

MINUTES

Oakdale, California
March 20, 2007

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, Vice President
Tony Taro
Al Bairos, Jr.
Frank B. Clark

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

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 9:01 a.m. the Board welcomed public comment.

PUBLIC COMMENT ITEM NO. 1

There being no Public Comment; Public Comment closed at 9:01 a.m. and the Board Meeting continued.

CONSENT ITEMS ITEM NOS. 2, 3, 4, 5, 6, 7, 8, 9, 10

ITEM NO. 2 APPROVE THE BOARD OF DIRECTORS' MINUTES OF THE REGULAR MEETING OF MARCH 6, 2007 AND RESOLUTION NOS. 2007-10, 2007-11, AND 2007-12

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Board of Directors' Minutes of the Regular Meeting of March 6, 2007, and Resolution Nos. 2007-10, 2007-11, and 2007-12.

ITEM NO. 3
APPROVE OAKDALE IRRIGATION
DISTRICT STATEMENT OF OBLIGATIONS

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

ITEM NO. 4
APPROVE IMPROVEMENT
DISTRICT STATEMENT OF OBLIGATIONS

A motion was made by Director Alpers, 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 FEBRUARY 28, 2007

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Treasurer and Chief Financial Officer's Report for the month ending February 28, 2007.

ITEM NO. 6
APPROVE AMENDMENT FOR GENERAL
SERVICES AGREEMENT 2006-04 WITH RTC

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the amendment for General Services Agreement 2006-04 with RTC.

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

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the General Services Agreements for Various Vendors and Contractors.

ITEM NO. 8
APPROVE ENCROACHMENT AGREEMENT ON THE
LANGWORTH PIPELINE (APN: 062-006-013 – BELETTO)

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Encroachment Agreement on the Langworth Pipeline (APN: 062-006-013 – Beletto).

ITEM NO. 9
APPROVE ENCROACHMENT AGREEMENT ON
THE HOWARD PIPELINE (APN: 006-002-081 – ESKEW)

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Encroachment Agreement on the Howard Pipeline (APN: 006-002-081 – Eskew).

ITEM NO. 10
APPROVE QUITCLAIM OF LAMBUTH PIPELINE
RIGHT OF WAY EASEMENT (APN: 002-060-002 – QUINTANA)

A motion was made by Director Alpers, seconded by Director Bairos, and unanimously supported to approve the Quitclaim of Lambuth Pipeline Right of Way Easement (APN: 002-060-002 – Quintana).

ACTION CALENDAR
ITEM NOS. 11, 12

ITEM NO. 11
REVIEW AND TAKE POSSIBLE ACTION
AUTHORIZING GENERAL MANAGER TO EXECUTE
MEMORANDUM OF UNDERSTANDING ON FRIANT DAM SETTLEMENT

In 2006, 18 years of litigation over the environmental effects of construction of Friant Dam on the upper San Joaquin River was "settled." There are several complicated pieces to the implementation puzzle, including federal legislation (H.R. 24) giving Third Parties a seat at the table.

Although the general intent is to avoid third party impacts during implementation of the settlement, the size, cost and complexity of the undertaking makes it essential that we have a seat at the table.

Our primary participation will be through membership in the San Joaquin River Tributary Association (SJTA). Our 2007 budget includes funding for such SJTA activities.

The MOU is currently being circulated for approval and signatures.

It may be of interest that Friant Dam is located 25 miles northeast of Fresno, California. Completed in 1942, the dam controls the upper San Joaquin River flows, provides downstream releases to meet requirements above Mendota Pool, and provides flood control, conservation storage, diversion into the Madera and Friant-Kern Canals, prevents salt water from destroying thousands of acres in the Sacramento-San Joaquin Delta, and delivers water to a million acres of agricultural land in Fresno, Kern, Madera, and Tulare counties in the San Joaquin Valley. All of this and more is available on the USBR website.

A motion was made by Director Clark, and seconded by Director Alpers for discussion. After Discussion the General Manager was authorized to execute the Memorandum of Understanding on the Friant Dam Settlement by the following vote:

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

ITEM NO. 12
REVIEW AND TAKE POSSIBLE ACTION ON
PURCHASE OF TWO AIR COMPRESSORS AND ONE COMPACTOR

OID has tried a different method of repairing concrete pipelines which leak. The previous method was to crawl the lines to locate the leak and then use a chipping hammer and manually chip out the crack. Not only is this time consuming but has caused injuries during the last year. The District reviewed other District's methods of repairing pipe. It was found; SSJID had the best method for repairing pipe. This method consisted of a small air compressor with pneumatic chipping tools. The District first leased one small compressor as a trial to test our productivity on repairing leaks. This method proved to be very successful and the District leased another air compressor. United Rentals is offering to sell these two (2) compressors as an inventory reduction for their Turlock office. United has offered these compressors to the District for \$900 each. The monthly rental is \$581. These compressors sell for \$2800.

The compactor was leased last year for road and bank compaction. This piece of equipment has been used very successfully on a number of facilities. The quality of construction and maintenance repairs on banks and roads have improved immensely. Future maintenance will be minimized with the use of this equipment. OID is scheduled to release this equipment and return it back to Ingersoll Rand at the end of March. However, Ingersoll Rand has offered to apply 70% of the rental payments towards the purchase of this equipment.

The discounted sales price for this piece of equipment is \$90,949. Ingersoll Rand will apply a credit of \$42,899 from the lease payments towards the purchase price resulting in a final purchase price of \$48,050. The monthly rental price is \$3,605 and the District plans on using this piece of equipment until the end of March and then leasing it again in September for another seven (7) months.

Staff recommends purchasing the two (2) air compressors and applying 70% of the lease payments towards the purchase of the Vibratory Compactor. Both of these purchases are unbudgeted for 2007.

The Finance Committee met on this issue and the Finance Committee felt that this would be a good purchase for the District. The Finance Committee also discussed that this was not a budgeted item and recommended that the District defer a Capital Budget purchase to pay for the purchase of these items.

A motion was made by Director Bairos, seconded by Director Clark, and unanimously supported to approve the purchase of two air compressors from United Rentals and one compactor from Ingersoll Rand.

DISCUSSION ITEMS
ITEM NOS. 13, 14

ITEM NO. 13
DISCUSSION ON CITY OF RIVERBANK
OUT-OF-DISTRICT AGREEMENTS

General Manager, Steve Knell, stated that this item was placed back on the calendar per the request of Director Clark. General Manager Steve Knell stated that there are ten (10) recipients that are affected in Riverbank that comprise about 30.5 acres.

Director Clark stated that since there was no one present from the City of Riverbank regarding the out-of-district agreements it was a moot point and there was no need to go over this item again.

ITEM NO. 14
DISCUSSION/PRESENTATION ON THE
RESULTS OF THE 2006 AG WAIVER MONITORING

Water Operations Manager, Kevin King, gave a PowerPoint presentation on the results of the 2006 Ag Waiver Monitoring.

ITEM NO. 20
COMMUNICATIONS

A. **GENERAL MANAGERS REPORT**

Safety Activities

1. OID has gone 300 days without a lost time injury accident. A Safety BBQ was held March 8th in recognition of that accomplishment.

Administration Activities

1. The Lake Alpine Water Company and the County of Alpine Agreement was signed ending that 8 year protest on their petition to appropriate water out of the North Fork of the Stanislaus River.
2. Have not heard back from any Board members on whose attending the ACWA Conference May 8-11 in Sacramento.
3. Tri Dam Finance Committee had a good meeting with TD staff on internal controls.
4. Ag Luncheon Thursday, March 22nd.
5. Pelagic Decline Workshop on the Delta will be held in Sacramento on Thursday, March 22nd.
6. Met with Mark Antrum with TSM on upcoming insurance rates. Looks like a 19% increase is in store for 2007/08.

Water Operations Activities

1. Water was turned into the system at mid-night on Thursday for system filling on Friday and Saturday.

Construction & Maintenance

1. Wrap up of 2007 winter work in progress.
2. Jernigan reported that OID has no access to the Oakdale Pipeline in order to do the Gagos work as directed by the Board. Schutz will not allow OID to cross his property for said work. Precluded from talking to Greggs due to pending suit.

Engineering Activities

1. Met with Sheldon Twer and will be coming back to the Board on that issue.

B. COMMITTEE REPORTS

Water/Engineering Committee Meeting

Monday, March 12, 2007, 11:00 a.m.

- Amendment to Agreement Establishing Terms and Conditions for Irrigation of Lands, Ten (10) Acres or Larger Outside Oakdale Irrigation District Boundaries
- Amendment to Checklist for Irrigation of Lands Outside Oakdale Irrigation District Boundaries Ten (10) Acres or Larger
- Condor Tunnel Rehabilitation to South Main Canal

Director Webb stated that it was decided that the out of district water agreements were going to be discussed on April 3, 2007 and a determination would be made at that time regarding surplus water. Director Webb also stated that there was a Condor Tunnel rehabilitation presentation. Director Webb stated that the District needs to start thinking about how to finance the rehabilitation work to be done on the tunnels and canals which will cost about \$45 million which includes the new reservoir. The District needs to be aware of the fact that these costs will continue to increase year after year and the District needs to determine where the money is going to come from. Director Webb stated that Support Services Manager, Gary Jernigan, will give a finance plan presentation on the Condor Tunnel Projects at the next Board Meeting.

Finance Committee Meeting

Friday, March 16, 2007, 10:00 a.m.

Purchase of Two Air Compressors and One Compactor

Tuesday, March 13, 2007, 1:30 p.m.

OID Finance Committee met with SSJID Finance Committee

- Discussion on Tri-Dam Finances

Director Clark stated that the discussion regarding the purchase of the two air compressors and one compactor was discussed under Action Item No. 12.

Director Clark stated that there is some concern over the limited checks and balances used by Tri-Dam in handling finances. One problem is that there are only two employees

available who handle the finances. It was agreed that OID and SSJID would prepare some procedures to be reviewed by Tri-Dam. Once this has been completed the procedures will be brought back to both Boards for further discussion and approval.

DIRECTORS' COMMENTS/SUGGESTIONS

Director Alpers

Director Alpers stated that he liked the new format on the Agenda for the Committee Meetings. Director Alpers stated that he felt that San Joaquin Flood Control was becoming the sounding board for Stockton East who is attacking our water rights at New Melones. Director Alpers asked Director Taro to speak with San Joaquin Flood Control at their meeting on March 21, 2007 regarding the letter written by Herman Crabtree Brown.

Director Clark

Director Clark had no comments.

Director Bairos

Director Bairos had no comments.

Director Taro

Director Taro had no comment.

Director Webb

Director Webb had no comment.

OTHER ACTION **ITEM NO. 16**

At the hour of 10:10 a.m. a motion was made by Director Clark and seconded by Director Alpers, and unanimously supported to adjourn to the next **Board of Director's Meeting on Tuesday, April 3, 2007, at 9:00 a.m.** at the Oakdale Irrigation District Office, 1205 East F Street, Oakdale, CA 95361.

The next **Joint Board Meeting for the Tri-Dam Project** has been scheduled for **Tuesday, April 19, 2007, at 9:00 a.m.** in the Board Room of the Oakdale Irrigation District, 1205 East F Street, Oakdale, California.

Steven A. Webb, President

Attest:

Steve Knell, P.E., Secretary