

MINUTES

Oakdale, California
December 6, 2016

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: Steve Webb, President
Herman Doornenbal, Vice President
Gary Osmundson
Gail Altieri
Linda Santos

Staff Present: Eric Thorburn, Water Operations Manager
Jason Jones, Support Services Manager
Kathy Cook, Chief Financial Officer

Also Present: Fred Silva, General Counsel

ADDITION OR DELETION OF AGENDA ITEMS

There were no additions or deletions of agenda items.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

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

PUBLIC COMMENT ITEM NO. 1

Tom Orvis of the Stanislaus County Farm Bureau reminded everyone that one week from Friday on December 16, 2016, the Oakdale Irrigation District and the South San Joaquin Irrigation District will be giving their presentation at the Stockton Memorial Civic Auditorium on the draft SED. He encouraged each and every person to attend.

Ken Kraus stated that he did not feel that his question was properly answered at the last Board Meeting.

Robert Frobose requested that Item No. 2 be pulled from the Consent Calendar for public comment. He also commented on General Manager's performance evaluation for 2016. Director Webb asked that the record reflect the following comment: Mr. Frobose has an active court case against this District and he does not agree with his assessment of the General Manager.

Robert Longstreth discussed the price per acre foot for out-of-district water and he would like the District to reconsider the price per acre foot of out-of-district water. He stated that the District has good management and has done a fantastic job.

There being no further public comment, public comment closed at the hour of 9:17 a.m.

Director Santos requested that Item Nos. 2, 3 and 7 be pulled from the Consent Calendar.

CONSENT ITEMS

ITEM NOS. 4, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16

ITEM NO. 4

**APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS**

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

ITEM NO. 5

**APPROVE OID IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS**

A motion was made by Director Osmundson, seconded by Director Santos, 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 OCTOBER 31, 2016**

A motion as made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending October 31, 2016.

ITEM NO. 8

**APPROVE RESOLUTION ADOPTING THE
OAKDALE IRRIGATION DISTRICT'S 2017 INVESTMENT POLICY**

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the Resolution Adopting the Oakdale Irrigation District's 2017 Investment Policy.

ITEM NO. 9
APPROVE RENEWAL OF MEMBERSHIPS WITH VARIOUS ORGANIZATIONS
(ASSOCIATION OF CALIFORNIA WATER AGENCIES, CALIFORNIA FARM
WATER COALITION, AND CALIFORNIA SPECIAL DISTRICTS ASSOCIATION)

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the renewal of memberships with various organizations (Association of California Water Agencies, California Farm Water Coalition, and California Special Districts Association).

ITEM NO. 10
APPROVE ATTENDANCE BY DIRECTORS AT THE 2017
MID-PACIFIC REGION WATER USERS' CONFERENCE IN RENO, NEVADA

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the attendance by Directors at the 2017 Mid-Pacific Region Water Users' Conference in Reno, Nevada.

ITEM NO. 11
APPROVE WORK RELEASE NO. 007 TO PROFESSIONAL
SERVICES AGREEMENT NO. 2011-PSA-008 WITH DAVIDS ENGINEERING,
INC. FOR ON-CALL PROFESSIONAL ENGINEERING SERVICES

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve Work Release No. 007 to Professional Services Agreement No. 2011-PSA-008 with Davids Engineering, Inc. for On-Call Professional Engineering Services.

ITEM NO. 12
APPROVE ENCROACHMENT PERMIT ON THE LANGWORTH
LATERAL (APN: 062-007-030 – ANTHONY DENIZ
AND REBECCA DENIZ, AND ALBERT DENIZ AND DORA DENIZ)

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve Encroachment Permit on the Langworth Lateral (APN: 062-007-030 – Anthony Deniz and Rebecca Deniz, and Albert Deniz and Dora Deniz).

ITEM NO. 13
APPROVE AGRICULTURAL DISCHARGE PERMIT AND ENCROACHMENT PERMIT
ON THE LANGWORTH LATERAL (APN: 062-007-029 – JULIAN BORDONA, III AND
PATRICIA J. BORDONA, TRUSTEES OF THE BORDONA 1997 FAMILY TRUST)

A motion as made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the Agricultural Discharge Permit and Encroachment Permit on the Langworth Lateral (APN: 062-007-029 – Julian Bordona, III and Patricia J. Bordona, Trustees of the Bordona 1997 Family Trust).

ITEM NO. 14
APPROVE AGRICULTURAL DISCHARGE PERMIT AND ENCROACHMENT PERMIT
ON THE BURNETT LATERAL (APN: 002-051-017 – THE HUDELSON COMPANY)

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the Agricultural Discharge Permit and Encroachment Permit on the Burnett Lateral (APN: 002-051-017 – The Hudelson Company).

ITEM NO. 15
APPROVE AGRICULTURAL DISCHARGE PERMIT AND ENCROACHMENT PERMIT
ON THE RIVERBANK LATERAL (APN: 063-028-038 – HANEY PROPERTIES, INC.)

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the Agricultural Discharge Permit and Encroachment Permit on the Riverbank Lateral (APN: 063-028-038 – Haney Properties, Inc.).

ITEM NO. 16
APPROVE AMENDMENT TO EXTEND THE EXISTING WILL SERVE
LETTER FOR PARCEL 1 OF PARCEL MAP 057PM024 (APN: 010-046-033)

A motion was made by Director Osmundson, seconded by Director Santos, and unanimously supported to approve the Amendment to Extend the Existing Will Serve Letter for Parcel 1 of Parcel Map 057MP024 (APN: 010-046-033).

The above Consent Items passed unanimously by the following votes:

Ayes:	Directors Webb, Doornenbal, Osmundson, Altieri, Santos
Noes:	None
Absent:	None

CONSENT ITEMS
ITEM NOS. 2, 3, 7

ITEM NO. 2
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE REGULAR MEETING OF NOVEMBER 1, 2016
AND RESOLUTION NOS. 2016-64, 2016-65, 2016-66, AND 2016-67

Director Santos stated that she had challenged the timeline at the last Board meeting that was reflected in the Minutes of November 1, 2016 under Item No. 9 because she felt that it was not complete and requested that the Minutes be corrected. Director Santos requested that the following statement be reflected in the Minutes of today's meeting regarding her comments for the Minutes of November 1, 2016:

The request I made to correct the Minutes of November 1st have not been made. As I stated that timeline the General Manager included in the staff report is not accurate. I requested it to be removed or corrected with the complete

and factual timeline. The staff board agenda report is merely background information to the benefit of assisting the decision making process. The vote the Board takes is not a vote as to the information in the staff board report, it is only a vote reflecting the item number. In this instance it is Action Calendar Item No. 9 which states, "Review and Take Possible Action to Reject Any and All Claims Filed by Participants of the On-Farm Conservation Program and to Authorize General Counsel and the General Manager to Settle All Pending and Future Damage Claims." This is what the Board voted on, nothing more. The Board did not vote on the timeline from staff and it should not be presented as such in the minutes. As to the ancillary note on the bottom of the page, I did not create this conflict. Three Board members sued Gail Altieri and myself because we told the Court what our OID Minutes reflected. We told the Court the truth and that truth is in OID's Minutes. All five Board members are involved in this lawsuit. Director Altieri and Director Santos are defendants; Directors Doornenbal, Osmundson and Webb are the plaintiffs. Using Mr. Silva's analogy for me to recuse myself because I am a defendant in the lawsuit should also apply to every Board member sitting here. We are all involved in the lawsuit. Therefore, we are all in conflict according to Mr. Silva. Not one of us should be able to discuss or vote on this item according to your legal advice. Mr. Silva, you seem to be rendering your legal advice and I would like to know, are you advising us as our counsel or as plaintiffs' counsel. Judge Freeland said that there was no conflict of interest for Director Altieri and I. Judge Freeland is a higher authority and Judge Freeland heard all of the facts and evidence presented by you on behalf of OID against Director Altieri and myself. After extensive deliberation by Judge Freeland he determined that sufficient grounds do not exist to impose the Board, or the broad preliminary injunction. Regarding conflict, Judge Freeland stated, utterly unpersuasive. He went on to state you can't prevent the exercise of a public office in a lawful manner by the person in possession of that office. Technically, he dissolved the restraining order and refused to issue a stronger exclusion known as a preliminary injunction. Mr. Silva, I think you are really the one that has a serious conflict of interest here. You are giving legal advice to your opponent's clients, isn't that a serious conflict of interest, maybe criminal? I insist the Minutes be corrected to reflect the complete and factual account of this Board.

Public comment was made by Robert Frobose regarding this item.

Director Webb stated that he wanted it noted in the Minutes that Mr. Frobose has a lawsuit against the Oakdale Irrigation District.

A motion was made by Director Doornenbal and seconded by Director Osmundson to approve the Board of Directors' Minutes of the regular Meeting of November 1, 2016 and Resolution Nos. 2016-64, 2016-65, 2016-66, and 2016-67 and was voted as follow:

Ayes:	Directors Doornenbal, Osmundson, Webb
Noes:	Directors Santos, Altieri
Absent:	None

The motion passed by a 3-2 vote.

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE SPECIAL MEETING OF NOVEMBER 16, 2016
AND RESOLUTION NOS. 2016-68, 2016-69, 2016-70, 2016-71, AND 2016-72

Director Santos stated that the public comment made by Robert Frobose was not properly reflected in the Minutes and requested that the comment be changed to reflect what Robert Frobose had stated.

Public comment was made by Robert Frobose on this item.

A motion was made by Director Doornenbal and seconded by Director Osmundson to approve the Minutes of the Special Meeting of November 16, 2016 and Resolution Nos. 2016-68, 2016-69, 2016-70, 2016-71, and 2016-72, and was voted as follows:

Ayes: Directors Doornenbal, Osmundson, Webb
Noes: Directors Santos, Altieri
Absent: None

The motion passed by a 3-2 vote.

ITEM NO. 7
APPROVE ASSIGNMENT OF CAPITAL WORK ORDER NUMBERS

Director Santos had a questions on Work Order No. 2016-047. She stated that due to the large amount of this Work Order she felt that it would be better to separate out his Work Order and provide an itemization of the costs associated with the flume gate. Chief Financial Officer Kathy Cook stated this is a capital project that was approved as part of the budget. The only thing that this agenda item is requesting is approval of the assignment of the work order number, not the amount.

A motion was made by Director Santos, seconded by Director Altieri, and unanimously supported to approve the assignment of the following Capital Work Order Numbers:

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Revised Burnett Lateral	Remove and replace 1-5'x7' precast MBI turnout structure with 15" coupler, 1-15"x9' Fresno 101C slide gate, 1-Rubicon FlumeMeter Original approval amount \$30,400. (APN: 002-051-010)	\$39,000	2016-029
New Albers / Stowell Lateral	Install 1-Rubicon FlumeGate FGB 1370-1587, 1-Rubicon FlumeGate 1370-1273, 8-48" A25 RGRCP, 3-48" 45 degree elbows, 1-18" Fresno 101C slide gate.	226,700	2016-047

<u>Facility</u>	<u>Project Description</u>	<u>Estimated Cost</u>	<u>Work Order No.</u>
Kearney Lateral	Install 1-24" Rubicon FlumeMeter, 1-5'x6' MBI precast turnout structure, 1-15"x7' Fresno 101C slide gate, 2-15" 100 PSI PIP PVC, 1-concrete connection collar. (APN: 063-029-059)	39,100	2016-056
Weeks Pipeline	Install 1-36"x11'8" Fresno 101C slide gate. (APN: 207-019-035)	5,100	2016-057
Howard Pipeline	Remove and replace 1-36"x12' Fresno 101C Slide gate. (APN: 006-009-045)	5,400	2016-058
Mootz Lateral	Install 1-16" Krone Enviromag Flow Meter 2-15" Flanged bolt-on couplers, 1-5'x7' MBI precast Turnout structure, 2-15" 100 PSI PIP PVC. (APN: 062-029-059)	33,300	2016-059
River Road Lateral	Remove and replace 1-24"x6'6" Fresno 101C3, Slide gate. (APN: 006-008-034)	300	2016-060
Albers Lateral	Remove and replace 1-16"x7' Fresno 101C Slide gate. (APN: 014-020-004)	2,400	2016-061
Hirschfeld Lateral	Remove and replace 1-24"x6' Fresno 101C Slide gate. (APN: 207-028-015)	3,200	2016-062
South Main Canal	Install 20-18' rock bolts along 50' on the upslope Bank of the canal. (Station 123+22)	40,081	2016-063

ACTION CALENDAR
ITEM NO. 17

ITEM NO.17
REVIEW AND TAKE POSSIBLE
ACTION TO ADOPT THE 2017 BUDGET

Staff presented the draft 2017 Budget and Organizational Chart at the Board's November 16, 2016 meeting as a Discussion Item. No changes were recommended by Board members at the meeting. Staff requested any clarification issues that may arise from the Board between November 16, 2016 meeting and Friday, December 2, 2016 to contact staff for assistance. No Board member has requested any clarification issues on the budget.

We are pleased to present this draft 2017 Annual Budget, as proposed by the District's Finance Committee, the Board, and Management, for your approval. Budget development is a year-long process. It begins with tracking expenses on a real-time basis and comparing budget to actual expenditures over the course of the budget year.

Each Manager reviews and submits their respective budgets for manpower, materials, equipment, and proposed capital projects and purchases. There are five (5) sections to the budget:

1. Statement of Revenues, Expenses, and Changes in Net Assets (page 1)
2. Revenues (page 2)
3. Expenditures (page 3)
4. Capital and Debt Expenditures (pages 4)

This budget projection is based on the implementation of the Water Resource Plan. A Plan that was developed with public input over a 2-year period to meet the long-term goals identified below:

- Long-term protection of Water Rights
 - Curtailments, CCWD, BOR/88 Agrmt., Public Trust, SWB Regs., ESA
- Address Federal, State, Local Water Challenges
 - D-1641, WQCP (40% unimpaired flows), WaterFix, SGMA, droughts
- Rebuild/modernization of an out-of-date system
 - \$3 million in life cycle replacements and \$3 million in modernization
- Develop affordable ways to finance improvements
 - \$168 million of costs to achieve goals by 2030
 - Funding from 67 TAF of Conservation water: 50 TAF in water sales, 17 TAF to SOI

Through implementation of the Water Resources Plan and adhering to the financial framework developed OID has been able to achieve the following benefits for its constituents:

1. OID continues to operate as a very lean organization generating a long term operational cost escalation of less than 3% annually.
2. 10 years ago it took 290,000 acre feet to meet OID water needs. Today it takes 240,000 acre feet. That conservation of water was generated through investments in infrastructure and modernization.
3. OID has spent \$55 million dollars in that infrastructure and modernization improvements since 2006.
4. Those efficiency improvements were paid for by water sale revenues of surplus water and not water rate increases. OID water rates would be \$100 per acre annually higher (\$55 million/60K ac/(2015-2006)) if landowners had to carry those improvement costs.
5. Surface water delivery efficiency improvements has allowed OID to reduce its' reliance on its groundwater wells by 27% since the early 2000's. Last year OID pumped just 3,500 acre feet.
6. The strength and benefits of OID's conservation efforts manifested itself over the last 4-years of drought. OID delivered the most water of any irrigation district in the Central Valley to its farmers.
7. Yes, water rates were raised last year but for the first time since 1990. A 26 year run of leaving money in our constituents' pockets. OID rates are one of the lowest in the area.
8. OID is pro-ag and is the only irrigation district that has expanded its service area lands to the tune of 10,000 acres.
9. OID's efficiency improvements have strengthened our senior water rights by improving water delivery efficiencies and thereby allowing our farmers to better

manage water on-farm and be more efficient as well. Poor efficiencies are a risk to water rights and OID is reducing that risk.

10. OID will have \$56 million (est.) in cash and in designated reserve funds at the end of 2016. A 300% improvement from where it was in 2002, despite 8 years of the worst economic recession on record.

It is through the fiscal management and investments, as outlined in the Water Resources Plan, that has placed OID in the position it is today. That fiscal strength will allow OID to replace a failing South Main Canal section downstream of Two-Mile Bar with a new tunnel at a cost of \$16-\$20 million and it will pay cash for that project. It is that same fiscal strength that will allow OID to pay off its \$26 million in bond debt by 2022/23, making OID debt free.

It is these accomplishments and the anticipation of doing more for OID water users that staff presents this budget for the Board's approval.

Public comment was made by Robert Frobose regarding this item.

Director Webb stated that Mr. Frobose has an ongoing lawsuit against the District, an ongoing litigation against the District's On-Farm Program, and he did not agree with him on his assessment of the General Manager and his assessment of the \$1.5.

A motion was made by Director Doornenbal, seconded by Director Altieri, and unanimously supported to adopt the 2017 Budget.

The motion passed unanimously by the following vote:

Ayes:	Directors Webb, Doornenbal, Osmundson, Altieri, Santos
Noes:	None
Absent:	None

ITEM NO. 18 **COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. OID has gone 43 days without a lost time injury accident.

Administration Activities

1. Continuing to develop and prepare comments to the Water Quality Control Plan (Unimpaired Flow Standard) from the State Water Resources Control Board.
 - a. Hearing dates Dec. 16th, 19th and 20th in Stockton, Merced and Modesto, respectively.
 - b. Reclamation will be seeking a 120 day extension of the comment period.
2. Settlement discussions on the Stanislaus River and other SJ River tributaries continues to creep forward.

3. OE3 labor negotiations continues. OID provided a draft tentative proposal to OE3. OE3 to take to their members on December 6th.
4. Still waiting for City of Oakdale's response on an Action Plan OID sent over.
5. OID and SSJID GMs and Counsels will be in D.C. the week of December 5th.
6. Chamber of Commerce's Ag Luncheon planning begins December 13th.
7. Timeline of interest for OID concerning recall petition benchmark dates:
 - a. December 28th – Deadline by Registrar of Voters Office to certify results of signature verification on Recall Petition.
 - b. January 3rd – If results of signature verification are confirmed Board will need to take action to adopt a resolution at its January 3rd meeting calling for a special election for the Oakdale Irrigation District.
 - c. Per Elections Code Section 11240, the next available election date would be May 2, 2017.

Legal Activities

1. OID/SSJID vs the State Water Resources Control Board; this case is over the legal ability of the SWRCB to issue curtailment orders over senior water right holders, as was done in 2015. Court date anticipated to be set for next summer.
2. OID/SSJID as intervenors in the CalSPA v. SWRCB regarding the legality of the SWB's use of Emergency Change Petitions issued to the BOR in managing the State's water resources. A trial date is set for Alameda County Court on August 7, 2017.
3. OGA/Brichetto/Frobose vs. OID:
 - a. Trial set for January 18th
4. OID vs Directors Santos and Altieri.
 - a. The case is moving forward.
5. Redistricting Process
 - a. Process to begin after first of the year. Board presentation in February and Hearing in late February with Board adoption in March.
 - b. Regulatory compliance is 180 days preceding the election (May 11th)

Construction Activities

1. C&M crews and equipment operators continue to progress on capital projects and maintenance work.
2. Assisting Water Ops./Eng. Dept. with various tasks.
3. Conducting Safety Coordinator tasks as needed.
4. Conducting Contract Administration tasks as needed.
5. C&M Worker – Three candidates have been selected and have signed the offer letters. Currently conducted medical and background checks.
6. Two Mile Bar Tunnel Project – Notice Inviting Bids was published in the Oakdale Leader on 11/30 and an email was sent to prospective bidders who have shown interest in the Two Mile Bar Tunnel Project. Contract and Tech Specifications, GBR and Project Drawings are available for review on OID's website. A mandatory Pre-Bid meeting and site visit is scheduled for 12/15. Bids are due on 1/5 and will be presented to the BOD for award of bid on 1/18 with a recommendation from staff. Start of construction is anticipated to be between 2/15 and 4/1 and will be determined based on the contractors schedule. Substantial completion date for the Project is 12/31/2018.
7. Received two new DSO trucks, two Kobelco 210 excavators and one Kobelco 140 excavator previously approved for purchase by the BOD.

8. ACWA/JPIA will be conducting a training day at OID on 12/14 at the request of the Safety Coordinator. The classes are Asbestos Cement Pipe Safety, Field Ergonomics and Fall Protection.

Water Operations Activities

Engineering

1. Continued to process Encroachment and Ag Discharge Agreements and conduct field inspections during installation of the associated facilities.
2. Staff continued to work with landowners requesting deferred conditions of approval agreements, encroachment agreements and easements in accordance to OID's requirements for continued irrigation on recently completed lot line adjustments and parcel split projects.
3. ET monitoring stations installed as part of the 2016 ETAW monitoring and measurement program collected data through the end of October. The Tule ET stations may remain in the field to collect additional data for the full year of the contract period (+/- May 2016) pending permission and an updated contract with the associated landowners.
4. The monthly ESJGBA work group meeting was held on November 9th. Discussion of the draft JPA/MOU agreement discussions continued. The draft GSP BMPs were also presented and discussed.
5. Staff completed draft mapping of OID's proposed GSA boundaries in the ESJ GW Basin and forwarded to SSJID, Calaveras County Water District and Stanislaus County for review of the line work in adjoining areas. The required GSA hearing, resolution and final filing is anticipated to be completed during the first few months of the year to allow for each election being proposed to meet or proceed the June 2017 DWR review, 90-day posting and approval deadline.
6. The final draft MOU to proceed with formation of the STRGBA GSA was presented with a draft public hearing and notice schedule at the November 10th meeting. The final draft is anticipated to be brought before each agency's governing board during the month of January for final approval before filing a GSA formation application with DWR.
7. A request for data from OID as well as from the STRGBA was rec'd by Stan. Co.'s consultant in support of the County's draft PEIR GW model development. Staff was able to compile the requested data for submittal during the last week of November.
8. Staff is working on draft Annexation Agreements for final approval by the board. Unfortunately little progress has been made to date given the engineering department is temporarily shorthanded and the high priority of finalization of OID engineering plans, GSA formation efforts and permits for private winter construction and development projects.
9. Pertinent factors and options for the Board of Director Divisions Redistricting Project will be brought back for consideration by the Board and subsequent staff direction no later than January to ensure completion prior to the next general election.
10. City staff continued to address a series of questions on the draft City of Oakdale Out of Boundary Service Agreement with OID on behalf of ID 41. Once these questions have been answered the agreement will be provided to the ID 41 membership for approval to proceed.
11. Weekly meetings continued with Condor staff to proceed with the South Main Canal Segment 4 design along with the finalization of the Two Mile Bar Tunnel Project bid documents.

12. A preconstruction meeting was held with ACOE staff at the Two Mile Bar Recreation Area near the upstream portal of the proposed tunnel project. The ACOE's concerns were mainly associated with maintaining public access and the condition of the facilities during the project. These concerns were noted and incorporated into the bid documents as necessary.
13. A field assessment of the South Main Canal Segment 4 Project area was conducted along with Condor staff and the Support Services and Contracts Manager to proceed with development of a recommendation for improvements to address and prevent further deterioration and stabilization issues.
14. Staff continued the surveying, design, cost estimates, landowner meetings and drafting of plans for 2016/17 winter work projects.
15. Static groundwater level readings for both the Modesto sub-basin and the northern Stanislaus County triangle were uploaded to CASGEM reporting system.

Ag Water

1. The final round of volumetric water delivery tracking closed on October 31st. Staff is working to respond and address all questions received in the last few weeks.
2. The public comment period on the Prop. 1 grant funding draft awards list closed on September 14th. The final awards list is anticipated to be posted before the end of the year.
3. Interviews to fill a vacant DSO/C&M position were completed the week of November 7th. An offer was provided and accepted by one of the applicants. The pre-employment screening process is now underway.
4. Staff has progressed with updates and slight modifications to the Storm tracking software mainly based on customer and DSO feedback to continue to improve functionality and effective utilization of the software.

Water Utilities

1. Improvement District No. 41:
 - Pumping Station No. 3 remains out of service due to high turbidity issues.
2. Domestic Water Pumping Stations:
 - All Domestic Water Pumping Stations that are in service are operational.
3. Domestic Water Systems:
 - All water systems are operating without restrictions.
 - Performed quarterly blow-off valve exercising.
 - Performed Air Relief Valve exercising.
 - WUD has continued to test all backflow devices in accordance with our Cross Connection Control Policy.
 - Conducted inspections of all well head seals and continuing to replace them as needed.
4. On-Call Activities:
 - There are zero calls to report.
6. Knights Ferry Pumping Station:
 - The Knights Ferry Pumps are activated. The river pumps are providing water to the treatment plant.
7. Irrigation Pumping Stations:
 - All OID Ag pumps are operational.

- Staff continued to perform inspections on all winter drain pumps that are in operation for the winter. There was nothing unusual or out of the ordinary to report.
- Static groundwater level readings were collected during the first week of November.

Finance Activities

1. Continue to assist GM in OE3 labor negotiations.
2. Finalization of 2017 Budget.
3. Finance department fielding billing questions.
4. Preparation of health insurance enrollments.
5. Both the final 2016 volumetric statements and the 2017 water delivery fee statements were mailed to customers mid-November.

B. COMMITTEE REPORTS

There were no committee meetings.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Altieri

Director Altieri stated that she had three comments/suggestions:

1. At the Knights Ferry Christmas Dinner on December 1st a number of people had questions and concerns regarding the OID letter regarding fringe parcels. Director Altieri suggested that they bring their questions/concerns to the Board and speak in public comment.
2. Director Altieri would like the Board to re-evaluate the Wednesday evening meeting. The Board voted on June 21st to move the meeting from a Tuesday evening to a Wednesday meeting to accommodate the Oakdale Leader. Mr. Paloma has only attended two to three of these meetings. Having a Wednesday evening meeting with a Thursday morning Tri-Dam meeting in Manteca every other month is inconvenient to some of us. She would like them returned to Tuesday night.
3. Some members of our audience suggested that at the end of our General Manager's report that there be a cheat sheet with the acronyms spelled out that are commonly used in the General Manager's Report.

Director Osmundson

Director Osmundson stated that another three weeks have gone by and his offer to meet with the people suing the District and one of our newest Board members has still not happened. You complain about somebody suing and in a roundabout way those people suing the District are responsible for all of the other lawsuits that go with it so why can't we meet like grown-ups and resolve this without lawyers and move on.

Director Doornenbal

Director Doornenbal asked if Gail wants to go back to Tuesday morning. Director Altieri responded no, she wants it to be Tuesday evening.

General Counsel Fred Silva

Attorney Silva wished to make a couple of comments. Attorney Silva wanted to remind the Board that the allegation of the Damrell Law Firm having a conflict was turned over to an

independent law firm that specializes in attorney conflicts and they analyzed the allegations. They provided this Board with an opinion letter stating that there is no conflict in his representation of this Board or the Damrell Law Firm. He wanted to remind the constituents that issue has been addressed and resolved although it keeps coming up. The second issue that he commented on was Director Santos' comment that in the case where Directors Altieri and Santos are defendants that Directors Webb, Osmundson and Doornenbal are the plaintiffs; that is incorrect. The plaintiff in that case is the Oakdale Irrigation District. There is not a single case that the Oakdale Irrigation District has filed that Directors Webb, Doornenbal and Osmundson are the actual plaintiffs so that is not a conflict.

Director Webb

Director Webb stated that it has been a good year for the District even though some people try to keep the dark cloud over the District. We have tried to help our constituents, we have had a good water year, we have had a good hydro year. We have plenty of support out there because he received phone calls from his constituents stating this. They support everything that the District is doing and they appreciate the General Manager. We are doing a great job and the staff is doing a great job. The Board has been under a tremendous amount of pressure this year from outside and he wished for a better rapport with the Modesto Bee next year. He wished everybody a Merry Christmas; keep the Christmas spirit and maybe we can all return in a little better mood on January 1st.

Director Santos

Director Santos responded to Director Osmundson's comment stating that his actions speak louder than his words and his actions in the Boardroom when you voted to continue the suit against Gail and I after a Judge had ruled in our favor, speaks volumes. If we are so apart on our positions that you would think that it was appropriate to continue with lawsuit even after we had been through a court process and it rendered a decision that was in our favor, it is hard to think that just talking is going to achieve anything, since litigation seems to be the rule of thumb with the District.

Director Santos discussed the letter from the law firm in San Francisco and appreciated what he has done. When she received the letter she realized that he had only submitted with the letter OID's side. Director Santos stated that their declarations had not been filed with the Court as of the date of the letter. Attorney Silva stated that is not correct there were two letters sent and they had access to the entire file both times. Director Santos stated that she had not seen the second letter. Attorney Silva will forward her a copy of the letter.

Director Santos stated that it has been an interesting year. She had never been a Board member before and she attended nine months prior to running for office. She felt that it was her civic duty and it has been a challenge. Director Santos stated that she has respect for her other Board members and staff. She stated that OID is a great entity and everybody works very hard. General Manager Steve Knell is a very smart man; he is very well versed in the water world. She stated that she wished that things were more open and transparent and that it were easier to access the information that the public has a right to. She stated that if the District continues to have five independent thinkers on the Board there are going to be disagreements and discussions is a good thing because it exposes our individual positions. Director Santos stated that she is very proud of the District. She wished everyone

a Merry Christmas and a Happy New Year and another year is coming. Director Santos reminded everyone to attend the hearing on draft SED.

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

CLOSED SESSION
ITEM NO. 19

- A. Government Code §54956.9(4)(d) – Initiation of Litigation**
Three (3) Cases

- B. Government Code §54956.9(d)(1) - Existing Litigation**
Oakdale Irrigation District v. Linda Santos, Gail Altieri, et al.

At the hour of 10:29 a.m. the Board returned to open session.

Coming out of Closed Session Director Webb stated that there was no reportable action.

OTHER ACTION
ITEM NO. 20

At the hour of 10:29 a.m. the meeting was adjourned. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, January 3, 2017 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

The next Joint Board Meeting of the **South San Joaquin and Oakdale Irrigation Districts** serving the **Tri-Dam Projects** and **Tri-Dam Authority** and other joint business matters is scheduled for **Thursday, December 15, 2016 at 9:00 a.m.** in the board room of the South San Joaquin Irrigation District, 11011 East Highway 120, Manteca, CA.

Steve Webb, President

Attest:

Steve Knell, P.E., Secretary