

OAKWOOD LAKE WATER DISTRICT

REGULAR MEETING MINUTES OF NOVEMBER 24, 2020

HELD REMOTELY VIA ZOOM¹

A Regular Meeting of the Oakwood Lake Water District was held remotely, via Zoom, on Tuesday, November 24, 2020 at 7:00 p.m.

1. CALL TO ORDER; ROLL CALL. The meeting was brought to order at 7:00 p.m. by President Gene Oliver. Secretary Knight took roll and the following Directors and staff were remotely present:

Gene Oliver, President
Steve Marino, Vice President
Glen Campi, Director
Nelson Bahler, Director
Jean Knight, District Secretary
Doug Coty, Legal Counsel
Bert Michalczyk, District Engineer

Others Present Were:

Casey Wichert, Valley Operators
Lynne Wichert, Valley Operators

Absent Was:

Tim Smith, Director

2. PUBLIC COMMENT

Audience members may address the Board on any item pertaining to Oakwood Lake Water District's jurisdiction not appearing on the agenda. Please limit each presentation to five minutes. No comments from either Casey Wichert or Lynne Wichert. Engineer Bert Michalczyk also reported no e-mails had been received in the District's e-mail box prior to this meeting.

3. CONSENT ITEMS:

The following items can be acted on in one consolidated motion as recommended or may be removed from Consent and separately considered at the request of any Director.

President Oliver introduced this agenda item and asked if there were any questions or concerns with respect to approval, acceptance or receipt. After no comments,

¹ Pursuant to Governor Newson's Executive Order N-29-20, N-33-20 and subsequent orders, Directors will participate in this meeting remotely. No physical meeting location will be provided in order to comply with Shelter in Place Order and closure of the Oakwood Shores Association Clubhouse.

- a. Minutes for Approval (Regular Meeting of September 22, 2020; Special Meeting of October 6, 2020; Special Meeting of October 27, 2020; Regular Meeting of October 27, 2020)
- b. Accept Financial Reports for October 2020
- c. Receive Capital Projects Status Report for October 2020
- d. Receive Fiscal Year Goals Status Report for October 2020
- e. Infrastructure Finance and Construction Agreement Status Report for October 2020
- f. Time Schedule Order Status Report for October 2020
- g. Delegate Authority to District Engineer to Accept Construction Projects Undertaken by the District as well as Infrastructure Constructed by Others that is Dedicated to the District
- h. Expand Right of Entry Permit in Favor of California Department of Fish and Wildlife for Nutria Control

It was moved/seconded (N. Bahler, S. Marino), roll call² by Secretary Knight was responded to as follows: Glen Campi: Aye; Steve Marino: Aye; Gene Oliver: Aye, Nelson Bahler: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that a. the Minutes for September 22, 2020, the Special Meeting of October 6, 2020, the Special Meeting of October 27, 2020 and the Regular Meeting of October 27, 2020 were approved; b. The Financial Reports for October 2020 were accepted; c. The Capital Projects Status Report for October 2020 was received; d. The Fiscal Year Goals Status Report for October 2020 were received; e. The Infrastructure Finance and Construction Agreement Status Report for October 2020 was accepted; f. The Time Schedule Order Status Report for October 2020 was accepted; g. The Delegation of Authority to District Engineer to Accept Construction Projects Undertaken by the District as well as Infrastructure Constructed by Others that is Dedicated to the District be approved; and h. the Expand Right of Entry Permit in Favor of California Department of Fish and Wildlife for Nutria Control was approved..

4. ACTION/ ITEMS

- a. Receive Verbal Report and Provide Direction on the Status of the Manteca Option Facilities. Bert Michalczyk presented this item. There is no action associated with Item 4(a), however it is intended to provide a high-level discussion and overview of issues so the Directors can follow and act on the other items more quickly.

² All actions taken at this meeting will require a roll call vote. The Secretary will perform all roll calls.

Full details of this discussion are in the agenda materials starting on page 59. Engineer Michalczyk begins his discussion on the matters concerning Lafferty. The Board previously gave staff direction to return this matter to the Board in November if, “(a) Lafferty has not issued a Notice to Proceed to Marques or (b) if issues remain with the Manteca encroachment permit. In those situations, the Board directed staff to consider all options to move the project forward including but not limited to use of Section 7 (District assuming control of property) and the District accepting the offer of assignment of the construction project.”

Engineer Michalczyk also stated there were several items on the meeting agenda related to the project. He listed the current “Oakwood Issues” with a table summary of the status of key Oakwood issues as of the deadline for the agenda preparation. Those issues are identified on pages 59 and 60. The items on this list were reviewed and Mr. Michalczyk gave updates if any had occurred after the materials were prepared and distributed with the agenda for this meeting. After review, the next items on the agenda were discussed as presented in the agenda.

b. Approve Amendment No. 1 to the Wastewater Services Agreement with the City of Manteca.

Bert Michalczyk presented this item and discussed the Wastewater Services Agreement (“WSA”) the District and the City of Manteca entered into on May 9, 2019. The agenda materials on page 62 explain this Agreement and addresses the wastewater treatment and disposal needs of the District and the stormwater drainage and disposal needs of the City. It also specified that the facilities would be built by the District to convey wastewater from the area of its existing wastewater treatment facilities to the City’s collection system and detailed the Lift Station, the Force Main and the Gravity Sewer.

However, Mr. Michalczyk states in the materials that as a result of issues that surfaced during detailed design, the wastewater infrastructure that had been to the benefit of the District and the City of Manteca was reconfigured to the mutual benefit of the District and the City by shifting the alignment of the Gravity Sewer to a new future public street immediately south of West Woodward Avenue. Additionally, instead of the Gravity sewer being designed and built by the District, it has been designed and is being built for the City by developers building homes south of Woodward.

With the new alignment and revised project delivery, the City has requested an amendment to the WSA to correctly articulate design, construction ownership and operation responsibilities for the realigned Gravity Sewer. Because of these changes, the final agreement in Section 6(a)(ii), will be subject to confirmation of the exact reimbursable amount. This amount is currently estimated

at twenty seven percent (27%) of \$924,000 or \$249,480 and \$4,536 for each new home but may be in an amount up to 27% of \$1,120,950 or \$302,657 and \$5,503 for each new home depending on City calculations. The updated amount will be confirmed and included in the agreement. The approval at this meeting will provide for an amount up to the maximum indicated here. There was discussion amongst the Directors and staff regarding these amounts and then agreed upon by the Trustees.

After the discussion, the following actions took place:

It was moved/seconded (G. Oliver/N. Bahler), roll call by Secretary Knight was responded to as follows: Glen Campi: Aye; Steve Marino: Aye; Gene Oliver: Aye, Nelson Bahler: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that Resolution 2020-06, A Resolution of the Board of Directors of Oakwood Lake Water District Approving Amendment No 1 to the Wastewater Services Agreement between Oakwood Lake Water District and the City of Manteca and thereby, contingent upon Board approval of and Oakwood executing Amendment 5 to the Wastewater Financing and Infrastructure Agreement, (a) Approve Amendment No. 1 to the Wastewater Services Agreement with the City of Manteca (with the final amount to be determined as described during the meeting), (b) Authorize staff to make non-substantive changes upon the concurrence of District Legal Counsel, and (c) In order to facilitate execution of Amendment No. 1 during the public health emergency, authorize the District Engineer to sign the Amendment No. 1 on behalf of the District upon the advice of District Legal Counsel that only non-substantive revisions were made be approved.

- c. Approve Amendment No. 5 to the Infrastructure Finance and Construction Agreement with Oakwood LT Ventures II.

Bert Michalczyk presented this item. He summarized details provided in the agenda materials that go over the history of the first 4 amendments to the Infrastructure Finance and Construction Agreement with Oakwood LT Ventures II and stated that in order for the District to pass on the requirements related to reimbursement for the Gravity Sewer, a further amendment (Amendment No. 5) is required to update the District – Oakwood Agreement. He said that the financial requirements that the District is undertaking in Amendment 1 with the City will be “passed through” to Oakwood with this Amendment. He also said that given the short time period in which the amendment to the Wastewater Services Agreement (between OLWD and the City of Manteca) and this proposed amendment with Oakwood were developed, the amendment has not been fully reviewed

by both parties and therefore, staff is requesting Board approval of Amendment 5, with the provision to allow District Legal Counsel to accept non-substantive changes to Amendment 5.

Engineer Michalczyk also stated that on November 16, 2020, the amendment was furnished to Oakwood and they were asked for comments and whether or not they support it and as of the deadline for agenda preparation, they have not responded.

The below action took place based on the information provided and

It was moved/seconded (G. Oliver/S.Marino), roll call by Secretary Knight was responded to as follows: Glen Campi: Aye; Steve Marino: Aye; Gene Oliver: Aye, Nelson Bahler: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that contingent upon Manteca approval of and Manteca executing Amendment 1 to the Wastewater Services Agreement (a) Approve Amendment No. 5 to the Infrastructure Financing and Construction with Oakwood, (b) Authorize staff to make non-substantive changes upon the concurrence of District Legal Counsel, and (c) In order to facilitate execution of Amendment No 5 during the public health emergency, authorize the District Engineer to sign Amendment No. 5 on behalf of the District upon the advice of District Legal Counsel that only non-substantive revisions were made.

- d. Approve Task Order with Dewberry | Drake Haglan for Construction Management and Inspection Services for the Manteca Option Facilities to be Constricted by Oakwood LT Ventures II.

Bert Michalczyk presented this item and within the agenda materials gives details of the previously approved three-year agreement with Dewberry | Drake Haglan for on-call construction period services. He identified the specific work that Dewberry has been selected to do; that they were competitively selected per the District's Procurement Policy; and also notes that the on call agreement provides for specific assignments under to be authorized by individual Task Order in accordance with the District's Spending Authorization Policy.

The Task Order under consideration is related to the Manteca Option Facilities and consists of construction management and inspection services which exceed the District Engineer's spending authority and therefore require approval by the Board. It is expected that the cost of these services will be close to \$60,000.

Engineer Michalczyk also stated that since the District needs to be ready to begin inspection on relatively short notice, he feels it would be prudent to have in place a Task Order with Dewberry for the work. The amount estimated (\$60,000) would be enough for about two months of full time inspection and construction management and states that once the District has a schedule in hand, it can better estimate the overall job cost and if necessary, return to the Board for an adjustment to this initial authorization if and a necessary. The full scope of work and competitive proposal results are included in the agenda materials.

Engineer Michalczyk also reported that Amendment No. 1 to the Wastewater Infrastructure and Finance Agreement between the District and Oakwood specifies that all of the District's cash flow requirements for this Task Order will be paid by Oakwood Ventures with final cost share reconciliation in accordance with the terms of Amendment No. 1.

After discussion of the above,

It was moved/seconded (G. Oliver/G. Campi), roll call by Secretary Knight was responded to as follows: Glen Campi: Aye; Steve Marino; Aye; Gene Oliver: Aye, Nelson Bahler: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that the Board (a) approve a Task Order with Dewberry | Drake Haglan for construction management and inspection of the Manteca Option Facilities in an initial amount of \$60,000, and (b) in order to facilitate execution of the task order during the public health emergency authorize the District Engineer to sign the task order on behalf of the District.

- e. Approve Agreement with PG&E to Perform Tariff Schedule Work for the Electrical Service Relocation for Lift Station No. 4 and Authorize Payment to PG&E in Accordance with the Agreement.

Bert Michalczyk presented this item and reported that the new Lift Station No. 4 at the District's Wastewater Treatment Plant requires a new service connection to PG&E because the service voltage of the existing services to the WWTP is non-standard and incompatible with the electrical requirements of the new life station.

Mr. Michalczyk provided a standard form "Agreement to Perform Tariff Schedule Related Work" as it is required by PG&E. He noted the cost of the work to be performed to PG&E's standard requirements and by PG&E is \$55,331.34. This amount will be

reimbursable to the District by Oakwood LT Ventures. Included in the agenda materials are the PG&E facilities to be installed. After discussion,

It was moved/seconded (G. Oliver/S.Marino), roll call by Secretary Knight was responded to as follows: Glen Campi: Aye; Steve Marino: Aye; Gene Oliver: Aye, Nelson Bahler: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that the Board (a) approve the Agreement to Perform Tariff Schedule Related Work with PG&E, and (b) authorize payment of \$55,331.34 to PG&E in accordance with that agreement, and (c) in order to facilitate execution of the agreement during the public health emergency, authorize the District Engineer to sign the agreement on behalf of the District.

f. Establish Meter Connection Fee and a Meter Box Replacement Fee.

Bert Michalczyk presented this item and gave details and the history of the installation of a water meter and a water meter box for a newly constructed home. In the agenda materials, he lists a number of complications that have arisen due to the current procedure the builder follows often ending with the meter sometimes not being the same type as used by the District, the District not being informed when a home sold so the account was not timely transferred to the new home owner (and therefore not able to be billed) and sometimes meters were moved by the builder from one lot to another as construction proceeded and making it impossible to determine which consumer should be billed for the water reading shown on the meter.

Engineer Michalczyk proposed that the District transition to a system where only the District purchases the water meters, places them in inventory and installs them at the time a Will Serve letter is issued by the District for a particular lot. This will eliminate the problems cited above.

In order to transition to this method, there would be a new expense for the District, but it is also proposed that the District establish a new 'Meter Installation Fee' to cover the cost of the water meter and its installation. In addition, the meter box that houses the meter has often been damaged during construction and has to be replaced and it is his recommendation that the District adopt a new "Meter Box Replacement Fee" to cover the District's cost to replace meter boxes that are damaged during construction.

Calculations for the cost of a new one-inch diameter water meter is \$650. The installation, based on District experience, would be \$127.50. The proposed fee will be \$775 (rounded from the total of \$777.50). Larger meters would be installed by the

District at actual time and material. The Meter Box Replacement Fee calculation is that a new meter box is \$75 and the cost for installation would be \$127.50. He proposes a new Meter Box Replacement Fee at \$200 (rounded from the \$202.50 total). These charges will be billed to Lafferty.

After discussion,

It was moved/seconded (G. Oliver/N. Bahler), roll call by Secretary Knight was responded to as follows: Glen Campi: Aye; Steve Marino: Aye; Gene Oliver: Aye, Nelson Bahler: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that the Board by Resolution No. 2020-08, A Resolution of the Board of Directors of the Oakwood Lake Water District Establishing Meter Connection Fee and Meter Box Replacement Fee, (a) Establish a Meter Installation Fee of \$775 for a standard residential one-inch water meter, (b) Establish the Meter Installation fee for larger meters at the actual cost of time and materials for the meter and installation; (c) Establish a Meter Box Replacement Fee of \$200, (d) Require all water meters to be furnished and installed only by the District at the time of issuance of a Will Serve letter that will directly lead to the issuance of a building permit, and (e) Determine that these new fees shall be immediately effective for all meters installed and meter boxes replaced beginning December 1, 2020.

g. Discuss Communication Methods from District to the Public and Provide Direction.

Bert Michalczyk presented this item and noted that Director Glen Campi asked to have this put on the agenda at the last meeting. Mr. Michalczyk reported that the current way residents are notified when information needs to be disseminated to the public was through monthly billings, the District's website, through the e-mail list maintained by Secretary Knight and the Next-Door application sent out by Lynne Wichert. There was discussion about the various methods of communication presented in the agenda materials and the pros and cons of using such services. It was thought that the cost of some of the ones presented could amount to between \$3,000 and \$6,000 and it was also determined that this was important to pursue. After discussion, it was decided that Director Campi and Engineer Michalczyk will do further research, and report back at a future meeting.

5. STAFF REPORTS

a. Director Reports – no report

- b. Staff Reports – The District Engineer reported that the District has received an initial \$1.47 million dollar check for settlement proceeds from three of the defendants in the Beck Litigation. Additional settlements with remaining defendants have been reached but are awaiting Court approval. One defendant, CONCO West, has yet to settle. A trial date has now been set for August of 2021.

Attorney Coty reported on an election cycle the District will likely move to and that is that elections will be held on even years. It may be that the current terms that expire in an odd year (such as 2021) will be adding on an additional year of service. More will be discussed about this in the future.

- c. Committee Report (Ad-Hoc Chiavari Landscape Replacement Water Committee).

Bert Michalczyk reported that no Committee meeting was held since the last Board meeting. Engineer Michalczyk said he spoke with Tracy Richardson, the HOA Manager and learned there is going to be an executive session of the Board on December 2nd and they will talk about some options the HOA may consider. Cost to the HOA appears to be the primary issue.

6. CLOSED SESSION

- a Conference with Legal Counsel – Existing Litigation - as authorized pursuant to Paragraph 1 of Subdivision (d) of Government Code Section 54956.9: *Oakwood Lake Water District v. Beck Properties, et al.*; San Joaquin County Superior Court Case No. 39-2015-00329828 CU-CD-STK

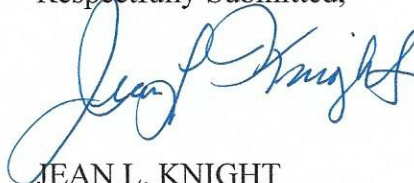
No closed session was held.

7. ADJOURN

The meeting was adjourned at 8:19 p.m.

The Agenda for this meeting was posted in a sign board in front of the Oakwood Shores Clubhouse, 1699 Bella Lago Way, Manteca, CA at least 72 hours preceding the meeting.

Respectfully Submitted,



JEAN L. KNIGHT
District Secretary