

## **MINUTES**

Oakdale, California  
August 19, 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 9:15 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, P.E., 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**

General Manager Steve Knell requested that Action Item No. 13 be pulled from the Agenda.

### **ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE**

There were no items taken out of sequence.

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.

### **PUBLIC HEARING ITEM NO. 2**

President Jack Alpers asked if there was anyone present who would like to make a comment on the Cape Horn Tunnel Rehabilitation Project.

There being no one present to comment on the Cape Horn Tunnel Rehabilitation Project, the comment period will close today at 5:00 p.m. The public hearing was closed.

Director Frank Clark requested that Item No. 4 be pulled from the Consent Calendar. Director Al Bairos, Jr., stated that he also had a question regarding this Item No. 4.

**CONSENT ITEMS**  
**ITEM NOS. 3, 5, 6**

**ITEM NO. 3**  
**APPROVE THE BOARD OF DIRECTORS'**  
**MINUTES OF THE REGULAR MEETING OF AUGUST 5, 2008**  
**AND RESOLUTION NOS. 2008-35, 2008-36, AND 2008-37**

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of August 5, 2008 and Resolution Nos. 2008-35, 2008-26, and 2008-37.

**ITEM NO. 5**  
**APPROVE IMPROVEMENT DISTRICT**  
**STATEMENT OF OBLIGATIONS**

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

**ITEM NO. 6**  
**APPROVE TREASURER AND CHIEF**  
**FINANCIAL OFFICER'S REPORT FOR**  
**THE MONTH ENDING JULY 31, 2008**

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

**ACTION CALENDAR**  
**ITEM NOS. 4, 7, 8, 9, 10, 11**

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

Director Clark asked why the District was purchasing cattle gates/hooks from Escalon Feed and Supply. Support Services Manager Jason Jones stated that they were cheaper to purchase from Escalon Feed and Supply. Director Clark stated whenever possible the Board would like the District to buy things locally.

Director Bairos asked how often the District rented the flatbed truck. Water Operations Manager Kevin King stated that this truck is used to carry the Magnicide tanks from May through September.

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

**ITEM NO. 7**  
**REVIEW AND TAKE POSSIBLE ACTION ON**  
**BEING A PARTICIPANT SPONSOR IN THE STANISLAUS**  
**ECONOMIC DEVELOPMENT AND WORKFORCE ALLIANCE**

At the August 5, 2008 meeting the Board heard from James Grunke, Project Manager for the Stanislaus Economic Development and Workforce Alliance, on the value of being a participant sponsor. After the presentation, the Board directed staff to place this matter on the action calendar for the next meeting.

Bill Bassett, CEO for the Stanislaus Economic Development and Workforce Alliance was present at the hearing to answer any questions.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to pledge \$10,000 this year and to revisit this request each year for the next four years.

**ITEM NO. 8**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**ON AWARD OF BID ON THE CAPE**  
**HORN TUNNEL REHABILITATION PROJECT**

Staff solicited bids for the Cape Horn Tunnel Rehabilitation Project for Phase I and III from ten (10) contractors. From the ten (10) contractors five (5) bids were received from Beck Enterprise, Drill Tech, JohnsonWestern Gunite, Magorian Mine Services and Merco Western. Bids were opened at 3:00 PM on August 6, 2008. The low bidder was Drill Tech Drilling & Shoring, Inc. of Antioch, CA.

Staff recommends Drill Tech Drilling & Shoring, Inc. as the lowest qualified bidder on the Cape Horn Tunnel Rehabilitation Project in the amount of \$3,105,901.00. The bidder's ability to perform was review by both staff and Condor Earth Technologies.

Drill Tech's plan is to mobilize on or about September 15, 2008 and complete before Christmas. They intend working 24 hours per day to avoid the rain as much as possible.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to award the bid to Drill Tech in the amount of \$3,105,901.00 thereby authorizing the General Manager to execute the contract with Drill Tech.

**ITEM NO. 9**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**ON AWARD OF BID ON LITTLE JOHN**  
**CREEK DAM REHABILITATION PROJECT**

Staff solicited bids for the Little John Creek Dam Rehabilitation Project from eight (8) contractors. From the eight (8) contractors three (3) bids were received from Tiechert Construction, Conco West and Sierra Mountain Construction. Bids were opened at 2:00 PM on August 12, 2008. The lowest bidder was Tiechert Construction.

Upon evaluation, Staff recommends Tiechert Construction, Inc. as the lowest qualified bidder for the Little John Creek Dam Rehabilitation Project in the amount of \$271,363.00.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to award the bid to Tiechert Construction, Inc., in the sum of \$271,363.00 thereby authorizing the General Manager to execute the contract with Tiechert Construction, Inc.

**ITEM NO. 10**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**ON CHANGE ORDER NO. 4 TO 2006-PSA-004 FOR**  
**THE CAPE HORN TUNNEL REHABILITATION PROJECT**

In July, the Board requested Staff to include Phase III Work of the Cape Horn Tunnel Rehabilitation Project to the Phase I work. On July 10, Condor Earth Technologies (Condor) was advised of OID's intent to increase the Scope of Work for the Phase I construction. Condor was instructed to revise the bid documents, drawings and specifications to incorporate this work by addendum to the Bid Package already sent to bidders. In addition, Condor was asked to submit a proposal to provide the additional services. Initially, Condor submitted a proposal for this work on July 24, 2008. After reviewing the proposal, OID asked Condor to revisit their proposal and resubmit. The revised proposal decreased the amount by \$13,000 for the revised Scope of Work.

Change Order No. 4 includes the additional services to revise the drawings, specifications and issue the addendums necessary for the additional work. Upon Staff review of Change Order No. 4, Condor's revised costs are reflective of the level of effort for the additional Scope of work.

The total cost to perform the engineering, plans, specifications and bid documents is \$266,456.90. The engineering cost is 8.58% of the construction cost of \$3,105,901.00. Typically, and in line with our WRP, engineering costs are 17% of the total construction cost. The Cape Horn Tunnel Rehabilitation Project engineering costs should be approximately \$528,000 for this project based on the WRP and OID Standards.

The following is an accounting of the Change Orders to this Contract:

Original Contract Price	\$118,360.00
Change Order No. 1 – Flow Monitoring	2,526.90
Change Order No. 2 – Provide CEQA assistance	10,000.00
Change Order No. 3 – Final Design & Bid Documents	53,400.00
Change Order No. 3 Rev 01 – Add/Deletion of Scope	18,962.00
<u>Change Order No. 4 – Add Phase III to Project Scope</u>	<u>63,208.00</u>
New Contract Price	\$266,456.90

Staff recommends the Board approve Change Order No. 4 in the amount of \$63,208.00. This work was originally scheduled for 2009 and was not in the Budget for 2008.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to authorize Change Order No. 4 to 2006-PSA-004 in the amount of \$63,208.00 to Condor Earth Technologies for the Cape Horn Tunnel Rehabilitation Project.

**ITEM NO. 11**  
**REVIEW AND TAKE POSSIBLE ACTION**  
**ON CHANGE ORDER NO. 5 TO 2006-PSA-004 FOR**  
**THE CAPE HORN TUNNEL REHABILITATION PROJECT**

Condor Earth Technologies (Condor) were requested to provide Construction Management services for the construction of the Cape Horn Tunnel Rehabilitation Project. Construction Management Services will be necessary to assure the Contractor is meeting the contract requirements and the construction is in compliance with the drawings and specifications. Condor will provide the Site Resident Engineer, technical support, perform submittal and request for information reviews, daily reporting, change management, material testing services, etc. necessary for a Construction Management program.

Change Order No. 5 consist of three tasks, Task 1 - Pre-Construction and Contractor Mobilization Phase, Task 2 – Construction Phase and Task 3 – Post Construction. The cost for Change Order No. 5 is \$556,253. This amount represents 17.9% of the Construction Costs. Typically, Construction Management Services vary between 7% - 12% with a average of 10% used throughout the industry. “Means” Building Cost Data estimates the cost for Construction Management Services to be an average between 4.5% - 7.5% for projects ranging between \$1.0 Million and \$50.0 Million. Due to the fact the project will be working a 24/5 schedule will increase the CM costs by 25% - 40%. The cost submitted by Condor is on the high side but any cost not spent will be credited to OID.

The following is an accounting of the Change Orders to this Contract:

Original Contract Price	\$118,360.00
Change Order No. 1 – Flow Monitoring	2,526.90
Change Order No. 2 – Provide CEQA assistance	10,000.00
Change Order No. 3 – Final Design & Bid Documents	53,400.00
Change Order No. 3 Rev 01 – Add/Deletion of Scope	18,962.00
Change Order No. 4 – Add Phase III to Project Scope	63,208.00
<u>Change Order No. 5 – Construction Management</u>	<u>556,253.00</u>
New Contract Price	\$822,709.90

Staff recommends the Board approve Change Order No. 5 in the amount of \$556,253.00. The Budget per the WRP for Construction Management is \$863,200 for all phases of the project.

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to authorize Change Order No. 5 to 2006-PASA-004 in the amount of \$556,253.00 to Condor Earth Technologies for the Cape Horn Tunnel Rehabilitation Project.

**DISCUSSION ITEMS  
ITEM NOS. 12, 13, 14, 15, 16**

**ITEM NO. 12  
DISCUSSION/PRESENTATION BY CORY  
FARWELL OF HIGHMARK CAPITAL MANAGEMENT**

Highmark Capital Management, Inc. will review the District's 2008 second quarter investment portfolio.

Cori Farwell was present and reviewed the District's 2008 second quarter investment portfolio.

**ITEM NO. 13  
DISCUSSION/PRESENTATION BY CH2M HILL  
ON STATUS OF CEQA COMPLIANCE FOR  
FOR CAPE HORN TUNNEL AND OTHER PROJECTS  
BEING IMPLEMENTED UNDER THE WATER RESOURCES PLAN**

Both Greg Eldridge and Mark Oliver will be present for this item. A PowerPoint presentation will be made.

This item was pulled from the Agenda.

**ITEM NO. 14  
DISCUSSION ON ADDING PHASE II TO  
THE SCOPE OF WORK ON THE CAPE  
HORN TUNNEL REHABILITATION PROJECT**

Staff solicited bids for the Cape Horn Tunnel Rehabilitation Project with the low bid being \$3,105,901 for the Phase I and III construction work. Staff would like to discuss the addition of Phase II to the Phase I and III Scope of Work. The reasons are as follows:

- Phase II consists of the Upstream Portal and the first 525 feet downstream of the Upstream Portal. By including this work with the Phase I and III Scope of Work, all of the "very high" hazard and approximately 90% of the "high" hazard areas would be rehabilitated.

- The estimated cost for this work as a stand-alone project is \$1.75 million. Including Phase II with Phases I and III construction would save approximately \$400 thousand on the contractor's mobilization/demobilization, storm water management and construction management costs for an estimated total cost of \$1.35 million

Staff will be obtaining quotes for the Phase II work from Drill Tech Drilling & Shoring, Inc. and Condor Earth Technologies to present to the Board for consideration.

The Board requested that this item be placed on the Agenda for September 2, 2008 as an action item.

**ITEM NO. 15**  
**DISCUSSION ON STATUS**  
**OF THE IRRIGATION SEASON**

Currently, barring any unforeseen changes, the 2008 irrigation season will end on September 30<sup>th</sup>, at the conclusion of Rotation 16. To make our water budget, we are currently on our last 12 day rotation, and will finish the remainder of the season on 14 day rotations. The end of the irrigation season ends OID's water availability for 2008 and all waters delivered after September 30<sup>th</sup> are charged to OID's 2009 water usage.

This item is on the agenda for the Board to discuss the use of water in October. Last year the Board approved an October rotation which equated to 15,600 acre-feet of 2008 supply. In addition to the October commitment, the District's 2009 supply was impacted by the Bureau of Reclamation only allocating 583,000 acre-feet, which left a total deficit of 24,600 acre-feet before the water season started in March. Staff believes it is prudent to consider no October water and protecting next year's supply as much as possible for use during a time of maximum benefit to the crops.

Reasons for such a consideration are highlighted below:

- Cropping within the District is early this year, meaning demand in October would provide only a slight benefit to a limited number of growers
- In all likelihood we may be facing a multi year drought. There have been no indications that this winter will be any wetter than last winter. If the dry conditions persist, it will be more beneficial to have 15,000 acre-feet next summer than using it this fall.
- If surplus water does exist this year OID should consider buying a Warren Contract for storage in New Melones for water use in October 2009.
- Beginning the Construction & Maintenance season the first of October could save the District \$50,000 in overtime labor costs.
- The Cape Horn Tunnel work and the Johnny Creek Diversion work could have some significant change orders due to wet weather. If contractors are able to start two weeks earlier the avoided costs could amount to several hundred thousand dollars.

Water Operations Manager Kevin King discussed the status of the irrigation season

**ITEM NO. 16**  
**DISCUSSION ON BUSINESS ITEMS AS**  
**THEY APPEAR ON THE TRI-DAM BOARD**  
**AGENDA FOR THURSDAY, AUGUST 21, 2008**

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

General Manager Steve Knell stated that there is going to be a show of force from the developers' group to pressure the Board into acquiescing to the Tulloch Improvement Plan and from the individuals opposed to this plan.

Director Alpers stated that everyone needs to review the information regarding the power contract that was provided by Steve Felte before Thursday's Tri-Dam Board Meeting.

**ITEM NO. 17**  
**COMMUNICATIONS**

**A. GENERAL MANAGERS REPORT**

**Safety Activities**

1. 90 days without a lost time injury accident.
2. A dog-day is scheduled for August 22<sup>nd</sup>

**Administration Activities**

1. Legal or Pending Issues;
  - a. Goad –At the August 9<sup>th</sup> hearing Goad's Attorney stated that Goad's engineer had not yet reviewed the plans. He lost them. The Court gave Goad another week to comply.
  - b. Knight's Ferry – Discovery has consumed staff's time
  - c. Chappell Drain- No change
  - d. Clark Pipeline- No change
  - e. Ed Perez and OE3 vs. OID- No change
  - f. Cahoon Property: Steve Cahoon given until August 15<sup>st</sup> to vacate OID right of way
  - g. Ohe Access-Ijams and GM have not yet met.
  - h. Gregg Case-no change
2. Admin Issues;
  - a. Interviewed for Fleet Mechanic position.
  - b. Meeting with the City of Modesto on the 20<sup>th</sup>

**Contract and Special Project Activities**

1. Letter Received from RTC wanting concessions from OID on the amount to be paid. Letter to be discussed in Closed Session and a response drafted.
2. Cape Horn Tunnel Rehabilitation Project Bids were received and the apparent low bidder is Drill Tech Drilling & Shoring from Antioch, CA. Meeting held with Condor, Drill Tech and OID to discuss construction execution plan, mobilization and submittals required. Presently, Drill Tech is planning to work two (2) shifts of 12 hours each. They are planning to finish before Christmas. Notice of Award will be issued on or about September 4, 2008 with a Notice to Proceed on September 15, 2008 with



Submittals and temporary construction. It will take 30 days to complete the temporary work to be ready once water is out of the system.

3. Little Johns Creek Dam Rehabilitation Project bids were received and the apparent low bidder is Teichert Construction. The Notice of Award will be issued on or before August 28, 2008 with the Notice to Proceed to be issued on or before September 4, 2008. Contractor is to be mobilized and ready for work on October 1, 2008. eight (8) contractors.
4. CH2MHILL still in discussion on CEQA documents with DFG for the Cape Horn Tunnel. There is an issue on Vernal pools located around the downstream Portal of the Cape Horn Tunnel.
5. The RMP Compliance Audit contract was finalized and sent to Tracer. Derek Davis to coordinate Kick-off meeting with Tracer.
6. Allen Waggoner Construction for the ID #52 System Distribution Replacement Project started work on August 5, 2008.
7. Bid preparation for the Riverbank/South Rehabilitation, Fairbanks Lateral Crossing at SSJID and the Fairbanks/Cometa Drop 8 Rehabilitation Projects are being packaged up now to send out on or before August 26, 2008.
8. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
9. Project coordination with Engineering Consultants

### **Construction & Maintenance Activities**

1. Routine C&M Summer maintenance
2. Received (2) new crew trucks from Haidlen Ford- Auto shop/welding shop started on fabrication /outfitting process.
3. Met with A-Z bus sales regarding ARB Emissions Grant
4. Promoted Jeff Stokes to the position of "Welder"
5. Posted Out of house for two (2) Temporary Construction/Maintenance Workers
6. On-going constructability review of 2008/2009 Capital Projects
7. Review Job-Set Up Forms
8. Review of potential dirt sites
9. Started preparation for upcoming 2008/2009 winter construction season.

### **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. Met with Basic Resource (parent company for George Reed) as it pertains to access across the Tulloch Pipeline for a potential long term mining operation with Mr. Cozort.
8. 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. Met with DFG on 7/30/08 to discuss the Streambed Alteration Agreement and submitted additional information as requested to DFG on 8/7/08. Met with Mrs. Maino on 8/14/08 regarding the project and obtaining a 30' PG&E easement. No issues appear to be present with Mrs. Maino.
  - d. Riverbank/South Rehabilitation Project – 90% Design Drawings Complete. Began landowner meetings on 8/13/08 and have met with two (2) of the four (4) landowners involved to date
  - 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
9. Service Standard Review.
  10. Performance Evaluation preparation.
  11. Continued North Side Reservoir project management. DOC comments received and meeting with STANCO on 7/16/08. Finally received a call back from DOC on 8/8/08, but have not heard from P&P yet concerning the outcome (project manager on vacation).
  12. Conde's CEQA package is complete. Site visit to support the Notice of Exemption is also complete. Letter sent to Conde's identifying the outstanding conditions of approval and that compliance must be obtained prior to the Board of Directors approving the CEQA resolution.

### **Water Operations Activities**

1. ID 52 notice on construction schedule & work plan hand delivered on Friday, August 8<sup>th</sup>
2. ID 46 pump #2 back in service – claim form being prepared for submission to PG&E
3. Currently on 12 Day Rotations
4. Working on operational issues on the Van Norman Pipeline
5. Preparing 2009 Budget items
6. Preparing work orders for winter construction season
7. Assisting with data preparation for Knight's Ferry Interrogatory
8. Various Landowner meetings

### **B. COMMITTEE REPORTS**

There were no Committee Reports.

### **C. DIRECTORS' COMMENTS/SUGGESTIONS**

Director Taro – Director Taro asked what the Board's feeling is on the Peripheral Canal because this issue is going to come up tomorrow at the San Joaquin Flood Control meeting.

Director Bairos – Director Bairos had no comments.

Director Clark – Director Clark had no comments.

Director Webb – Director Webb had no comments.

Director Alpers – Director Alpers stated that he agreed with Director Taro regarding the Peripheral Canal and feels that the canal is an answer to OID's concerns. He stated that the San Joaquin Flood Control Committee is highly in support of not getting tough with the people who are taking water out of the Delta that do not have water rights. Director Alpers feels that it is time to get tough on these individuals.

Director Alpers also stated that the District needs to resolve the issues with Mr. Cahoon, Mr. Conde, and RTC. The District has been dealing with these issues for several years.

At the hour of 11:12 a.m. the Board moved to Closed Session.

**CLOSED SESSION**  
**ITEM NO. 18**

**A. Government Code §54956.9(b) Anticipated Litigation**  
One (1) Case

At the hour of 11:25 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. 19**

At the hour of 11:25 a.m. the meeting was adjourned to the next **Board of Director's Meeting on Tuesday, September 2, 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, August 21, 2008 at 9:00 a.m.** in the Board Room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, California.

\_\_\_\_\_  
Jack D. Alpers, President

Attest:

\_\_\_\_\_  
Steve Knell, P.E., Secretary