

**MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF  
SIERRA LAKES COUNTY WATER DISTRICT**

**Date:** Friday December 9, 2016 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

**I. Open Meeting:**

Roll Call: Directors in attendance at the Sierra Lakes Boardroom were:

Director Michael Lindquist  
Director Dan Stockton  
Director Dick Simpson  
Director Bill Oudegeest

Director Heald was absent

Staff members present:        Bill Quesnel, General Manager  
   Anna Nickerson, Financial Consultant

Staff members by phone:       Jeff Mitchell, District Counsel

Guests present were:         No guests in attendance

Minute Recorder:             Anna Nickerson, Financial Consultant

**II. Public Forum:** An opportunity for members of the public to address the Board on items that were not on the agenda. There were no public comments.

**III. Approve Agenda:**

The agenda was presented to the Board for approval.

**A motion was made by Director Oudegeest and seconded by Director Stockton to approve the agenda as presented.** The motion passed by a unanimous vote.

**IV. Oaths of Office and Election of Officers:**

A.        The Oath of Office was taken by Director Lindquist and new Board member Richard Simpson. Director Heald's Oath of Office would be administered at the January meeting due to her absence.

B.        The Board agreed to table the Election of Officers, President and Vice President, until the January meeting when the full Board would be in attendance. Mr. Quesnel said Ad Hoc Committee assignments would also be discussed at the January meeting

**V. Public Comments:** An opportunity for the Board to consider comments received from the public, after the agenda was posted, regarding items on the agenda. There were no public comments received after the agenda was posted.

**VI. Lake Management:**

Mr. Quesnel's memorandum titled "Elevated Walkway, 5478 Bales Rd." dated November 4, 2016, was re-presented to the Board for consideration and possible action. The item was placed on the agenda to give Mr. Byers another opportunity to address the Board. Mr. Byers was not in attendance. It was confirmed that there was no new information available regarding the issue.

Director Simpson asked if Ordinance 99, Appendix A, paragraph five that said "walkways cannot extend more than 15 feet from the high water line" was relevant to the issue. Mr. Quesnel said it was docks and piers that could not go more than 15 feet, horizontally, beyond where the high water line would be. He also said the original dock exceeded the limit but that it had been corrected.

Director Lindquist said because no new information was submitted, there was no reason to discuss the issue any further.

**VII. Closed Session:**

**A motion was made by Director Oudegeest and seconded by Director Simpson to move the meeting into closed session.** The motion passed by a unanimous vote.

**A motion was made by Director Oudegeest and seconded by Director Stockton to move the meeting into open session.** The motion passed by a unanimous vote.

Jeff Mitchell, District Counsel, reported out of closed session. He said the Board met in closed session and no action was taken.

**VIII. Acceptance of 2015/2016 Audit Report:**

Anna Nickerson reported that Mr. Johnson, Senior Auditor, asked that the item be carried over to the January meeting due to bad driving weather. Director Lindquist said the item would be postponed until the next meeting.

Mr. Quesnel said, after the November meeting, a Professional Service Agreement was drafted for Mr. Johnson's proposed services. It was anticipated that Professional Service Agreement would also be on the January agenda.

**IX. Operations:**

A. Mr. Quesnel's operations report was presented to the Board for consideration and possible action. Director Oudegeest asked about the home on Hillary that caused the high mid-week sewer flows. Mr. Quesnel said staff used the new sewer camera to identify where the flows were coming from. It turned out that the cleaning crew had left a faucet on and that the issue was resolved when the rental agency turned the faucet off.

Director Oudegeest then asked about the solution to the shiny Pier D’Nort piers. Mr. Quesnel said Mr. Fisco contacted him about a company that could powder coat the piers at a reasonably affordable cost. Mr. Fisco was passing the information on to other Pier D’Nort owners.

**X. Consent Items Calendar:**

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the November 11, 2016 meeting, the November Check Register, Disbursements for Board Approval, and the November 30, 2016 Financial Reports.

**A motion was made by Director Oudegeest and seconded by Director Stockton to approve the Consent Items.** The motion passed by a unanimous vote.

Director Simpson noted that the replacement pages, consisting of a revised invoice received from Kronick, Moskovitz, Tiedemann & Girard, was not reflected in the Financial Reports or the List of Disbursements for Board Approval.

**A motion was made by Director Oudegeest and seconded by Director Simpson to approve the Disbursements Requiring Board Approval with the changes made with supplemental materials.** The motion passed by a unanimous vote.

**XI. New Business:**

Mr. Quesnel’s memorandum dated December 2, 2016, titled “Request for Utility Service Waiver, 5458 Bales Rd.” was presented to the Board for consideration and possible action. Mr. Quesnel said the District received a request from Mr. Cushman requesting that utility service fees be waived until the house was rebuilt. He said, based on his research of the District ordinances and a past action by the Board, staff recommended that the Board approve a refund of \$415.45 and a suspension of utility fees until July 1, 2017. He said the proposed action would be consistent with the action taken by the Board for the home on Bales that blew-up in the propane explosion. Mr. Quesnel also said he thought as part of the update of District ordinances, there might be a program for similar instances since the District no longer had standby fees.

Director Simpson asked for an explanation of the District’s billing process for getting service and suspending service. Ms. Nickerson said the fee for a new water and sewer connection permit was currently \$9,860. In addition, upon approval of the application for a connection permit, annual water/sewer fees would be due and payable. In regard to the Cushman property, the house was built in 1968 when the cost of a connection permit was only \$250.00 and, in accordance with District ordinances, as long as the property retained the connection permit, the property was subject to annual water/sewer service fees. However, if a homeowner relinquished the connection permit, they would be refunded 90% of the original permit fee (in this case \$225.00) and a new connection permit would have to be purchased, at the current rate of \$9,860.00, before the house could be rebuilt.

**A motion was made by Director Oudegeest and seconded Director Stockton to implement staff’s recommendation to give relief to the homeowner.** The motion passed by a unanimous vote.

## **XII. Old Business:**

A. Mr. Quesnel's memorandum titled "Fuel Spill Cleanup and Monitoring Update", dated November 29, 2016, was presented to the Board for consideration and possible action. Mr. Quesnel reported that the upstream monitoring well would be installed on Monday, he had not seen the Contingency Plan and Surface Runoff Monitoring Plan on line yet, that semi-monthly sampling would continue and that all results had been non-detect so far.

B. Mr. Quesnel's memorandum titled "Fuel Tank Risk Reduction Financial Assistance", dated November 28, 2016, was presented to the Board for consideration and possible action. Mr. Quesnel said the State Water Resources Control Board's RUST Program (Replacing, Removing or Upgrading Underground Storage Tanks) was used as a template and modified to provide a general idea for providing grant money as an incentive to get homeowners to remove underground tanks, with the understanding that the details needed to be worked out.

Director Oudegeest clarified that the RUST Program only provided funding to work on the tank but would not provide funding for remediation if a spill was discovered. Mr. Quesnel explained that if a spill was discovered, the homeowner would file for compensation from the clean-up fund and once the clean-up was complete, the RUST funds would kick back in. Director Simpson noted that the RUST Program was not available for residential tanks. Director Lindquist said that the District would have its own RUST Program but that they would use the State's program as a template.

Director Lindquist said one discussion was whether the Board wanted to make the program more financially attractive so homeowners would want to remove the tank or less financially attractive so that homeowners would want to modify the tank. He said there were three alternatives: 1) incent homeowners to go away from home heating oil altogether, 2) go from an underground storage tank to an above ground storage tank or 3) retrofit the underground storage tank. However, he said more research would be needed to determine if an above ground storage tank would actually be safer than an underground storage tank. A leak would be more noticeable with an above ground tank but the risk of damage to an above ground tank was greater. For example, a tree falling on a tank could cause significant damage. The question was, what incentive does the Board want to give and how much were they willing to offer? As an example, he said Placer County was offering a zero interest program to install bear boxes. Although the homeowner had to pay the whole amount, they were able to spread the payments over several years, at zero interest. He wondered if that was something the Board might consider; providing a zero percent financing for the homeowner's portion of the cost.

Director Lindquist said the Board needed to be prepared to support their decisions, anticipating that there would be members of the public that would not support an incentive program. He felt the District should not fund the entire project and that was why he proposed a balanced program; the District would fund part of the costs to benefit the community. Mr. Quesnel would do more research and provide better estimates to be discussed at the January meeting.

It was agreed that Director Lindquist would submit an article for publication in the January 1, 2017 SLPOA Newsletter asking for public input regarding the fuel oil tank incentive program.

C. Mr. Quesnel's memorandum titled "Draft Letter re: Proposed Legislation to allow Regulation of Home Heating Oil Tanks", dated December 2, 2016, was presented to the Board for discussion and possible action. The memorandum referred to a letter that was written by Director Oudegeest and reviewed by Director Heald. Director Lindquist suggested that the letter be reviewed by Ken Hall, given his lobbying background. Director Lindquist also said he wasn't sure about the length of the letter and whether or not it would be an issue. The Board discussed the need for an annual permit vs. a one-time permit and also discussed what the annual testing requirements might be. Mr. Quesnel suggested that he do more research with Placer County and work with Mr. Mitchell on the language of the proposed legislation. Mr. Quesnel also agreed that it would be good for Director Oudegeest to discuss the tone and length of the letter with Ken Hall.

### **XIII. Administration:**

A. The list of Follow-up Items from the November 11, 2016 meeting was presented to the Board for consideration and possible action. Mr. Quesnel said he anticipated that the Donner Summit PUD Service agreement would be ready for review at the January meeting. Ms. Nickerson said she sent Mr. Mitchell the list of job duties and that the "minor matters", noted in the audit report, would be addressed at the January meeting.

Director Lindquist asked about the "Future Agenda Item" that was listed on the Follow-Up Items list. He wanted to know if there were any requirements for discussion. The item had to do with the District's Investing Policy to be discussed during the budget process that would begin in March. Jeff Mitchell would provide a list of options available to the District with a possible initial discussion in February.

B. The Status of Action Items remaining as of the December 2016 Board meeting was presented to the Board for consideration and possible action. Mr. Quesnel reported that there had been some minor issues with the automatic meter reading system. He said a couple meters were communicating slowly because they were too cold and a couple meters were not communicating due to poor signal strength. Mr. Quesnel was going to have staff dig up the meters that reported temperature alarms to see if they were the meters constructed of stainless steel and plastic or if they were all plastic. He wanted to see if the temperature problem was due to the materials used; five each of the two types of meters had been purchased for the test program. He was also going to have staff dig up the meters reporting signal strength alarms and move the antenna and radios from underneath the composite lid to the top of the lid to see if signal strength would improve. Mr. Quesnel also said he would contact Northstar CSD, who was currently using the same system, to see what they were experiencing.

### **XI. Adjournment**

**A motion was made by Director Oudegeest and seconded by Director Simpson to adjourn the meeting.** The motion passed by a unanimous vote.

The minutes were approved at the Regular Meeting held on January 13, 2017 as part of the Consent Items Calendar. A motion was made by Director Oudegeest and seconded by Director Stockton to approve the Consent Items Calendar as presented. The motion passed by a unanimous vote.