

# OAKWOOD LAKE WATER DISTRICT

## REGULAR MEETING MINUTES OF JANUARY 26, 2021

### HELD REMOTELY VIA ZOOM<sup>1</sup>

A Regular Meeting of the Oakwood Lake Water District was held remotely, via Zoom, on Tuesday, January 26, 2021 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  
Nelson Bahler, Director  
Glen Campi, Director  
Jean Knight, District Secretary  
Doug Coty, Legal Counsel  
Bert Michalczyk, District Engineer

Others Present Were:

Casey Wichert, Valley Operators  
Lynne Wichert, Valley Operators  
Lyndsay George, CPA, Croce Sanguinetti & VanderVeen

Absent Was:

Tim Smith, Director

### 2. PUBLIC COMMENT

- a. 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 public present.
- b. Written correspondence received via District email. No e-mails received.

### 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.*

1. Approve Minutes for Regular Meeting of December 22, 2020 and Special Meeting of January 12, 2021
2. Accept Financial Reports for December 2020
3. Receive Capital Projects Status Report for December 2020
4. Receive Fiscal Year Goals Status Report for December 2020

---

<sup>1</sup> 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 County Public Health Orders and the closure of the Oakwood Shores Association Clubhouse.

5. Infrastructure Finance and Construction Agreement Status Report for December 2020
6. Time Schedule Order Status Report for December 2020
7. Approve the Restriction of Beck Lawsuit Settlement Funds for Use on Capital Projects Only
8. Approve Change Order No. 3 in an Amount of \$31,820.93 with Knife River Construction for the Castellina Water Main Replacement Project

After discussion,

It was moved/seconded (G. Campi; S. Marino), roll call<sup>2</sup> by Secretary Knight was responded to as follows: Gene Oliver; Aye; Steve Marino; Aye, Nelson Bahler; Aye, Glen Campi; Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that a. the Minutes Regular Meeting of December 22, 2020 and Special Meeting of January 12, 2021 were approved; b. The Financial Reports for December 2020 were accepted; c. The Capital Projects Status Report for December 2020 was received; d. The Fiscal Year Goals Status Report for December 2020 was received; e. The Infrastructure Finance and Construction Agreement Status Report for December 2020 was accepted; f. The Time Schedule Order Status Report for December 2020 was accepted; g. The Restriction of Beck Lawsuit Settlement Funds for Use on Capital Projects Only was approved; and h. The Change Order No. 3 in an Amount of \$31,820.93 with Knife River Construction for the Castellina Water Main Replacement Project was approved.

4. ACTION/ ITEMS

- a. Receive Financial Statements, Independent Auditor Report and Associated Documents for Fiscal Year Ending June 30, 2020. Lyndsay George was remotely present at the meeting to give an overview of the District's audit for this last fiscal year. In coordination with the staff report within the agenda materials, Ms. George went over A. the Financial Statements and Independent Auditors Report for June 30, 2020, B. the Communication with those Charged with Governance (Letter from Croce to the Board of Directors, January 21, 2021); and C. the Management Advisory Letter. As noted in the agenda materials, Ms. George concurred that the District's audit was a clean audit with no issues, and she commented on what a pleasure it is to work with Engineer Michalczyk and the staff of the District. The one suggestion discussed with regards to C. was the suggestion noted in the staff report about the monthly bills to Oakwood LT Ventures II be created as an invoice versus them currently being presented to Oakwood as a statement outside the accounting system. After the discussion, the Board received and accepted the auditor report as presented.

---

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

b. Discuss and Provide Policy Level Direction on Structure of Water and Wastewater Rates

Engineer Michalczyk presented this item and reported that a water and wastewater rate study is currently being developed by HF&H. He stated it is anticipated that early in the next fiscal year, the District will begin conveying untreated wastewater to Manteca in lieu of treating it at the District's existing wastewater treatment facility and disposing of it on site. He noted there are some key cost components that are still being developed and details are further explained in the agenda materials. However, he said there are several policy level questions which remain that need to be answered to set up the new rate structure. He said the purpose of this agenda item is to present to the Board what staff foresees as the "line items" on the bill and then to seek tentative direction from the Board of several policy level questions regarding that rate structure.

On page 79 of the agenda materials is Table 1 – Proposed Wastewater Rate Structure. This table lists six items. Engineer Michalczyk stated that the policy level direction is needed regarding several aspects of the proposed rate structure so that final rates can be calculated and presented for formal consideration. He noted that the direction given at the meeting can be changed by the Board, but he hopes that the direction given at this meeting will ultimately be acceptable so that last minute changes to the rate study and structure can be minimized. Below are the titles of the policy level direction questions. Discussion followed with respect to each of these questions and the response given by the Board follows the question. In some cases, the items are grouped below according to the policy direction so that the numbers don't necessarily list them straight from 1-6.

1. Should the current water rate structure of a fixed meter charge and a quantity charge be maintained with revenues derived approximately 65% / 35% from the meter charge and quantity charge respectively? Yes, Board concurs.
2. Should the District continue to use both a fixed and variable component for its sewer Rates? Note: Staff recommends discontinuing the use of the variable (quantity) sewer charge and consolidating rate components 2 and 3 (within table) into a single fixed charge. Yes, Board concurs.
5. Should the District Use Reserves to pay for the Buy-in to the Manteca Collection System or include those costs in the rate base? Board concurs to use reserves for the Buy-in.
3. Should the District have "area based" wastewater rates for different parts of the District that make use of different wastewater facilities? Board concurs with a uniform rate across all areas.
4. Should the District continue to set wastewater Rates by User Class (e.g. single family homes, mobile home park units, community facilities such as the clubhouse)? Board concurs that the District continue to establish rates by User Class.
- 6.A Should the District ALLOW users to voluntarily pay off the "Buy-in to Manteca Treatment" and/or the "Share of Capital Costs of Facilities to Pup to Manteca" rate components? There was Board discussion on this item with it being suggested there be a one-time option to voluntarily pay off the Buy in to Manteca Treatment and

after discussion on this, there was another suggestion that perhaps this option could be given once a year. The Board discussed limiting the payment to only the full payoff amount whenever that option was exercised by a property owner. The Board thought this, also, might be a good alternative for the homeowners. .

- 6.B Should the District MANDATE pay off of the “Buy-in to Manteca Treatment” and/or the District Share of Capital Costs of Facilities to Pump to Manteca AT TIME OF SALE” (Items 4 and 6 in Table 1). There was Board discussion on this item with no clear consensus as to whether this should be put in place and if so as a “due at sale”, or “due at refinance” or the possibility that a sale or refinancing would be another opportunity for a voluntary pay off per 6.A.

Attorney Coty stated that since it appears that one or both ideas (6A and 6B) are something the Board wants to consider further that this would need to come back to the Board on a later date as an action item.

After discussion,

It was moved/seconded (G. Oliver; S. Marino), roll call by Secretary Knight was responded to as follows: Gene Oliver; Aye; Steve Marino; Aye, Nelson Bahler: Aye, Glen Campi: Aye, and unanimously carried by the Board of Directors of the Oakwood Lake Water District that questions 1-5 as set out above, be approved as recommended by staff.

- c. Discuss Long Term Maintenance of the Property on North Side of Chiavari and Authorize Letter to Oakwood Shores Owners Association Regarding the District’s Intentions. Engineer Michalczyk presented this item and said he had tried to engage the HOA Manager in further discussions, but so far, no additional discussions have taken place. He also said that the District needs answers by the middle of March so as to have sufficient time to implement any mutually agreeable approach. The proposed letter will be signed by Board Vice President Steve Marino, since President Oliver also serves on the HOA Board. It was also brought up that there evidently is a meeting scheduled between Lafferty and the HOA on February 18, 2021 and this issue, as well as others, will be discussed at that meeting. After further discussion,

It was moved/seconded (N. Bahler; G. Campi), roll call by Secretary Knight was responded to as follows: Gene Oliver; Abstain; Steve Marino; Aye, Nelson Bahler: Aye, Glen Campi: Aye, and carried by the Board of Directors of the Oakwood Lake Water District that the proposed letter (Attachment A) be approved and that the letter be signed by Vice President Steve Marino.

## 5. STAFF REPORTS

- a. Director Reports – No Reports
- b. Staff Reports – Engineer Michalczyk reported that Lafferty gave authority to start the pipeline project (actually a re-start due to the prior start and shutdown). The pipe

however has not yet been delivered. Additional Will Serve Letters to Lafferty were released in two steps which was ahead of the estimated schedule presented in the agenda material for this meeting.

Attorney Coty reported on election issues and said a timeline will be forthcoming for converting from an odd year election cycle to an even year to coincide with general elections in the County. This will have an impact on several of the District Directors if the election date is moved from 2021 to 2022.

- c. Committee Report (Ad-Hoc Chiavari Landscape Replacement Water Committee) – Not held

6. CLOSED SESSION – None scheduled

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