list should be the constituents and the tax payers and making sure that the water delivery is up to par this season. If it is not, then the Directors need to check and make sure that the problems are brought to somebody's attention. The utmost thing that this District needs to be aware of and keep in mind is the water rights. Without water rights this District is nothing. He stated that he thought the District is going in the right direction, and that the infrastructure has been neglected for years and years. He stated that it was not neglected through the part of any Director or the management, but because we did not have the funds to fix it. He stated that he thinks we are on the right road, we have some good staff, and we are working in the right direction to fix our infrastructure. However, he stated that it is going to take quite a while, but we are going down the right road.
- He stated that in the next year he would like to see the District work a little closer with the constituents on water quality. The environmentalists are going to be after all of the Districts on water quality issues. Director Webb stated that we need to stick together on the water quality issue and work towards some kind of closure down the road. Whether it be by having a closed system at the end where OID pumps all of the water back and uses it themselves, or something else, but we are going to have to address the water quality issue. He stated that you can see it coming; it is in the newspaper all of the time, and they are not going to give up on it.
- Director Webb stated that he thinks we need one more consultant. He stated that this district, along with MID, maybe TID, and the upstream diverters of water may want to look into hiring a lobbyist in Sacramento simply due to the fact that all of the people in Sacramento are looking around for any way that they can make a buck. He stated that he heard that that they are going to try and revive charging you per acre foot to divert your own water. His greatest fear is that once they start that and they charge you a dime an acre foot, next year it's a dollar an acre foot, the next year its ten dollars an acre foot, next we are going to tack something on for a water resource fine on the delta, and pretty soon you are not going to be able to afford to divert your own water.
- Lastly Director Webb stated that the new contract with PG&E is a good contract and that our consultants and the outside attorneys that have looked at the contract think that we did the best that we could do. He stated that we need to track that contract and make sure it is going the way that we perceived it would go, that we are making the amount of money that we thought we were going to make, and if there are any

changes to be made at the end of that contract we either go with somebody else or make sure we change the contract.

Director Alpers:

Mr. Alpers read a portion of an article from the *Capitol Press* regarding new water legislature.

- Director Alpers stated the reason that he read this article is because of the point that was discussed on water rights. Director Alpers thought it would be a good idea for the Board members to summarize where they believe the District is trying to go with the Water Resource Plan. Director Alpers feels that it is to bring OID up-to-date and into the 21st century. The population is going to double in this area in the next forty years, maybe triple and he thinks water issues are quite important. Director Alpers went on to say the water rights are becoming more important and more complicated as environmental pressures increase. First and foremost, we have to protect our OID constituents who over the past 80 years built and paid for the system, assets, and the water rights. We have to guarantee sufficient water for their needs, improve delivery infrastructure and more. We need financial stability to finance what we are going to need: a delivery system, canal upgrades, and perhaps a tunnel project. We need a lot of things. Director Alpers feels that one of the most important things is the drainage system recovery, protection of our table water, and minimization of our canal losses. He stated that we need to meet water quality demands, Ag waiver, and TMDL's in the water. He stated that political pressures are going to get stronger from the environmentalists in their demands.
- Director Alpers went on to state that there are two other key issues: one is domestic water in the East Stanislaus area, particularly those that contribute to OID; and the second thing is annexation. It is quite logical that OID will annex land both in the East and to the North. As we accomplish our upgrades to our system and prove that we have sufficient extra water this will be a positive course for OID to take. First and foremost we have to protect our present OID constituents and their water rights.

Director Bricchetto

- Director Bricchetto thanked the Board members for their comments today. He stated that he felt the best way to protect the water rights is to use our water properly. The Board is going to have to have some stronger policies on drainage along with a consulting hand for on farm conservation. Coupled with some Prop 50 money, some new equipment, and hopefully a little money from OID it would make a good farm partnership.

Director Clark

- Director Clark stated that he thought everything that the three Directors said could be found in our water resources plan whether we support the plan or we don't support the plan. Director Clark stated that the water resources plan that we are trying to develop is being done for one reason and that is to protect our farmers,

protect our agricultural way of life and that is why it is being done. He stated, we talk about water conservations, we talk about the quality of water, and we talk about water rights. He stated that he thinks those are the three key things that are facing the district. Director Clark stated that as we speak the state legislature are trying to figure out a way to fund the Bay Delta Program and there is no question that they have not been able to come up with the funds that they need which is billions of dollars and they are going to put that funding on the back of the rate payers and they are not going to go after the farmers they are going to go after the irrigation districts to do it. Director Clark stated that he thinks like Steve Webb that they are going to put so much money on every acre of water we divert. So does the district try to come up with the money somehow to pay for that or with Tri-Dam money or do you put that burden back on the farmer? He stated hopefully you are not going to put it back on the farmer. Therefore, we have to be more innovative in how we spend our money. He stated that we've heard some comments today about how we don't spend our money wisely and maybe in some part that is true but we try to spend it as wisely as we can. Director Clark stated that he is putting his confidence in the water resource plan and when it is done we are going to be able to conserve our water and we are going to be able to do annexation, and we are going to be able to generate some money, quite frankly, through some water sales because this whole project as he sees it is going to cost in the millions and millions of dollars and you are not going to pay for it with Tri-Dam, you are going to have to sell some water for a couple of reasons. He stated, you are going to have to sell water to maintain capital to do these projects just as the Board has done in the past, and you are going to have to sell water to appease a lot of people who want our water that think we are stingy for not sharing our water, we are wasting our water – that cannot go on, we have to show that we are willing to share our water. Director Clark stated that he would rather share our water and get paid for it then have somebody take our water and get nothing for it.

ITEM NO. 11
CLOSED SESSION

The meeting was adjourned at 10:25 to closed session for the performance evaluation of the General Manager.

At 10:45 a.m. the closed session was adjourned and was returned to the regular meeting.

A motion was made by Director Alpers, seconded by Director Webb, to accept the evaluation and the recommendation for the salary increase of 7.2% for 2005 calendar year and that the evaluation is amended to include an additional item under goals and objectives for 2005. This goal states that the annexation process for those out of district water users that have been approved be completed for annexation in 2005, and was voted as follows:

Ayes:	Alpers, Webb, Clark
Noes:	Brichetto

At the hour of 10:47 A.M. a motion was made by Director Alpers, seconded by Director Webb and unanimously supported to adjourn to the next **regular Board of Directors' Meeting** to be held on **Tuesday, January 18, 2005 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, January 20, 2005** at 9:00 A.M. at the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Attest:

Steve Knell, P.E.
General Manager/Secretary