

OAKWOOD LAKE WATER DISTRICT
REGULAR MEETING MINUTES OF APRIL 26, 2022
HELD REMOTELY VIA ZOOM

A Regular Meeting of the Oakwood Lake Water District was held remotely, via Zoom, on Tuesday, April 26, 2022, 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 call, and the following Directors and staff were remotely present:

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

Others Present Were:

Casey Wichert, Valley Operators
Lynn Wichert, Valley Operators
Glen Campi (former Board Member) arrived at 7:05 p.m.

Absent were:

Tim Smith, Director
Nelson Bahler, Director

2. Authorize Remote Teleconference Meetings of the Legislative Bodies of the Oakwood Lake Water District for the Period from April 26, 2022, through May 26, 2022, pursuant to Government Code section 54953(e). After review,

It was moved/seconded (S. Anderson/S. Marino), roll call¹ by Secretary Knight was responded to as follows: Gene Oliver; Aye; Steve Marino; Aye; S. Anderson; Aye; and unanimously carried by the Board of Directors of the Oakwood Lake Water District that by approval of Resolution No. 2022-05, the Directors ratify the Proclamation of a State of Emergency by Governor Newsom on March 4, 2020 and, by approval of the Draft resolution, Authorize Remote Teleconference Meetings of the Legislative Bodies of the Oakwood Lake Water District for the Period from April 22, 2022 through May 26, 2022 pursuant to Government Code section 54953(e).

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.

3. 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.

4. 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 February 22, 2022, and Regular Meeting of March 22, 2022
- b. Receive Financial Reports for March 2022
- c. Receive Capital Projects Status Report for March 2022
- d. Receive Fiscal Year Goals Status Report for March 2022
- e. Receive Infrastructure Finance and Construction Agreement Status Report for March 2022
- f. Receive Time Schedule Order Status Report for March 2022
- g. Receive Manteca Wastewater Services Agreement Status Report for March 2022
- h. Receive Quarterly Reports for Use of Spending Authority; Disposition, Acquisition or Refurbishment of Capital Assets; Administrative Adjustments to the Operating or Capital Budget and the Unplanned Replacement of Capital Assets
- i. Approve Amendment 3 to Task Order 2 to the Professional Services Agreement between Oakwood Lake Water District and Dewberry|Drake Haglan for On-Call Construction Management Services Related to the Manteca Option Facilities Project 9000.42 in an amount of \$90,653.

Director Anderson asked about the Lafferty delinquency reported on page 41 (Agenda Item 4.d.) and engineer Michalczyk stated that Lafferty is now delinquent in an amount of \$98,626. He reported that as of March 31, 2022, Lafferty is current on water and wastewater service for the lots they still own and noted that if they become sufficiently delinquent per Board policy for water and sewer service to properties they own, the District would lock off service due to non-payment per Board policy. He also reported there is another invoice for \$16,000 that is delinquent, so the total owed to the District now amounts to about \$115,000.

It was moved/seconded (G. Oliver/S. Anderson), roll call by Secretary Knight was responded to as follows: Gene Oliver; Aye; S. Marino; 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 February 22, 2022, and Regular Meeting of March 22, 2022, were approved; b. The Financial Reports for March, 2022 were received; c. The Capital Projects Status Report for March 22, 2022 was received; d. The Fiscal Year Goals Status Report for March 2022 was received; e. The Infrastructure Finance and Construction Agreement Status Report for

March, 2022 was received; f. The Time Schedule Order Status Report for March 2022 was accepted; g. The Manteca Wastewater Services Agreement Status Report for March 2022 was received; h. The Quarterly Reports for Use of Spending Authority; Disposition, Acquisition or Refurbishment of Capital Assets; Administrative Adjustments to the Operating or Capital Budget and the unplanned Replacement of Capital Assets be received; i. Amendment 3 to Task Order 2 to the Professional Services Agreement between Oakwood Lake Water District and Dewberry|Drake Haglan for On-Call Construction Management Services Related to the Manteca Option Facilities Project 9000.42 in an amount of \$90,653 was approved.

5. ACTION ITEMS:

- a. Discuss Chiavari Landscaping, Provide Appropriate Direction and Support Notification Letter.

Director Oliver presented this item and said the issue has been discussed over the past several months and was on the agenda last month. It is getting closer to the time that a decision needs to be made. It was suggested it may be time to notify the residents on Chiavari with respect to the status of the continuation of landscaping support and water being provided to this area. Last month Director Oliver had asked that the matter be deferred for a month until this meeting.

Engineer Michalczyk reported that no further discussions have occurred involving Lafferty and/or the HOA that he is aware of. He also noted that Pond 2 is empty and that Pond 1 is about $\frac{3}{4}$ full and being drawn down every week. He thinks by late June/ early July there will be no more water. In this case, landscape watering will cease. When that happens it is likely that the smaller root plants won't survive, but the larger plants will have a fighting chance. The District will gradually wind down landscape maintenance as the plants die. He noted that the estimated cost for winding down maintenance and long term maintenance costs are presented on Page 60 of the agenda materials. Accordingly, it would now be appropriate to notify property owners in the area.

Director Oliver said he had an update and that he did talk to Cindy Parker from the HOA and asked if they wanted to set up a meeting with Lafferty and/or the District. She said she would be happy to set up a meeting, but Lafferty never got back to her. Director Oliver said he agrees that the District should move forward with the letter and let the residents know and hopefully Lafferty might reach out. He said the current homeowner board had issues with the costs and liability and didn't feel they had anything to gain from it. He hopes the issue is not dead.

Director Marino asked if there is any determination of how much it would cost to maintain the landscaping. Mr. Michalczyk replied that the largest cost element is to connect to the potable water system. Ongoing the cost of the water itself would be the

largest annual cost. He mentioned that this was all studied and presented to the Board previously as well as transmitted to the HOA and to Lafferty.

The Board asked that staff notify all residents of the situation and not just the Chiavari residents as this area could become an eyesore. It was also expressed there is a need to have people understand why Oakwood Lake Water District cannot continue to provide water as it has in the past.

b. Discuss Adoption of a District Property Use Policy and Provide Appropriate Direction

The District Engineer presented this item. He mentioned that each year the District selects 2 to 4 adopted policies for review and that there will be three policies being reviewed and a new policy being proposed. Per prior practice, policy adoption is a two-step process. At the first Board meeting the policy is presented and based on Board discussion, the draft policy is revised and presented to the Board for formal consideration at a subsequent Board meeting.

The last time the need for a property use policy came up was when the Board approved the right of entry for Alpine Security. At that time, the Board directed staff to develop this policy. Mr. Michalczyk referred the Board to pages 20 and 21 of the agenda for details about the proposed policy.

Director Marino felt the provisions set forth in the materials were pretty straight forward. Asked if those who do come onto the property have to have insurance and the answer was yes and the District is also named as additional insured. There were no other Board comments or direction.

Mr. Michalczyk reported that very shortly, RD17 is going to start going work on the levee strengthening project and will be buying construction water from the District. To do so, RD17 staff and staff of their contractor will periodically need to access the source of that water at the wastewater treatment plant. He reported because of the timing and the fact that RD 17 is a public agency that he intends to issue a right of entry in conformance with this policy even though this policy has not yet been adopted. There was no objection from the Board.

c. Discuss Revisions to Delinquent Account Collections Policy and Provide Appropriate Direction.

The District Engineer reported that the District has an existing Delinquent Account Collections Policy. Changes were made to that policy mandated by new legislation and related to the Governor's Executive Order suspending water shutoffs during the pandemic. That Executive Order expired on December 31, 2021. Accordingly, now would be the time for the District to update the policy for normal operations going forward.

My. Michalczyk called the Board's attention the proposed changes to the policy outlined on pages 63 and 64 of the agenda materials policy. In summary, he noted that in general this policy has worked well and that there are only a few revisions being proposed. The Board discussed one of the proposed revisions that addresses the situation of some customers being repeatedly and continuously late with their payments. In one case, he cited a customer has been late for 38 consecutive months. After discussion the Board agreed not to make changes to the policy to address this situation but that staff should continue to monitor the situation and report back to the Board.

- d. Discuss Revisions to Billing Adjustments for Leaks and Waiver of Late Fee Policy and Provide Appropriate Direction.

The District Engineer reported that that District first adopted a Leak Adjustment Policy circa 2015 which has been amended several times in the intervening years. The Board recently revised that policy in 2021. He stated while the terms of this policy are generally working acceptably the policy encompasses two independent concepts and as a result has caused some customer confusion

As a result staff is recommending that it be split into two separate policies and a few clarifying revisions be made to each portion of the existing policy. Doing so will provide clear, stand-alone Board approval for addressing the waiver of late fees and for adjustments due to leaks.

The Leak Adjustment Policy would be revised to eliminate reference to the wastewater quantity charge which would be eliminated if the proposed new rate structure is adopted:

The Board had no comments on the staff proposal.

6. STAFF REPORTS:

- a. Director Reports – none.
- b. Staff Reports (District Engineer, Legal Counsel)

District Engineer:

The District Engineer reported that construction is still going on at the pump station and the flow meter required by Manteca is essentially the final element of work that has not yet been completed. He reported that he has been told by the contractor that the meter is to ship tomorrow and if that occurs and once the meter is installed and staff trained that the project will be ready for District acceptance.

RD17 will be entering the District's property and as stated above, in Agenda Item 5.b., on the policy amending the Right of Entry, the revised policy will be applied to RD17's coming onto the District's property.

There will be a Rate Hearing on June 28th and the Notice should go out in mail within the next day or two. The District is proposing a decrease in sewer rates and will be keeping the water rate the same for FYE 2023 but it will increase for inflation, in the future, as needed.

Bert Michalczyk is going to be meeting with the Oakwood Shores HOA Manager and President Oliver. He said that immediately south of Oakwood Shores, they are in the process of making some adjustment with respect to the Manteca Trails project. There are concerns of the HOA that there may be traffic issues between Oakwood Lake and Manteca Trails on Woodward Avenue. Such concerns that could come into effect starting next year.

Legal Counsel:

Doug Coty wanted to make the Board is aware of 2 bills pending that would normalize the kind of meetings the Board is having – doing virtual meetings without special notifications.

The Governor issued an executive order directing that the State Water Board adopt emergency water use regulations by May 25th. These changes could be coming to the Board in June or July

The Open Session closed at 8:01 p.m. and went into Closed Session. All public left the meeting.

7. CLOSED SESSION:

- a. Conference with Legal Counsel – Consider Initiation of Litigation – as authorized pursuant to Paragraph 4 of Subdivision (d) of Government Code Section 54956.9: (*1 Potential Case*)
- b. Conference with Legal Counsel – Significant Exposure to Litigation – as authorized pursuant to Paragraph 2 of Subdivision (d) of Government Code Section 54956.9: (*1 Potential Case*)
- c. Conference with Real Property Negotiator – as authorized pursuant to Government Code Section 54956.8: Property: *Pond 1 Property and Pond 2 Property as defined in Section 19(i)(ii)(1)(A) of the September 11, 2017 Infrastructure Finance and Construction Agreement between Oakwood LT Ventures II and the District (Portions of APN 241-520-010 and APN 241-510-05)*; Agency Negotiator: *District Engineer*; Negotiating Party: *California Department of Housing and Community Development*; Under Negotiation: *Price and Terms of Payment*
- d. 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 8:34 p.m. There was no reportable action.

The Board returned to agenda item 6(a) – Directors Reports and Director Anderson asked when the District would return to in-person Board meetings. After a brief discussion, staff was directed to agendize that topic for discussion at a future Board Meeting.

8. ADJOURN

The meeting was adjourned by President Oliver at 8:42 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