

MINUTES

Oakdale, California
May 19, 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
 Frank Clark
 Steve Webb (Absent)
 Tony Taro (Absent)

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

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 9:02a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 2

There being no Public Comment; Public Comment closed at 9:02 a.m. and the Board Meeting continued.

Director Clark requested that Item No. 11 be pulled from the Consent Calendar.

CONSENT ITEMS

ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13

ITEM NO. 2

**APPROVE THE BOARD OF DIRECTORS' MINUTES
OF THE REGULAR MEETING OF MAY 5, 2009
AND RESOLUTION NOS. 2009-32, 2009-33, AND 2009-34**

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 May 5, 2009 and Resolution Nos. 2009-32, 2009-33, and 2009-34.

ITEM NO. 3

**APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS**

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

ITEM NO. 4

**APPROVE THE 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. 5

**APPROVE THE TREASURER AND
CHIEF FINANCIAL OFFICER'S REPORT
FOR THE MONTH ENDING APRIL 30, 2009**

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 March 31, 2009.

ITEM NO. 6

**APPROVE RESOLUTION TO
SURPLUS DISTRICT PROPERTY**

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Resolution to Surplus District Property.

ITEM NO. 7
APPROVE CHANGE ORDER NO. 1 TO PROFESSIONAL SERVICES CONTRACT WITH RICHARDSON & COMPANY

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve Change Order No. 1 to Professional Services Contract with Richardson & Company.

ITEM NO. 8
APPROVE MODIFICATION NO. 1 TO WORK RELEASE NO. 02 TO PROFESSIONAL SERVICES AGREEMENT 2009-PSA-003 WITH CONDOR EARTH TECHNOLOGIES

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Modification No. 1 to work Release No. 02 to Professional Services Agreement 2009-PSA-003 with Condor Earth Technologies.

ITEM NO. 9
APPROVE MODIFICATION NO. 1 TO GENERAL SERVICES AGREEMENT 2008-GSA-049 WITH INDUSTRIAL ELECTRIC COMPANY

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Modification No. 1 to General Services Agreement 2008-GSA-049 with Industrial Electric Company.

ITEM NO. 10
APPROVE PROFESSIONAL SERVICES AGREEMENTS FOR VARIOUS CONTRACTORS/CONSULTANTS (BUMGARDNER BIOLOGICAL CONSULTING AND GEI CONSULTANTS, INC.)

A motion as made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Professional Services Agreements for various contractors/consultants (Bumgardner Biological Consulting and GEI Consultants, Inc.).

ITEM NO. 12
APPROVE ENCROACHMENT AGREEMENT ON THE BRADY PIPELINE (APN: 062-004-002/029/032 – BRICHETTO)

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Encroachment Agreement on the Brady Pipeline (APN: 062-004-002/029/032 – Brichetto).

ITEM NO. 13
APPROVE RESOLUTION FINDING THE CASHMAN DAM
REPLACEMENT PROJECT EXEMPT UNDER
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the Resolution Finding the Cashman Dam Replacement Project Exempt Under the California Environmental Quality Act (CEQA).

ACTION CALENDAR
ITEMS NOS. 11, 14

ITEM NO. 11
APPROVE GENERAL SERVICES AGREEMENT
FOR GROVER LANDSCAPING SERVICES, INC.

Director Clark asked what Grover Landscaping Services, Inc. did for the District. General Manager Steve Knell stated that they mow the lawns, keep the bushes trimmed and take care of the sprinklers.

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the General Services Agreement for Grover Landscaping Services, Inc.

ITEM NO. 14
REVIEW AND TAKE POSSIBLE ACTION ON REQUEST
FOR REIMBURSEMENT OF ENCROACHMENT FEE
BY TOWNSEND ON WELLER PIPELINE (APN: 229-013-042)

District policy for processing encroachment agreements/application require a deposit to cover the expenditure of staff time for research, evaluation of request for compliance, pre-time for Board agenda and filing fees for attaching the final agreement to the property deed.

Ms. Townsend was observed installing an illegal fence encroachment on the Weller Pipeline. When informed of her actions she requested and submitted an encroachment application requesting a variance to district policy for this fence encroachment over/on district facilities. The Board denied her request for variance. Ms. Townsend subsequently requested a refund of her encroachment application fees in total because of the denial, irrespective of the time staff spent processing her variance request.

Staff sent her a letter explaining the District's position and refunding a portion of the unspent deposit. Ms. Townsend requested to appear before the Board to request a total refund.

Staff is against a full refund on a number of issues that it will elaborate on:

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to reimburse the encroachment fee paid by Michelle Townsend less the sum of \$108.39 which has already been reimbursed to her.

**DISCUSSION
ITEM NOS. 17, 18, 19**

**ITEM NO. 17
DISCUSSION ON CHANGES TO THE ANNEXATION FEES**

Since certification of the Water Resources Plan in June 2007 there has been interest in updating the OID's Annexation Policy. While much of the policy changes will involve greater Board input, the simplest change to begin this process is with the annexation fee itself. To that end, a proposal was discussed with the Water Committee and is being brought forward for Board discussion.

The proposal is to assess annexation fees using the following formula: Total Net Assets of the OID as determined by the last official adopted audit divided by the same year's irrigated acreage. For today, that annexation value would be:

$$\$128,261,096/55,411 \text{ acres} = \$2,314.72 \text{ per acre annexation fee}$$

The Total Net Assets of the OID includes Depreciation of OID system, ½ Tri Dam Project Net Assets, inclusive of Sand Bar earnings but exclusive of Sand Bar assets.

This formula accurately captures the change in OID's valuation as we invest and improve our delivery system yet appropriately deduct for depreciation of the system as well.

**ITEM NO. 18
DISCUSSION ON BUSINESS ITEMS AS
THEY APPEAR ON THE TRI-DAM
BOARD AGENDA FOR THURSDAY, MAY 21, 2009**

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

The regular meeting was cancelled and a Special Board Meeting will be held on Friday, May 22, 2009 at SSJID.

There was no discussion on Tri-Dam because no Board packets had been received.

**ITEM NO. 19
DISCUSSION OF QUARTERLY REPORT ON
CONSULTANTS' CONTRACTS FOR ENGINEERING SERVICES**

The District has issued Professional Services Agreements to Consultants for Engineering Services for general engineering services and engineering support for the WRP implementation. The Professional Services Agreements are issued on an "on-call" basis for "Get Ahead" engineering services and general engineering needs. The Board originally

approved \$500,000 for this work in 2007, 2008 and 2009 and made separate authorizations for additional work as the year progressed. Attached is a list of engineering consultants with their Professional Services Agreement scope description and project status for each.

As a summary of each consultant's activities, the following is provided:

Giuliani & Kull – Provides general engineering services on smaller projects, surveying, construction inspections and geotechnical work.

Condor Earth Technologies – Provides engineering services for the South Main and North Main Tunnels, and the South Main Improvements between Goodwin Dam and Tunnel 7. They also perform engineering services on the Joint Main under the direction of SSJID.

Provost & Pritchard Engineering Group, Inc. – Provides general engineering services, surveying, construction management, WRP support services and GIS development

CH2MHILL – Provides engineering, planning services and project specific CEQA compliance for the WRP implementation. They are presently working on two major projects; the OID to Modesto Reservoir Conveyance System Feasibility Study and the WRP CEQA implementation and compliance.

Holdrege & Kull – Provides geotechnical and on-site project testing services for all projects.

Mr. Jernigan was present and answered questions of the Board.

The Auditors arrived and the Board returned to the Action Calendar.

**ACTION CALENDAR
ITEMS NOS. 11, 14, 15, 16**

**ITEM NO. 15
REVIEW AND TAKE POSSIBLE ACTION ON THE
OAKDALE IRRIGATION DISTRICT IMPROVEMENT DISTRICT'S
ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2008**

The Improvement District's annual financial reporting framework is not in the GASB Statement No. 34 format. The District's Auditor, Brian Nash with Richardson and Company, will be present at the board meeting to answer questions.

Mr. Richardson and Mr. Nash were present to discuss the Oakdale irrigation District Improvement District's Annual Report for the year ended December 31, 2008.

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Oakdale Irrigation District Improvement District's Annual Report for the year ended December 31, 2008.

ITEM NO. 16
REVIEW AND TAKE POSSIBLE ACTION ON THE
OAKDALE IRRIGATION DISTRICT'S ANNUAL
REPORT FOR THE YEAR ENDED DECEMBER 31, 2008

The attached OID's 2008 Comprehensive Annual Financial Report is being submitted for approval. The District's Auditor, Brian Nash with Richardson and Company, and OID's Chief Financial Officer, Kathy Cook will be present at the board meeting to answer questions.

This year's annual report was formatted using guidelines set by the Government Finance Officer's Association (GFOA).

Mr. Richardson and Mr. Nash were present to discuss the Oakdale irrigation District's Annual Report for the year ended December 31, 2008.

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the Oakdale Irrigation District's Annual Report for the year ended December 31, 2008.

DISCUSSION

ITEM NO. 20
DISCUSSION ON 2008/2009
CONSTRUCTION PROJECTS FINAL COSTS

The District executed six (6) major construction projects in 2008. These projects were the Cape Horn Tunnel Rehabilitation, Little John's Creek Dam Rehabilitation, Riverbank/South Control Structure and Canal Rehabilitation, ID #52 Distribution System Replacement, Fairbanks/Cometa Control Structure Rehabilitation and the Fairbanks Lateral Crossing Replacement at the SSJID Main Canal. These projects were executed using various engineering Consultants, Contractors and a Construction Management Team consisting of Consultants and OID personnel. All projects were on or ahead of schedule and overall under budget. The construction period was again a good learning experience in improving the District's ability to manage and coordinate construction projects. Compliments must be given to Giuliani & Kull for their efforts and support on engineering, construction management, surveying and inspection services. Likewise, compliments must be given to Condor Earth Technologies and Provost & Pritchard for the engineering, Construction Management, inspection and surveying services.

Furthermore, the success could not have happen without the professional approach and execution of the construction by the contractors. The District had good quality contractors who executed their respective projects timely with high quality on budget and most important very safely. Compliments must be given to each contractor and everyone of their employees. Not one injury was experienced on any of the construction projects during the 2008/2009 construction season.

Attached is the graphic presentation of the construction services contractors and construction firms involved on each construction project with the associated costs.

Mr. Jernigan was present to answer questions.

ITEM NO. 20 **COMMUNICATIONS**

A. GENERAL MANAGERS REPORT

Safety Activities

1. 141 days without a lost time injury accident.

Administration Activities

1. GM participated as a Facilitator for the City of Oakdale's Community Forum on the Budget.
2. Most all time committed to preparation for the Knights Ferry trial which was held May 13th. All parties instructed to return June 1st for questions and submission of closing briefs.
3. Oakdale Chamber of Commerce Chocolate Festival May 16th and 17th.
4. ACWA May 19th-22nd.
5. Memorial Day is May 25th and OID's offices will be closed.
6. May 26th is SSJID centennial celebration.
7. TD GM interviews to be May 28th.
8. San Joaquin River Commissioners' meeting to be held Friday, May 29th. Focus of meeting will be what action to take on illegal diverters in Delta.
9. San Joaquin River Group Notes:
 - a. Looks like cash-call for the River Group will increase \$40K.
 - b. VAMP 2009 is going well. Predation is showing to be a dominate loss of salmon.
 - c. Bubble Barrier working well at HORB
 - d. Still working with BOR on VAMP II. Meeting held May 14th with Glaser. We're looking for a 5-year extension.

Contract and Special Project Activities

1. Cape Horn Tunnel – Final Contract Modification closing out the contract with Drill Tech is in preparation.
2. Little John Creek Dam Project – Final control installation to be completed by Sierra Controls for the SCADA system once the agreement has been signed by Brunkard for access to the signal relay tower. Final Contract Modification closing out the contract with Teichert Construction is in preparation waiting on Final Invoice from Teichert.
3. Riverbank/South Main – Final Contract Modification closing out the contract with Sierra Mountain Construction is being finalized.
4. Fairbanks/Cometa Control Structure Rehabilitation – Final Contract Modification closing out the contract with Teichert Construction is completed but need Final Invoice to complete.
5. Fairbanks/SSJID Main – The final invoice with remaining lien releases has not been received from Preston Pipeline.

6. South Main Canal and Tunnel Projects (CEQA) – The CH2M HILL CEQA team conducted the site investigations in February, March and April. 12, 2009 followed up with a Biological Site Investigations in February and April. The determination for the projects from Goodwin Dam to 2-Mile Bar (Segment I) and from Tunnel #7 to the second Concrete Flume downstream of Tunnel #7(Segment II) will fall under a Category Exemption. CH2MHILL is in the process of completing and filing the necessary paperwork for the exemption.
7. South Main Canal and Tunnel Projects (Engineering) – Condor continues with the design and document completion to 100% for the South Main from Goodwin Dam to 2-Mile Bar (Segment I) and from Tunnel #7 to the second Concrete Flume downstream of Tunnel #7 (Segment II). Condor is also performing some preliminary engineering to support CH2MHILL on the CEQA evaluation on the 2-Mile Bar Tunnel. The project is still on schedule for the bid package to be sent out on June 15, 2009 with a due date of July 14, 2009. The contract award is targeted for the end of August with a Notice to Proceed on September 15, 2009.
8. Landowner Meetings have been conducted for the Cashman Dam, Clavey Drop and the South Main Canal Rehabilitation Projects.
9. Review of the project schedules was conducted for the North Side Regulating Reservoir, Cashman Dam, Clavey Drop and the South Main from RVL Reservoir to Warnerville Road. The Construction Management Program is being developed now for all of the 2009/2010 projects.
10. The GSA for the GPS system has been drafted and sent out to Teletrack.
11. A display of the District Uniforms was set up in the C&M day room and the DSO day room for the employees to review. The results are being assembled to be submitted to the GM.
12. Contract Administration activities on issued contracts to be renewed and/or issued, Work Releases and Change Orders for all contracts.
13. Organizational plan is being assemble for all the project coordination for 2009/2010 projects.
14. Project coordination with Engineering Consultants.
15. Construction Management and Contracts Administration manuals being developed. Contract Management course being prepare for OID personnel.

Construction & Maintenance Activities

1. Review of Job Set Up Forms
2. Various Landowner Meetings
3. Preparing Employee Evaluations
4. Assisting Engineering Department with constructability review of 2009/2010 Capital Improvement Projects.
5. On-going review of potential dirt sites.
6. Successfully completed Hazardous Materials Operational class along with Glen Rathbun, Mike Hanf, & Derek Davis.
7. New Automotive Shop Chief-David Skokan- started his employment on Monday, May 11th.
8. Donley Pump completed our annual Vapor Recovery Test on our fuel dispensary station.

9. Two of the five selected candidates for the vacant C&M Worker positions have completed their pre-employment requirements and will be starting their employment at the District on May 20th.

Engineering Activities

1. Working with V.A. Rodden on Lease Agreement for Phase I facilities, scope development for Phases II and III per the Board approved V.A. Rodden Agreement, Annexation per V.A. Rodden Agreement and outgoing construction issues associated with Phase I work.
2. P&P working on design drawings for 2009/2010 Capital Projects. Standard "in-house" drawing set submitted 5/7/09 and currently under review internally.
3. Continuing to work with USACOE and USFWS as it pertains to environmental mitigation. DRAFT BO submitted to USFWS on 4/27/09. DRAFT Mitigated Negative Declaration was completed and mailed to the State Clearing House on 4/29/09. Technical Memorandum concerning potential alternative mitigation either through NGO's or on OID property was submitted to USACOE on 5/15/09.
4. Performing research of APN files and facility files for the 2009/2010 Capital Projects.
5. Landowner meetings for the 2009/2010 Capital Projects have begun and to date are going very well.
6. Support Services has determined that approximately 160 LF of pipe needs to be replaced through the Hansen Property. Aside from the above noted replacement, those leaks that could be addressed were addressed. Correspondence sent to Mr. Hansen letting him know that OID would plan on replacing the required section of pipe this winter contingent upon the trees being removed and the pump station being modified.
7. Response letter sent to Willms Ranch, LLC Attorney, Ms. Barbara Savery last week concerning their proposal.
8. Preparing pre-construction photo logs for all 2009/2010 Capital Projects.
9. Assisting Mr. Jernigan as necessary on the South Main Canal improvement projects.
10. Working with Contech Bridge to secure an estimate for fabrication of a vehicular crossing over Wildcat Creek (Willms Ranch).
11. Brady Pipeline Encroachment Agreement for John Brichetto has been signed.
12. Provided GM with review of Aquatic Pesticide Application Program in memo dated, May 12, 2009.
13. Ongoing project status meetings with Provost and Prichard, Inc.

Water Operations Activities

1. Assisting GM with preparation and background information for the Knights Ferry Case in regard to Knights Ferry Water Operations
2. Attended a public workshop on May 7, 2009 in Merced in regard to the California Water Plan Update 2009.
3. Preparing for stakeholders workshop on May 19, 2009 for the Long Term Irrigated Lands Program Alternatives.
4. Reviewing Aquatic Pesticide Application Program CEQA compliance and options as a result of the Sixth Circuit decision on January 7, 2009.
5. Preparing response to the State Water Resources Control Board in regard to progress and license reports that are due for numerous OID/SSJID water rights and permits.
6. Responding to numerous land owner issues and conducting land owner meetings when necessary.

- a. On May 6, 2009 a termination of water service notice was sent to water users of a private ditch along Lone Tree Road, known as the Weller Ditch. Water users will not be allowed to irrigate until such time as their irrigation facility is restored to an appropriate standard.
 - b. On May 6, 2009 a notice of unreasonable drainage letter was sent to water users off the Huffman Lateral along Lone Tree Road. Water users were encouraged to keep all applied irrigation water on their own property and cautioned that curtailment of delivery could result if they continue to drain unreasonably.
7. 12 Day rotations began on May 10, 2009. Rotation 5 started on May 10, 2009. Rotation 6 will begin on May 22, 2009.
 8. Attending various landowner meetings scheduled by the Engineering Dept. to discuss Capital Improvement Projects to be initiated in the Fall of 2009.
 9. Reviewing Storm Water Management Plans in regard to Winter Construction Projects.
 10. Reviewing Draft copy of 2008 South Main Flow Analysis as prepared by Watermark Engineering, Inc. (Stiehr Report).
 11. Assisting Finance Dept with scoping and preparation for an Enterprise Software Package Solicitation.
 12. Preparing for upcoming USCID Reno Conference (June 3-6, 2009) and presentation of modernization paper.

Finance and Accounting Activities

1. Kristy Bissell has been promoted to the Payroll Clerk position. We have posted the Account Clerk position in-house and will be advertising it in the Modesto Bee on May 17th and the Oakdale Leader on May 20th.
2. Attended Spring Brook software users' conference in Portland on May 6th and 7th to view potential new accounting software.
3. Finalize 2008 OID Annual Report and ID's Annual Report. Submitted at today's meeting for approval.
4. Continued to work with new insurance implementation and answer many employee questions/problems.
5. Continue to close out costs on capital work orders.
6. Rural water system accounts – April:
 - 77 - late payment letters
 - 5 - \$100 deposits, due to late payments
 - 2 - 48-hour shut-off notices
 - 1 - Shut-offs
7. Processed 11-property title transfers in April.
8. As of May 11, 2009, 143 irrigation customers remain delinquent.

B. COMMITTEE REPORTS

There were no committee meetings to report.

C. DIRECTORS' COMMENTS/SUGGESTIONS

Director Bairos

Director Bairos stated that constituents may be calling the District stating that their pasture is drying up and we need to change our rotation. He stated that we need to ask them if

they skipped the last rotation because of the rain and, if so, then it is not the District's problem that their pasture is drying up and their crops are stressed.

Director Clark

Director Clark had no comments

Director Alpers

Director Alpers had no comments.

At the hour of 10:38 a.m. the meeting adjourned to a Closed Session.

CLOSED SESSION
ITEM NO. 22

A. Government Code §54956.8 Conference with Real Property Negotiator

Negotiating Parties: OID, Stockton East Water District, City of Stockton, Westside Interests and City and County of San Francisco

Property: Water

Agency Negotiators: General Manager and Water Counsel

Under Negotiations: Price & Terms

A. Government Code §54956.9 Existing Litigation

(1) *Karen Eakin v. Oakdale Irrigation District*

(2) *Lubbers v. Oakdale Irrigation District*

At the hour of 11:03 a.m. p.m. the meeting returned to open session.

Coming out of Closed Session the General Manager Steve Knell reported that that the Board unanimously authorized the General Manager to execute the Water Transfer Agreement with San Luis Delta Mendota Canal Water Authority for a one (1) year contract thereby agreeing to the terms contained therein.

OTHER ACTION
ITEM NO. 23

The meeting adjourned at the hour of 11:04 a.m. The next Regular Board Meeting of the **Oakdale Irrigation District Board of Directors** is scheduled for **Tuesday, June 2, 2009 at 9:00 a.m.** in the board room at 1205 East F Street, Oakdale, CA.

A Special Joint Board Meeting for the **Tri-Dam Project** is scheduled for **Friday, May 22, 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