

MINUTES

Oakdale, California
August 1, 2006

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: Steven A. Webb, President
Jack D. Alpers
Frank B. Clark
Tony Taro
Al Bairos, Jr.

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

ADDITION OR DELETION OF AGENDA ITEMS

General Manager, Steve Knell, advised the Board that Closed Session Item No. 15-B was pulled from the Agenda.

ACTION TO TAKE VARIOUS ITEMS OUT OF SEQUENCE

There were no items taken out of sequence.

OATH OF OFFICE OF DIRECTOR, DIVISION 4 ITEM NO. 1

General Manager, Steve Knell, swore in Mr. Bairos as Director of Division 4.

At the hour of 9:05 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 2

Mr. Foard commented on a picture that he left at the last Board meeting.

Mr. Burtschi requested discussion of item No. 4 on the Consent calendar. Item No. 4 was pulled to be discussed during the Action Calendar.

Mrs. Rebecca Lee stated that she and her husband had recently purchased some property off of Pleasant Valley Road and they were notified by the previous landowner that it had OID rights. After that they received a letter from the previous landowner in May stating that

the water rights were no longer valid. Director Webb directed her to Kathy Cook to see if the land was ever on the irrigation water roll.

Public Comment was closed at 9:10 a.m. and the Board Meeting continued.

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

ITEM NO. 3
APPROVE THE BOARD OF DIRECTORS'
MINUTES OF THE SPECIAL MEETING OF
JULY 18, 2006 AND RESOLUTION NOS. 2006-35 and 2006-36

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the Board of Directors' Minutes of the Special Meeting of July 18, 2006 and Resolution 2006-35 and 2006-36.

ITEM NO. 5
APPROVE GENERAL SERVICES CONTRACTS FOR
VARIOUS VENDORS AND CONTRACTORS (PAPE MACHINERY)

A motion was made by Director Clark, seconded by Director Alpers, and unanimously supported to approve the General Services Contract for Pape Machinery.

ITEM NO. 6
APPROVE NOTICE OF COMPLETION ON THE SNEDIGAR
DRAIN (APNS: 075-015-010/017 AND 075-020-006 – JKB HOMES NORCAL, INC.)

A motion was made by Director Clark, seconded by Director Taro, and unanimously supported to approve the Notice of Completion on the Snedigar Drain (APNS: 075-015/017 and 075-020-006 – JKB Homes Norcal, Inc.).

ITEM NO. 7
APPROVE RESOLUTIONS AND CONTRACTS WITH
STANISLAUS AND SAN JOAQUIN COUNTIES FOR PLACEMENT
OF DELINQUENT FIXED CHARGES ON THE 2006/2007 TAX ROLLS

A motion was made by Director Clark, seconded by Director Alpers and unanimously supported to approve the Resolutions and contracts with Stanislaus and San Joaquin Counties for placement of delinquent fixed charges on the 2006/2007 tax rolls.

ACTION CALENDAR
ITEMS 4, 8, 9, 10, 11, 12

ITEM NO. 4
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

Mr. Henry Burtschi had a question on a check for over a quarter million dollars regarding Gable Tunnel and wanted to know where the tunnel was located and what percentage the District paid. General Manager Steve Knell stated that it was 28% and explained that for the next four years OID would be obligated to pay its 28%. Mr. Burtschi also asked what the \$44,000.00 paid to CH2M Hill was for. Director Webb stated that it was for of the Water Resources Plan.

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

ITEM NO. 8
REVIEW AND TAKE POSSIBLE ACTION ON
CHANGE ORDER NO. 1 TO CUNNINGHAM & SONS CONSTRUCTION
FOR THE LOWER COMETA LATERAL CROSSING
REPLACEMENT AT THE SOUTH SAN JOAQUIN MAIN CANAL PROJECT

Additional work was done on the Lower Cometa Lateral Crossing Replacement at the South San Joaquin Main Canal Project. The additional work consisted of an extension and additional welding of 30 inch Welded Steel Pipe, reconfiguration of prefabricated vandal fencing, and a 30 inch coupler. The cost of the additional work was \$6,752.37 which includes a credit of \$1,907.56 for deletion of a canal gate, which was originally planned to be incorporated into the work. The original contract amount was \$199,798 and awarded to Cunningham & Sons Construction. This change order increases the total and final project price to \$206,550.37.

A motion was made by Director Alpers, seconded by Director Taro, and unanimously supported to approve Change Order No. 1 to Cunningham & Sons Construction for the Lower Cometa Lateral Crossing replacement at the South San Joaquin Main Canal Project.

ITEM NO. 9
REVIEW AND TAKE POSSIBLE ACTION ON
CHANGE ORDER NO. 1 TO RTC FOR THE
FAIRBANKS PIPELINE REPLACEMENT PROJECT

In order to expedite to meet the Landowner's planting schedule, the project completion of July 12, 2006 was required. To meet this completion date, RTC, Inc was requested to work overtime for a period of three weeks and additional work was required. Additional payment to be authorized by this change order includes payment for "Premium Time" only for work performed at overtime rates and for the three (3) additional concrete collars at a unit price of \$750.00 in order to facilitate tie-ins. RTC had to work extended days and on weekends to meet this schedule. Also, concrete collars had to be poured for tie-ins which were not

originally anticipated in the contract. These collars would not have been required had the work proceeded as originally planned and bid.

The total amount for Change Order No. 1 is \$9,250. The Board of Directors awarded \$172,994 to RTC to replace the Fairbanks Pipeline and the project amount is now \$182,244. Staff recommends that the Board authorize the General Manager approve a change order in the amount of \$9,250 to RTC.

A motion was made by Director Webb, seconded by Director Taro, and unanimously supported to approve Change Order No. 1 to RTC for the Fairbanks Pipeline replacement project.

ITEM NO. 10
REVIEW AND TAKE POSSIBLE ACTION ON
CHANGE ORDER NO. 1 AND NOTICE OF COMPLETION
OF JOHNSON WESTERN GUNITE COMPANY FOR
THE WILLS LATERAL EMERGENCY REPAIRS PROJECT

Emergency repairs were required at the Wills Lateral due to a major breach in the canal bank. As a result of OID's 750 CFM compressor being in the shop for servicing, OID had to contract this work out. As previously reported in the June 6, 2006 Board Meeting, two contractors provide pricing for this work with Johnson Western being selected. Once the work started, it was discovered another section was on the verge of failing. During the initial work, Johnson Western were requested to continue with this additional work. The scope increased by 35% and a change order in the amount of \$8,000 was authorized on June 6, 2006 that is now changed to a Zero Dollar Change Order from \$8,000 from Johnson Western Gunite Company. The change to a Zero Dollar Change Order was the result of OID providing some assistance in the mobilization and demobilization phases of the project. Therefore, a Zero Dollar Change Order is submitted to close out the contract.

Also requested is the approval to file a Notice Of Completion to close out this contract.

A motion was made by Director Alpers, seconded by Director Webb, and unanimously supported to approve the Change Order No. 1 and Notice of Completion of Johnson Western Gunite Company for the Wills Lateral emergency repairs project.

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION ON
APPROVAL OF GENERAL SERVICES AGREEMENT FOR
SWEEPING OF OID PARKING LOT AND
YARD (AUTREY'S WATER TRUCK AND SWEEPER SERVICE)

Dirt and sand have been accumulating in the District's parking lot and yard which is tracked in by vehicles and heavy equipment. The accumulation is significant. When it rains, the sand and grit are washed into the rock wells' reducing their effectiveness and result in flooding. Similarly, the material is tracked into the offices and service buildings.

Staff has contacted vendors to obtain a quote for cleaning the yard and parking lots in the past as well as for the work recent work. The equipment to accomplish a through sweeping would require a sweeper vacuum truck. The lowest price for this type of equipment is provided by Autrey's Water Truck and Sweeper Service at a rate of \$720/day. A sweeper vacuum truck will be able to pick up more of the sand and dirt than a vacuum truck alone. Staff recommends performing a through sweeping on a quarterly basis which can be accomplished in one – eight hour day and awarding the work to Autrey's Water Truck and Sweeper Service.

A motion was made by Director Alpers and seconded by Director Clark to approve the General Services Agreement for Sweeping of OID parking lot and yard with Autrey's Water Truck and Sweeper Service, and was voted as follows:

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

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON
AWARD OF BID TO MULROONEY AUCTION
COMPANY FOR DISPOSAL OF DISTRICT SURPLUS

Staff requested quotes for auctioneer services from three (3) vendors to dispose of the District's surplus materials. Only two Auctioneers responded, Mulrooney Auction Services of Galt, CA and Ernst Auction Park of Modesto, CA. The two (2) vendors, Mulrooney and Ernst, both quoted a commission of 10% on rolling stock but Ernst did increase their commission to 25% on non-rolling stock. Ernst Auction Park is located in Modesto and will hold the auction at that location. Mulrooney will hold the auction at a yet to be determined location possibly in Linden. Mulrooney will settle the auction proceeds in 10 days while proceeds from Ernst will be settled in 15 banking days.

A motion was made by Director Clark, seconded by Director Bairos, and unanimously supported to approve the award of bid to Mulrooney Auction Company for disposal of district surplus.

DISCUSSION ITEMS
ITEM NO. 13

ITEM NO. 13
DISCUSSION BY THE WATER RESOURCE PLAN AD HOC COMMITTEE
ON THE TERMS AND CONDITIONS FOR RENEWAL OF OAKDALE
IRRIGATION DISTRICT'S EXISTING WATER TRANSFER AGREEMENTS

At the last Board meeting the Ad Hoc Committee was tasked to begin developing the renewal terms and conditions for the OID's water transfers that will be coming to term in 2009 and 2011.

Director Alpers stated the Ad Hoc Committee met and at the present time we have three water transfers totaling 41,000 ac ft and these current water contracts are expiring over the

next two to four years. The income from these transfers represents 26% of our income for operations without it our water rates would be close to \$100 dollars instead of \$19.50. Therefore the ad hoc committee feels that we should move forward at this time utilizing the committee, staff, water counsel, and any other specialist we may need. These issues are complex environmentally, financially, etc. and we think we should move forward and explore all options out there. There will not be any decisions made by the ad hoc committee, they will just be gathering information as it comes and it will take a while. As the information is forthcoming we will present it to the Board. I think it is time to let staff go to work on this and see what is available out there and on what terms. If it is all agreed, the ad hoc committee will stay on top of it and report every month or two months to the Board.

Director Webb wanted it to be clear that we are only dealing with the 41,000 ac ft. Director Alpers stated yes, that it is all were dealing with.

Director Taro asked if there would be an increase in water sales. Director Alpers stated no, not at this time, but if the water resource plan proves we can sell another 9,000 ac ft then that may be reconsidered. However, that is not on the table today. If we can sell less than the 41,000 ac ft for enough money we may be below that amount.

Director Clark stated that the contract with Stockton East is 15,000 ac ft and expires in two years. The advantage of selling 15,000 ac ft to Stockton East is that there is a good chance that you don't have to go through another environmental review. New water contracts will involve an environmental review that could take several years. The 26,000 ac ft that we currently sell to VAMP and the Bureau of Reclamation that contract expires in 2011 and there is a good chance that with the Friant Dam deal going and more water coming down the San Joaquin River that they may not need water so we need to find a home for that water. The water deal that was negotiated when Burtschi was Board president was a salvation to this District and he should be complimented. It brought this district out of the hole and for the last ten years we have sold this water and it's brought the district to great financial stability. We anticipate with the water resources plan that in addition to this 41,000 ac ft we may save much more that can be used for Ag expansion, whether it is annexation or selling water to develop farmland on a contractual basis. Part of that is going to be water that is going to allow us to come up with a \$170 million that we need to complete the reconstruction of this District. Water sales are here and we are fortunate to have the water we have and if we want to keep it, water transfers are beneficial use of water and it is one of the easiest ways to use excess water with the least ramification with environmental issues and regulatory issues.

Director Taro stated to be sure we are able to keep the water when we need it in dry years.

The Board agreed to have the staff move forward and start accumulating information for the Board's review.

ITEM NO. 14 **COMMUNICATIONS**

A. GENERAL MANAGER'S REPORT

Safety Activities

1. OID has gone 68 days without a lost time injury accident.

Water Operations Activities

1. OID is on 10 day rotations and will likely stay there until mid-August.
2. State DHS has notified Bob Nielsen that based on OID'S previous results, no further testing of Radium 228 will be required on the wells in OID's RWS No. 1. This means a savings of \$3,500 in water quality costs this year.

Administration Activities

1. The Water Resources Plan continues with draft EIR documents beginning to show up.
2. Provided the Farm Bureau Board of Directors a presentation on OID's Water Resources Plan.
3. Looking at offering a retirement planning workshop for our employees.
4. The USCID Board is meeting in Sacramento this month. This Board represents all mid-west and western states from North Dakota to Texas to the West Coast. The night before each Board meeting they invite two or three water leaders (their words, not mine) to be their guest for dinner. I was asked to attend.
5. OID had its Family Ball Game Dinner Event at the Modesto Nuts stadium on July 21st. It was a great event with 54 attendees. Everyone stopped sweating at 9:00 p.m. that evening.

Finance Department

1. Sent out customer past due notices.
2. 2007 OID budget preparation
3. Union negotiations
4. Reserve policy
5. 2007 Improvement District budget preparation

C&M Operations Activities

1. The Fairbanks Pipeline Replacement Project is in the final stages of completion
2. Schuller Lateral bank rehabilitation was completed.
3. Diversion work for leaks on the South Main was completed
4. Condor drafting reports for "2-Mile Bar Tunnel" and the Permanent Bank Repair Program. Final reports are due by September 30, 2006.
5. Clean up of chunkers on South Main continued
6. Ditch Cleaning and Rehab continued on various laterals and drains.
7. Developing options for selecting a Borrow Pit source for dirt needed for bank rehabilitation
8. Winter Work Identification and Scope Development program in progress

Engineering Activities

1. Design continued on the Campbell Pipeline Replacement, Grider Pipeline and the Clarke Pipeline Replacement
2. Punch List Activities for the Fairbanks Pipeline completion
3. Selection process for Engineering firms
4. Project Development for the Winter Season
5. Providing support to the Water Operations Department

9. Assembling bid package for the Campbell Pipeline (30" & 36" RCP) and a bid package for the Clarke, Grider and North Dudley Pipelines (18", 24" and 27" PVC) Fairbanks pipeline replacement nearing completion.
10. Repairing Lesnini Lateral embankment
11. Road building on Schuller Lateral
12. Dozing spoils on Laughlin Drain

B. **COMMITTEE REPORTS**

Committee reports were previously given in these Board Minutes.

C. **DIRECTORS' COMMENTS/SUGGESTIONS**

Director Alpers

Director Alpers had no Director's comments.

Director Bairos

Director Bairos had no Director's comments.

Director Clark

Director Clark had no Director's comments.

Director Taro

Director Taro asked what the progress was on the new borrow pit. Gary Jernigan stated that they are reviewing three options.

Director Webb

Director Webb asked Kathy Cook if the District had received a check from Tri-Dam and Kathy Cook stated yes. He also asked if the ten-day rotations were still working. General Manager, Steve Knell stated that it is still working for the constituents and the District will keep checking to see if it needs to be changed.

Director Webb would like to tour the South Main after the water season and would like the new Director Al Bairos to go.

At the hour of 10:15 a.m. a motion was made by Director Alpers, seconded by Director Clark, and unanimously supported to move to Closed Session.

CLOSED SESSION
ITEM NO. 15

1. Closed Session to discuss the following:

**A. Government Code §54957.6 Conference with Labor Negotiator
Agency Negotiator: Katherine Boyd
Unrepresented Employees: Operating Engineers Local Union No. 3**

At the hour of 10:55 a.m. a motion as made by Director Webb, seconded by Director Clark, and unanimously supported to move to open session.

General Manager, Steve Knell, stated that there were no other reportable actions following closed session.

OTHER ACTION
ITEM NO. 19

At the hour of 10:55 a.m. a motion was made by Director Clark, and seconded by Director Alpers, and unanimously supported to adjourn to the next **regular Board of Director's Meeting** to be held on **Tuesday, August 15, 2006, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **regular Joint Board Meeting for the Tri-Dam Project** is scheduled for **Thursday, August 17, 2006, at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, CA.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary