

MINUTES

Oakdale, California
July 7, 2009

The Board of Directors of the Oakdale Irrigation District invited all to recite the Pledge of Allegiance and then met in Regular Session at the hour of 9:00 a.m. Upon roll call, there were present:

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

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

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions to the Agenda

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

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. and the Board Meeting continued.

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

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE SPECIAL MEETING OF JUNE 23, 2009
AND RESOLUTION NOS. 2009-40, 2009-41, AND 2009-42

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Special Meeting of June 23, 2009 and Resolution Nos. 2009-40, 2009-41 and 2009-42.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE BOARD ATTENDANCE AND DISTRICT
PARTICIPATION AS A SPONSOR AT THE ACWA
2009 FALL CONFERENCE IN SAN DIEGO, CALIFORNIA

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve Board attendance and District participation as a sponsor at the ACWA 2009 Fall Conference in San Diego, California.

ITEM NO. 5
APPROVE RESOLUTION SELECTING FOUR (4)
CANDIDATES TO THE SDRMA BOARD OF DIRECTORS

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Resolution Selecting Four (4) Candidates to the SDRMA Board of Directors.

ITEM NO. 6
APPROVE PROFESSIONAL SERVICES AGREEMENT FOR
KLEINFELDER WEST, INC., ENVIRONMENTAL
AND GEOTECHNICAL/MATERIALS CONSULTANT

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the Professional Services Agreement for Kleinfelder West, Inc., Environmental and Geotechnical/Materials Consultant.

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

A motion was made by Director Webb, seconded by Director Bairos, and unanimously supported to approve the General Services Agreements for various vendors and/or contractors (North Coast Laboratories, LTD., D & L Concrete Pumping, Maxim Crane Works, LP, Pape Machinery, Glendel Corp., dba Roto-Rooter, Valley Air Conditioning – Maintenance, Crimetek Security Services, and Overhead Technology, Inc.).

ACTION CALENDAR
ITEMS NOS. 8, 9, 10, 11, 12, 13

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION
ON A REQUEST TO CANCEL PENALTIES
(APN: 010-032-006 – MARK COOK, M.D.)

Mark Cook, MD, a rural water customer in OID's RWS (formally ID52) residing at 9600 Allende Lane, is requesting that the \$6 late payment fee and \$12 15-day notice fee that was applied to his account be cancelled. In his June 23, 2009 correspondence, Dr. Cook states that he has been paying five (5) months in advance on his account as he is out of the country for extended periods of time. District records show that in February 2009 Dr. Cook paid 2-months past due charges and approximately 3-months of charges in advance. The advance payment in the third month was short by \$16.64; which caused the aforementioned penalties to be applied.

In accordance with Water Code section 26000, the Board shall order the treasurer to cancel or modify, as may be proper, an assessment when it finds that any property has been either:

- (a) Assessed in any year more than once.
- (b) Assessed by reason of a clerical error for more than its full cash value.
- (c) Computed for assessment on an excessive acreage.
- (d) Assessed while not in the district.

The fees being assessed cover staff's time in securing payment. OID has billed the RWS for these expenses already. If the fees are waived the Board passes these costs to all users in OID's RWS.

Director Taro recused himself from this agenda item.

A motion was made by Director Clark and seconded by Director Bairos to approve the request to cancel penalties and was voted as follows:

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

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION
ON AVAILABILITY OF ADDITIONAL WATER FOR
OUT-OF-DISTRICT LANDS (APN: 010-040-005 – CHARLIE SMITH)

The District has received an additional request for an out of district service agreement. The details of the potential agreement are listed below:

1. Charlie Smith – APN: 010-040-005
 - a. The total acreage to be irrigated outside of the District boundaries is 6.5 acres.
 - b. Water demand is estimated at 5.0 acre-feet per acre, totaling 32.5 acre-feet.
 - c. Parcel would be assessed the per acre out of District rate for the 2009 irrigation season.
 - d. Parcel has had an out of District agreement in the past. However, in 2008 the landowner was informed that no future agreements would be executed.
 - e. The subject parcel has been receiving water without authorization during the 2009 irrigation season.

A motion was made by Director Alpers and seconded by Director Webb to charge Mr. Smith for the full ten (10) acres at the out-of-district rate and was voted as follows:

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

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION
TO INCREASE THE HOURLY RATES
FOR O'LAUGHLIN & PARIS, LLP

The services provided by Water Counsel in defense of OID's water rights since the early 1990s has been without question, beneficial to the OID and its constituents. Mr. O'Laughlin has been instrumental in securing financially beneficial arrangements on the sale of surplus water that has netted OID millions of dollars in revenues. Had those transactions not taken place, OID water rates would not be some of the lowest in the State.

By industry standards, Mr. O'Laughlin's rates for legal representation are well, if not below, that of his peers operating in the same professional area of practice. For these reasons, Staff recommends the proposed changes in rates outlined in Mr. O'Laughlin's email of June 19, 2009. Mr. O'Laughlin's hourly rate in October of 2002 was \$170 per hour. In January of 2005 Mr. O'Laughlin's hourly rate was increased to \$200 per hour. In January of 2008 Mr. O'Laughlin rate was \$225 per hour.

Mr. O'Laughlin is also proposing a change in rates that is reflective of the attorneys experience in his office. This should help in keeping costs lower as he brings on new attorneys to meet the multiple of water issues being addressed.

A motion was made by Director Webb, seconded by Director Alpers, and unanimously supported to increase the hourly rates for O'Laughlin & Paris, LLP, as follows:

Tim O'Laughlin	\$300/hr.
Bill Paris	285/hr.
Ken Petruzzelli	225/hr.
Katie Shea	165/hr.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION
ON PURCHASE OF NEW ENTERPRISE SOFTWARE

The District's current accounting software developed by Argos Software (located in Fresno) was purchased in 1996. This software is a DOS based program which has limited flexibility, is not user friendly, does not support all departmental needs, and has out-lived its useful life.

Staff researched software from two companies:

1. Insight - developed by Argos Software (the vendor of the District's current software, ABECAS)
2. Springbrook - developed by Springbrook Software

To aid in the evaluation process, District staff developed criteria needed to meet the District's objective, the following criteria are presented below in order of priority:

1. Fully integrated software
2. Customer support
3. Ease of use
4. Interface with other software applications (GIS, mail merge, etc.)
5. Customization needed
6. Cost

While the two software programs consist of many of the same modules, processes, and are both user friendly; there are some significant differences.

1. GIS:
 - a. Argos does not currently provide a GIS interface and will need to customize their software. Customizing the Argos software to accomplish the GIS interface is risky. Moreover, software customization, in general is resource draining from a time and cost perspective.
 - b. Springbrook has provided the GIS interface for 10+ years and is used by many other local governments.
2. Customization:
 - a. Argos will also need to customize the District's annual Ag irrigation water billing.
 - b. No immediate customization is needed with Springbrook.
3. Customer Support:
 - a. Argos has 4 customer support staff and a total of 25 employees in-house.
 - b. Springbrook has 12 customer support staff and a total of 100 employees in-house.

4. Clientele strategy:

- a. Argos developed its software to focus on agriculture, warehouse, and freight businesses.
- b. Springbrook developed its software solely to meet local government needs.

The attached proposals were submitted and reviewed by the Finance Committee on June 26, 2009. The Finance Committee and staff recommend the purchase of Springbrook Software:

1. Springbrook is privately held and develops, markets, implements, and supports finance accounting and customer information systems software solutions for local governments, utilities, and special district *exclusively*.
2. Springbrook has provided the GIS interface for over 10+ years to its clients.
3. Springbrook provides a level of control through its "Work Flow Process" that stream lines many of the District's approval processes.

A motion was made by Director Bairos, seconded by Director Webb, and unanimously supported to approve the purchase of Springbrook Software.

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION TO AMEND
P.R.&R. SECTION 8B(c)- ADDITIONAL
COMPENSATION – SAFETY COORDINATOR

Section 8, B. (d), of OID's P.R.&R.s, adopted in 1995, authorizes the General Manager to appoint and set the level of compensation for the Safety Coordinator. On April 18, 2006, the P.R.&R's were amended authorizing the General Manager to approve up to \$3.00 per hour above the base wage. Staff is requesting that the policy be changed to authorize the General Manager to approve up to \$6.00 per hour above the base wage.

After a brief discussion a motion was made by Director Bairos, seconded by Director Clark and unanimously supported to refer this matter to the Personnel Committee.

ITEM NO. 13
REVIEW AND TAKE POSSIBLE ACTION TO AUTHORIZE
THE GENERAL MANAGER TO INITIATE A MOU WITH
THE CALIFORNIA HIGHWAY PATROL FOR USE OF
OID FACILITIES FOR A BUS INSPECTION ON VARIOUS DATES

The California Highway Patrol has requested the use of OID facilities for bus inspections. These would be Saturday events only and use would be restricted to the front office area with access to Johnson Street. The agencies would enter into an MOU to protect OID from damages.

Staff is seeking Board approval to enter into such an agreement and authorize the GM to execute said agreement.

A motion was made by Director Webb, seconded by Director Taro, and unanimously supported to authorize the General Manager to Initiate a MOU with the California Highway Patrol for use of OID facilities for a bus inspection on various dates.

**DISCUSSION
ITEM NO. 14**

**DISCUSSION ON RELEASE OF LIABILITY AND
TEMPORARY PERMIT FOR USE OF "IRRIGATION &
DRAINAGE WELL USE" AND "CONVEYANCE CHANNELS"**

Director Webb requested this policy be brought before the Board of Directors.

Director Webb stated that he would like the Water/Engineering Committee to review the language contained in the release. Director Webb stated that a lot of the language contained in the release does not apply to those individuals who are using the pump for irrigation purposes. The Directors agreed that this release should be referred to the Water/Engineering Committee for review.

**ITEM NO. 15
COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 190 days without a lost time injury accident.
2. Tri Dam and County Emergency staff met on June 25th for a "table top" review of the Tulloch Dam EAP. A drill of the agencies is scheduled to occur on July 30th at Strawberry.

Administration Activities

1. July 6th at 7:00 p.m. Frank Clark and Steve Webb attended the City of Oakdale City Counsel meeting to accept a Certificate of Appreciation for their efforts in keeping the City pool open and in assisting in fire and rescue training costs for City programs that benefit the OID as well.
2. OID's Modesto Nuts Family Night had its biggest employee and family turnout ever. Good food and fun was had by all.
3. Focusing efforts on understanding the OCAP BO. All irrigation districts got a briefing on Monday the 23rd at MID.
4. Met with City of Oakdale on reimbursement requirements for services preformed.
5. Interviews for Account Clerk were held June 30th.
6. Legal Notes:
 - a. A Dec Relief action was served to OID by Honchariw Revocable Trust on a Knights Ferry easement dispute. Suit sent to Schrimp's office.
 - b. Fields injunction motion to be held on July 2nd. It's been cancelled twice previously.

Contract and Special Project Activities

1. Little John Creek Dam Project – Final control installation to be completed by Sierra Controls for the SCADA system after the agreement with the landowner has been signed for access to the signal relay tower.
2. Riverbank/South Main – The Notice of Completion was filed on May 5, 2009 thus the 30-day period has passed. Final invoice for Retention has been received but not the Conditional nor the Unconditional Lien Releases. Final payment will not be issued until the Lien Releases have been received as of 07/02/09 they have not been received.
3. Fairbanks/SSJID Main – The Notice of Completion was filed on May 5, 2009 thus the 30-day period has passed. The final invoice with remaining lien releases have not been received from Preston Pipeline, numerous telephones calls have been placed.
4. South Main Canal and Tunnel Projects – Bid Packages were sent out on June 16, 2009. The Pre-bid meeting and Job Walk was completed on June 25, 2009. Bids are due on July 14, 2009. The contract award is targeted for the end of August with a Notice to Proceed on September 15, 2009. Seventeen bidders expressed an initial interest in bidding but seven attended the mandatory Pre-bid meeting. Some will be subcontractors to the others.
5. 2-Mile Bar Tunnel (CEQA & Engineering) - Condor continues to perform some preliminary engineering to support CH2MHILL on the CEQA evaluation for the 2-Mile Bar Tunnel. Met with Dave Giomi of Cogdill & Giomi Property Appraisers to develop and action plan for the appraisal of the Right-of-Way land acquisition. Will meet with the Landowners of the other section of property east of Conlin's during the week of July 6, 2009.
6. North Side Regulating Reservoir – Bids were released on June 29, 2009 as planned. Fifteen contractors have requested bid packages. The Pre-bid meeting will be held on July 9, 2009 in the OID office with a job walk on the same day. Bids are due July 29, 2009.
7. Landowner Meetings continue for the North Side Reservoir, Clavey Drop and the South Main Canal Rehabilitation Projects. These Landowner meetings will continue for the next two months.
8. Development of the project schedules are in progress for the North Side Regulating Reservoir, Cashman Dam and the South Main Projects. The Construction Management Program is being developed now for all of the 2009/2010 projects from a Priority List received from Water Operations.
9. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
10. Organizational and project execution plans are being developed and assemble for all the 2009/2010 projects.
11. Field Engineering Training program started for the Contracts personnel.
12. Contract Management course being prepare for OID personnel.
13. Construction Management and Contracts Administration manuals being developed.

Construction & Maintenance Activities

1. Review of Job Set Up Forms
2. Various Landowner meetings regarding maintenance work.
3. Preparing and conducting evaluations with the Support Services employees.
4. Assisting Engineering Department with constructability review of Capital Improvement Projects.

5. Reviewing beneficial costs of used tier two and tier three equipment to replace the older tier zero District equipment, especially with the recent influence of newer equipment.

Engineering Activities

1. Continuing to work with V.A. Rodden on Phase I work, future phases (II and III) and Annexation. DRAFT Annexation complete and sent to Bill Jackson for review and comment.
2. P&P working on design drawings for 2009/2010 Capital Projects.
3. Continuing to work with USACOE and USFWS as it pertains to environmental mitigation on the North Side Reservoir Project. OID has received the final Biological Opinion (BO) from USFWS and has gone to bid on the environmental mitigation credits necessary. Bids are due back by 2pm on July 10th for consideration at the July 21st Board meeting. Working with USACOE as it pertains to potential alternative mitigation sites. Resolution appears to be in sight and waiting for final confirmation from USACOE. Project is currently out to bid with bids due back on July 29th. Construction on the reservoir is set to begin on August 20th.
4. Research of APN files and facility files for the 2009/2010 Capital Projects is complete.
5. Preconstruction photos for the 2009/2010 Capital Projects have been completed and comprehensive photo log binders are being assembled.
6. Landowner meetings for the 2009/2010 Capital Projects are nearly complete and in general have gone well.
7. No word from Mr. Hansen since correspondence was sent.
8. Telephone conversation with Willms Ranch Attorney, Ms. Barbara Savery on June 30th concerning our conditions of approval for the parcel map as submitted to STANCO.
9. P&P working on abutment design for new bridge to span Wildcat Creek.
10. Met with Joe Martin and Don Moyer (Land Use Consultant) as it pertains to the Martin Ranch Subdivision Map on June 25th.
11. Ongoing project status meetings with Provost and Prichard, Inc. P&P Oakdale office is now staffed full time and P&P is currently working to bring additional full time staff to Oakdale.
12. Meeting with Mr. and Mrs. Airola on June 30th to discuss options for replacement of the Wyatt Pipeline through their property (APN: 002-054-003).
13. Met with Herman Doornenbal on June 30th to discuss options and costs associated with piping that portion of the Sweet Lateral through his property (APN: 229-009-002).

Water Operations Activities

1. Rotation 9 Started on June 27th and will be a 10 day rotation. Rotation 10 is scheduled to start on July 7th.
2. Prepared and submitted Supplemental Statement of Diversion & Use to the SWRCB on June 30th.
3. GPS equipment was installed during the week of June 22-26. The system was activated on June 29th.
4. A switch to Verizon Wireless was completed on July 2nd. The service area of Verizon is far superior to our previous carrier.
5. Conducting various Landowner meetings in regard to operating issues.
6. Researching & Reviewing OCAP documents.

Finance and Accounting Activities

1. Requested Property and General Liability insurance quotes from SDMRA and ACWA JPIA. ACWA JPIA's quote was slightly less than SDRMA. The District will remain with ACWA JPIA for the 2009/2010 policy period.
2. Facilitated the switch and purchased of equipment from Nextel and AT&T cellular phone providers to Verizon Wireless.
3. Prepared second installment past due statements and notices for 551 customers.
4. Ag water billing delinquencies as of June 30, 2009 are \$74,714, as compared to June 30, 2008 of \$87,322.
5. Prepared "Do Not Release Water" list for Distribution System Operators.
6. Prepared SDRMA's Workers' Compensation 2009-2010 Credit Incentive Program request.
7. Continued to review new accounting software and proposals. Meet with the Finance Committee on June 26, 2009 to discuss proposals.
8. Interview four candidates for the Account Clerk position.
9. The first COP debt service payment is due August 1st. This payment will be submitted for Board approval on July 21st.
10. The CFO is performing an audit of the payroll desk to review procedures and processes.
11. Processed 20-property title transfers in May and June.
12. Routine accounting functions (AP,AR, PR, billings, account reconciliations, etc.)

B. COMMITTEE REPORTS

Finance Committee Meeting, June 26, 2009

- Replacement of Accounting Software

This matter was discussed previously on this agenda.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Taro

Director Taro had no comments.

Director Bairos

Director Bairos commented that staff is doing a good job this irrigation season. There have been no big problems or issues in his District.

Director Webb

Director Webb commented on a Nuclear Energy Power discussion at the APPA Conference in Salt Lake City and brought a report regarding nuclear energy power for the Board and staffs' review.

Director Clark

Director Clark had no comments

Director Alpers

Director Alpers stated he also attended the same conference and AB32 was discussed.

Director Alpers commented that he had received a lot of phone calls regarding the flooding on Terminal. He asked Water Operations Manager Kevin King if there was an explanation. Water Operations Manager Kevin King stated that the Davis PL had an issue again and they had to turn the water back into the ditch and it was too much for it to handle.

Director Alpers further stated that he has had several discussions with Mr. Pacheco about a week ago and stated that his water had been turned off three times during irrigation of his 240 acres of corn. Director Alpers stated that he tried several numbers for the District which all requested that the caller leave a message. He finally reached the DSO who was able to resolve the matter. Director Alpers stated that this issue needs to be looked into and resolved.

At the hour of 10:30 a.m. the Board adjourned to Closed Session

CLOSED SESSION
ITEM NO. 16

A. *Government Code §54956.9 Existing Litigation*
Karen Eakin v. Oakdale Irrigation District

At the hour of 11:18 a.m. the Board adjourned to open session

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

OTHER ACTION
ITEM NO. 17

The Board Meeting adjourned at the hour of 11:18 a.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, July 21, 2009 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Thursday, July 16, 2009 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Jack D. Alpers, President

Attest:

Steve Knell, P.E., Secretary