

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

Date: Friday March 10, 2017 / **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 Karen Heald
Director Dan Stockton
Director Michael Lindquist
Director Dick Simpson
Director Bill Oudegeest

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

Staff members by phone: Jeff Mitchell, District Counsel

Guests present were: None

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. Director Heald asked to move item VIII. Old Business up the agenda to the beginning of the meeting to accommodate Mr. Mitchell's schedule.

A motion was made by Director Oudegeest and seconded by Director Lindquist to approve the agenda with item VIII Old Business moved to the beginning of the meeting. The motion passed by a unanimous vote.

IV. 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.

VIII. Old Business:

A. Mr. Quesnel's memorandum titled "Fuel Tank Risk Reduction Financial Assistance Program Update", dated February 27, 2017, was presented to the Board for consideration and possible action. Also presented were Director Lindquist's "Public Information Campaign" tentative schedule and Mr. Mitchell's "Agreement to Provide Grant Funds" and "Unsecured Promissory

Note”. Mr. Quesnel said he and Director Lindquist met with three members of the Placer County Environmental Health Department (Placer County). He said Placer County made some good suggestions regarding language and that the suggestions were incorporated into the draft “Fuel Tank Risk Reduction Financial Assistance Program” document included in the packet. He said one change was to require annual pressure testing and/or installation of an electronic device that would be very level sensitive. Another change was to reference the California Fire Code instead of the EPA in regard to containment of above-ground storage tanks. Also added was the idea that the District would fund up to 75% or \$5,000 for removing a tank that had been abandoned in place or forgotten about. Finally, language was added to fund \$1,000 to \$1,500 for the first annual integrity test as an incentive to get people to test their tanks.

Director Lindquist said they also learned from Placer County that there was a difference between a “closed-out” tank and an abandoned tank. A closed-out tank meant the homeowners went through the process of removing or emptying the tank, including testing. An abandoned tank could still contain fuel.

Mr. Mitchell said his office looked at three different agreements and felt the “Agreement to Provide Grant Funds”, which could be signed at the time the work was performed, and an “Unsecured Promissory Note”, which could be signed at the time the money was drawn, would meet the District’s needs. Director Heald noted a couple areas in the agreements that were highlighted. One was the name of the program and the other was the word “Board”. With regard to the latter Director Heald suggested that the promissory note read “District”. She felt using "District" instead of "Board" gave the Board authority to delegate approvals to the General Manager if that proved to be more desirable later. Director Lindquist asked if the Board needed to make the delegation of authority decision now. Mr. Mitchell said the delegation of authority could be made within the program guidelines.

Director Lindquist asked about paragraph C of the “Agreement to Provide Grant Funds” that referred to the amount of funds the District would be providing. Mr. Mitchell said it could be approached in two ways, one would be a “not to exceed” amount and the other would be an estimated amount, as previously described by Mr. Quesnel. Mr. Mitchell said he thought it might be better to use a “not to exceed” amount in the agreement since there were specific limits outlined in the program. Section C of the “Agreement to Provide Grant Funds” would be changed to reflect “actual costs, not to exceed”.

The Board discussed possible names for the program. Director Oudegeest suggested the program be called “Heating Oil Tanks Financial Assistance Program” or “HOTFAP”. After some discussion, the consensus of the Board was to use “HOTFAP” as the program name.

Mr. Quesnel said he would finalized the “Financial Assistance Program” document and bring it back in May for approval.

The Board then discussed Director Lindquist’s “Public Information Campaign”. Director Lindquist said his goal was to come up with a consistent message that could be used by everyone. He said he would like it to be one sentence. The Board agreed that Director Lindquist’s “Problem Description” from his outline would be a good consistent message. Director Lindquist asked if another board member would be willing to assist him if needed. Director Heald agreed to work with Director Lindquist if further assistance was needed.

B. Mr. Quesnel's memorandum titled "Proposed Legislation to Allow Regulation of Home Heating Oil Tanks", dated March 1, 2017, was presented to the Board for consideration and possible action. Mr. Quesnel said he made three changes to the proposed legislation after meeting with Placer County. He said the changes had been made and provided to Mr. Gonzalez, the District's pro bono lobbyist. He also said Mr. Gonzalez strongly suggested that the District get letters of support for the proposed legislation. So far he had received letters from Truckee Fire, Truckee Donner Land Trust, and Placer County Environmental Health. He said he contacted ACWA and believed a letter of support would be provided after ACWA's legislative committee's meeting scheduled for March 24th. Director Oudegeest asked about the Property Owner's Association. Mr. Quesnel said he would get Director Oudegeest a copy of the form letter to provide to SLPOA.

Mr. Quesnel also reported that the hearing dates had not been set, that he had been asked for more information and that the information had been provided. He also said he would continue to communicate with Mr. Gonzalez about the upcoming hearing and would keep the Board informed as he received more information. Director Oudegeest asked if Mr. Gonzalez thought it would be a good idea to have more people attend the hearing. Mr. Quesnel said he got the impression that Director Lindquist was all that was needed. Director Heald asked that Mr. Quesnel specifically ask Mr. Gonzalez if having more Directors and other supporters at the hearing would be helpful.

C. Director Simpson's memorandum titled "Donner Summit Community Meeting", dated February 26, 2017, was presented to the Board for consideration and possible action. Director Simpson said the second meeting of the community group only drew about a dozen people. He said a third meeting had been scheduled for March 30, 2017. He said there would be a discussion about what people would be doing to promote Donner Summit at the March 30th meeting. Director Simpson then said he would be out of town during the week of March 30th and asked if someone else could attend the meeting. Director Oudegeest said he would be at the meeting and could report back. Director Simpson also said Pat Malberg's minutes from the meetings were usually ready within a couple days of the meeting so he could provide those minutes for the next Board meeting.

V. Operations:

A. Mr. Quesnel's operations report was presented to the Board for consideration and possible action. Mr. Quesnel said a representative from Badger Meters would be coming up to meet with staff on Thursday March 16, 2017 at 10:00 am and that she would be bringing the new end points. They would be discussing what worked and what didn't. Director Simpson would also be attending the meeting.

Mr. Quesnel reported that there was a sewer spill at a house on Serene Rd. He said staff was able to determine that the problem was on the District's side of the lateral and that the blockage was in the middle of the street. However, it was difficult to see exactly what was going on because of all the ground water. He believed there was a break in the pipe and that the soil around the pipe collapsed down, closing off the line. He said staff had already ordered a cutting tool for the sewer truck, which should arrive the next week. Once the tool was received, staff would try cutting through the blockage. If staff could not clear the blockage with the new tool,

there would be no other option but to dig up the street; something Mr. Quesnel really didn't want to do. Mr. Quesnel also said he had been communicating with the homeowners a couple times a week and that they had been very understanding and cooperative. Again, he expressed concerns about digging up the street because of all the ground water but would continue working on a temporary fix.

Director Simpson asked if Mr. Quesnel could explain what he thought was going on with the flow rates for the last two weeks of February and whether or not the District's request to conserve water had helped. Mr. Quesnel said the over President's weekend, February 17-19, the sewer flows dropped off because precipitation was in the form of snow rather than rain. He said it was "atmospheric rivers and run-off that caused sewer flows to increase because of I&I. He continued, saying that sewer flows also dropped off on Monday the 20th because people were home. Then on the following Friday, flows went up again and dropped off on Monday as people went home. It was a pretty consistent pattern.

On the water side, he said there were days when staff made the call not to make water; those days were reflected by a "0" in the tabulation of water production. He also said staff's decisions whether or not to make water were based on the turbidity level and/or water temperature. It was after several days of having problems processing water that staff made the call to go to the well. He then explained the difficulties of monitoring water levels in two tanks. He said staff had to turn pumps on and off for the two tanks in order to keep from having negative pressure in the distribution system and so they wouldn't burn up a pump in the filter plant. He said things were improving, that staff was back to using the lake intake and that they were catching up on making water.

As for whether the District's request that homeowners conserve water had made any difference, he admitted that the numbers were so scattered and other factors so dominant that it was impossible to draw any conclusions.

B. The Board then discussed the Frozen Lake Intake issue, a topic requested by Director Oudegeest. Mr. Quesnel explained that a polymer was used to reduce the turbidity level in the water. He said polymer gets injected into the water as it comes out of the lake. The polymer then mixes with the water using the velocity from the moving water. As the water flows through the system, mixing the polymer with the water, the polymer adheres to the particles of dirt in the water to form larger clumps called flock. By the time the water reaches the filter plant, the clumps of flock become large enough that they can be filtered out. However, due to the cold temperature of the water, water was being pumped out of the lake pump at only 100 gallons/minute (gpm) compared to the normal 400 gpm. This low pumping rate reduced the velocity of the water so the polymer couldn't mix with the water properly. Mr. Quesnel proposed the installation of a static mixer, a piece of pipe with grooves, to increase the turbulence of the water. He said it was a relatively inexpensive fix that could be easily implemented.

Mr. Quesnel said Matt Marriner, a member of staff, asked about mixing the well water with the lake water because the well water was warmer. By mixing the 8° C well water with the 1° C lake water, the temperature of the water could be raised enough for the polymer to work better. A ratio of two parts lake water to one part well water would be sufficient. However, because the well water contains arsenic, he would have to do some research to determine whether there were regulatory prohibitions against such blending. The 2:1 blending for temperature would

reduce the arsenic level to permitted levels since the lake water has essentially no arsenic. If blending out arsenic is not allowed, the District would then be required to treat for arsenic.

Director Oudegeest ask about heating the lake water. Mr. Quesnel said heating the water was an option but another farfetched option might be to install a small pump station at the Soda Springs parking lot that would allow water to be pumped from Donner Summit PUD to the District and back. Although Donner Summit PUD's new water treatment plant was making better water, there were times of the year when they experienced issues with algae. Having a pump station that would pump water both ways could benefit both Districts.

Director Oudegeest said it didn't make sense how one day the lake intake could be frozen solid and a few days later they were able to make water again. He asked if there was a way to put the camera down at the lake intake to see what was really going on. Mr. Quesnel said he didn't think the intake pipe actually got incased in ice; he believed the ice got close but that there was still a space so they could pump water. The problem was that the water was just too cold to process. He also thought the inflow from the creek kept the water moving and helped to remove some of the ice.

Director Oudegeest suggested placing something on the end of the intake pipe that had holes on all sides, to increase the surface area for pumping water. Director Lindquist said it wasn't that they were unable to pump water, it was that the water was too cold. Director Oudegeest said he thought the pipe was blocked. Mr. Quesnel said it was easier to tell customers that the pipe was "encased" in ice rather than trying to explain that the chemical process wouldn't work when the water temperature was too cold. Mr. Quesnel said his goal was to make sure the water was 3 - 4° C by the time it left the Bales pump station. He said the option of the static mixer could be installed within a couple weeks and wanted to start with that.

Director Oudegeest asked what the least onerous solution would be. He asked if having an emergency intake pipe, off to the side of the main pipe, placed in a deeper part of the lake, might be a solution. The emergency intake pipe would only be used when the water temperature dropped to 0° C so the District could still make water and so the community wouldn't have to be shut down.

Director Lindquist said he thought the District needed to start thinking long term. He said even if the static mixer worked, they still needed to think about how to increase the reliability of the water system since this was the second time in recent years that this problem had occurred. They needed to start thinking long term because running out of water would be disastrous.

Director Oudegeest also suggested a heat exchanger. Mr. Quesnel said it was a good idea that he would consider going forward.

VI. Consent Items Calendar:

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the February 17, 2017 Special Meeting, the February 2017 Check Register, Disbursements for Board Approval, and the February 28, 2017 Financial Reports. Director Oudegeest noted that one check on the check register didn't have a description. Mrs.

Nickerson clarified that the \$623.00 check was for a refund of an overpayment of water and sewer service fees.

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

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

VII. New Business:

A. None.

VIII. Old Business: Old Business was discussed at the beginning of the meeting.

IX. Administration:

A. The list of Follow-up Items from the February 17, 2017 meeting was presented to the Board for consideration and possible action. Mrs. Nickerson said Bob Johnson recommended that she contact CalPERS again to request the District's calculated unfunded liability. She said she would send a letter to CalPERS formally requesting the amount in order to receive an official response.

B. The Status of Action Items remaining as of the March 2017 Board meeting was presented to the Board for consideration and possible action. Director Heald noted that Mrs. Nickerson had made some progress on the operations manual and asked Mr. Quesnel about the District Code. He said he had made some changes to when water bills would start for new construction; fees would start when the Certificate of Occupancy was issued or six months, whichever was shorter. He said he added language about how to get a waiver for fees in the event of catastrophic damage. He also added language requiring that a homeowner demonstrate proper operation of the stop-and-drain valve when selling a home. Mr. Quesnel said Jim Curtis suggested that the Board adopt the new Water Code at one time but that he still needed to talk to Mr. Mitchell about that. He said his goal was to get the Board looking at the document and have it ready for review in April or May. He hoped to get it adopted by July 1, 2017, the start of the new fiscal year.

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 April 14, 2017 as part of the Consent Items Calendar. A motion was made by Director _____ and seconded by Director _____ to approve the Consent Items Calendar. The motion passed by a _____ vote.