

OAKWOOD LAKE WATER DISTRICT
REGULAR MEETING MINUTES OF FEBRUARY 22, 2022
HELD REMOTELY VIA ZOOM

A Regular Meeting of the Oakwood Lake Water District was held remotely, via Zoom, on Tuesday, February 22, 2022, at 7:00 p.m.

1. **CALL TO ORDER; ROLL CALL.** The meeting was brought to order at 7:03 p.m. by President Gene Oliver. Secretary Knight took roll call, and the following Directors and staff were remotely present:

Gene Oliver, President
Steve Marino, Vice President
Tim Smith, Director
Nelson Bahler, Director
Scott Anderson, Director
Jean Knight, District Secretary
Doug Coty, Legal Counsel
Bert Michalczyk, District Engineer

Others Present Were:

Casey Wichert, Valley Operators
Lynn Wichert, Valley Operators

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 comment.
 - b. Written correspondence received via District email. No written correspondence 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.

- a. Approve Minutes for Regular Meeting of January 25, 2022
- b. Receive Financial Reports for January 2022
- c. Receive Capital Projects Status Report for January 2022
- d. Receive Fiscal Year Goals Status Report for January 2022
- e. Receive Infrastructure Finance and Construction Agreement Status Report for January 2022
- f. Receive Time Schedule Order Status Report for January 2022
- g. Receive Manteca Wastewater Services Agreement Status Report for January 2022

- h. Re-authorize Remote Teleconference Meetings of the Legislative Bodies of the Oakwood Lake Water District for the Period from February 22, 2022 through March 24, 2022.

After review,

It was moved/seconded (N. Bahler/S. Anderson), roll call¹ by Secretary Knight was responded to as follows: Gene Oliver; Aye; S. Marino; Aye; T. Smith; Aye; Nelson Bahler; Aye, S Anderson; Aye; and unanimously carried by the Board of Directors of the Oakwood Lake Water District that a. The minutes for the Regular Meeting of January 25, 2022, were approved; b. The Financial Reports for January, 2022 were received; c. The Capital Projects Status Report for January 2022 was received; d. The Fiscal Year Goals Status Report for January 2022 was received; e. The Infrastructure Finance and Construction Agreement Status Report for January 2022 was received; f. The Time Schedule Order Status Report for January 2022 was accepted; g. The Manteca Wastewater Services Agreement Status Report for January 2022 was received; h. The request to Re-authorize Remote Teleconference Meetings of the Legislative Bodies of the Oakwood Lake Water District for the Period from February 22, 2022 through March 24, 2022 was approved.

4. ACTION ITEMS:

- a. Temporarily Suspend Procurement Policy Requirement for Informal Solicitations for Purchases between \$10,000 and \$25,000 for Water Treatment Plant Filter Valve Replacements and Other Procurements through June 30, 2022

Bert Michalczyk presented this item. He said at the water treatment plant there are six filters to filter out the arsenic and each of these six filters has two valves. One valve on one of the filters has failed rendering that filter inoperable. Operations staff thinks another valve on a second filter is about to fail that would take the District down to only four operable filters. Staff needs to replace these two valves on the two filters at a cost of approximately \$15,000. This in itself would be within the Spending Authorization Policy. However, the Procurement Policy steps in and requires that an Informal Solicitation be undertaken that requires quotes from three vendors when the estimated cost of a project is between \$10,000 and \$25,000. In this situation it is critical that the District proceed quickly. Mr. Michalczyk stated that he has tried to get solicitations from two vendors and the vendors either said the job was too small or they were too busy to do the work in the timeframe needed. He approached Conco West who is on site at this time

¹ All actions taken at this meeting will require a roll call vote. The Secretary (or in her absence, the Board President), will perform all roll calls.

(finishing up pumping station at the wastewater treatment plant) and they are willing to do the work, they are ready, and they could immediately start the work. That cost will be a little under \$12,000. After Mr. Michalczyk stated that he then considered other approved projects that would come under this category in the Procurement Policy, he thought there were probably about a half dozen that fall within the \$10,000 to \$25,000 cost including:

- Catch basin replacement;
- Reservoir Diving;
- Annual fence repair and maintenance;
- Radio and SCADA programming associated with pumping to Manteca;
- Appraisal work for Ponds 1 and 2; and
- Connection of the Chiavari landscaping to the District's potable water system (if decision is made to proceed).

Engineer Michalczyk stated that he expects those projects will face similar vendor issues and so he recommends that the Board suspend the Informal Solicitation requirement in the District's Procurement Policy between now and the end of this fiscal year.

Several questions were asked by the Directors about bidding requirements, and it was responded to by engineer Michalczyk and Attorney Coty that in the cases of projects in this dollar range and of this nature that formal bids would not be required. Therefore, after review,

It was moved/seconded (S. Anderson/G. Oliver), roll call by Secretary Knight was responded to as follows: Gene Oliver; Aye; S. Marino; Aye; T. Smith; Aye; Nelson Bahler; Aye, S Anderson; Aye; and unanimously carried by the Board of Directors of the Oakwood Lake Water District that the Board waive the Informal Solicitation requirement in the adopted District Procurement Policy requiring the solicitation of three quotes through June 30, 2022.

- b. Accept Decommissioning Plan for Wastewater Treatment and Disposal Facilities, Approve the use of Synagro and EBMUD to Transport and Dispose of Waste Biosolids, Approve Agreement with Dewberry for Design Services Related to Pond 1 and Pond 2 Decommissioning and, Approve a New Capital Project for the Design of the Decommissioning of the Ponds

Bert Michalczyk presented this item. He stated the District assumed operational responsibility for the pump station to Manteca last Thursday February 17, 2022 when the

emergency generator was commissioned. As a result the District has also begun the planning for shutting and decommissioning the wastewater treatment plant. .

A decommissioning plan has been prepared that identifies when each wastewater facility will be decommissioned and how that will be done. Full details of the decommissioning plan are set out on Page 54 of the agenda materials.

Bert Michalczyk stated that the next two items on the agenda authorize near term decommissioning tasks: (a) Sludge Hauling and Disposal and (b) Design of Pond 1 and Pond 2 Removal

Mr. Michalczyk explained that the Wastewater Financing Agreement between the District and Oakwood granted Oakwood an option to purchase the property on which these ponds are located for future development. However, that same agreement requires the District to fully fund the cost of Pond 1 removal and partially fund the removal of Pond 2 agenda materials. The Agreement does not specify who is to do the work. However, the cost will be significantly in excess of \$25,000 and thus will be considered a public works project. Accordingly, the District will be preparing plans and specifications and bid the work of removal of these ponds. Oakwood has informally indicated that they could do the pond removal work "at a good price" but the only way the District has to ensure that it receives the best price is to competitively bid the work. If Oakwood wishes to bid on that work they may if they are properly licensed.

Mr. Michalczyk stated that he had discussed the needed design work with three consultants and only Dewberry expressed an interest in and confidence in being able to complete the work in the time frame needed. A proposal was solicited from Dewberry to design the decommissioning and prepare the bidding documents; that scope was attached to the agenda materials. Staff has reviewed the scope and cost and has determined that it is reasonable. Board approval of an agreement with Dewberry would be appropriate as it is in excess of the District Engineer's \$25,000 authority under the District's Procurement Policy. Also, a new project in the capital budget would be appropriate to account for this work in the same dollar amount as the proposed Dewberry agreement.

After discussion of the above items,

It was moved/seconded (S. Marini/T. Smith), roll call by Secretary Knight was responded to as follows: Gene Oliver; Aye; S. Marino; Aye; T. Smith; Aye; Nelson Bahler; Aye, S Anderson; Aye; and unanimously carried by the Board of Directors of the Oakwood Lake Water District that the Board (a) accept the February 2022 Update for Decommissioning Plan for Wastewater System Facilities; (b) approve

the use of Synagro and EBMUD to transport and dispose of respectively waste biosolids in the sludge storage based; (c) approve the agreement with Dewberry for design services related to Pond 1 and Pond 2 decommissioning; and (d) approve a new capital project for Pond 1 and 2 decommissioning design in an amount equal to the proposed Dewberry contract.

5. STAFF REPORTS:

- a. Director Reports – Director Oliver asked if it would be appropriate to adjust the time frame over which the base wastewater rate is calculated because of the extremely dry January and February this year. He noted that the Board did this once a few years prior when there was a similar very dry spell. Staff stated that this was a good point and it would in fact be a similar pattern to what the District has done previously. Engineer Michalczyk said the District could have the data and a Board action ready for the March meeting. The Directors concurred that this would be something that they would like to consider.
- b. Committee Reports
 - Ad-Hoc Chiavari Landscape Replacement Water Committee – on behalf of the Committee Bert Michalczyk reported that this Committee met at 5:30 p.m today. He stated that in accordance with Board direction letters had been sent out to the HOA and to Lafferty notifying them of the impending cessation of irrigation and landscape maintenance along Chiavari. Engineer Michalczyk said he had one short informal discussion with Jim Idleman from Lafferty, but nothing came of it. The HOA met on February 17, 2022, and discussed the matter and have apparently made a decision to not to proceed on any cost or any other item related to this issue. This position is different than it has been in the past. The District expects to receive an official letter confirming this.

What's going to happen? The District will continue to water through late May or perhaps into early July depending on how long the water lasts. There is consideration for removing the smaller plants as they will die without water.

The Committee recommended that staff to present a project closeout matter for Board consideration at its March meeting.

- Ad-Hoc Rate Review Committee – Nelson Bahler and Scott Anderson reported that they had met with Bert Michalczyk and the rate consultant and went through financial model and what policy decisions the board could make. They made several changes to the model. The Committee is scheduled to meet again this Thursday afternoon. They will finalize the financial model and turn their attention to the policy matter of

what should the rate recommendation be. They will bring that proposal to the March meeting for Board consideration. Director Anderson thought the whole process discussed made it a super interesting meeting and gave his input on what he thought on how it went and thanked Engineer Michalczyk for his understanding of the issues.

Action must be taken to start the Proposition 218 process if it is to be completed before the end of the fiscal year. The Board then discussed the Proposition 218 process and their options once the initial notice is distributed. District Legal Counsel responded to their questions.

c. Staff Reports (District Engineer, Legal Counsel)

Bert Michalczyk reported on below.

1. The insurance claim for the recent copper theft at the wastewater treatment plant has been settled for \$4,800 less a \$1,000 deductible amount;
2. The FYE 2021 audit is still in preparation and is nearly completion. It should be ready for presentation to the Board in March;
3. Pump station No. 4– The District assumed operational responsibility (sometimes called “beneficial use”) of the facility on February 17, 2022 when the emergency generator was successfully commissioned. He noted that a fair amount of project work remains to be completed by the contractor before it can be finally accepted by the District but for now it is doing what is intended – pumping untreated wastewater to Manteca;
4. As a result of the District taking effective responsibility for the facilities the District released the last tranche of 25 will serve letters to Lafferty after they paid the required capacity fees;
5. Quit claiming of District’s easement on properties owned by Lafferty. Bert Michalczyk stated that he has asked Lafferty to draft the quit claim documents for Doug Coty review; and
6. Startup of option period of purchase of Ponds 1 and 2 by Lafferty. District must provide notice that property is available which will happen in accordance with the District – Oakwood agreement after project acceptance and after other requirements of the Agreement have been satisfied.

There was no report by Doug Coty.

The open session closed at 7:37 p.m. for the closed session. All public left the meeting.

6. CLOSED SESSION:

- a. Conference with Real Property Negotiator – as authorized pursuant to Government Code Section 54956.8: Property: *Portions of APN 241-520-010 and APN 241-520-170;*

Agency Negotiator: *District Engineer*; Negotiating Party: *Reclamation District 17*;
Under Negotiation: *Price and Terms of Payment*

A closed session was held, and the Board returned to Open Session at 7:45 p.m. There was no reportable action.

7. ADJOURN

The meeting was adjourned by President Oliver at 7:48 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