

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

Date: Friday September 8, 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 Dan Stockton
Director Karen Heald
Director Dick Simpson
Director Bill Oudegeest

Director Lindquist was absent from the meeting.

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

Staff member present by phone: Jeff Mitchell, District Counsel

Guests present were: Ed Bubnis, Serene Lakes Property Owner

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 request was made to move item E. New Business: B. Mr. Quesnel's memorandum titled "SLPOA Improvements Lot 1" to the top of the agenda.

A motion was made by Director Heald and seconded by Director Oudegeest to move E. New Business: B. Mr. Quesnel's memorandum titled "SLPOA Improvements Lot 1", up before V. Lake Management and to approve the agenda. 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.

NEW BUSINESS:

B. Mr. Quesnel's memorandum titled "SLPOA Improvements Lot 1", dated August 30, 2017, and was presented to the Board for consideration and possible action. Mr. Quesnel said, in

2010 when the last version of the District/SLPOA agreement for the management of Lot 1 was approved, it included language that said Board approval was needed prior to making any permanent improvements to Lot 1. Mr. Quesnel said SLPOA had been very good about making requests and asking for inspections. Therefore, staff recommended that the Board approve SLPOA's request for additional improvements to include changes to picnic table mountings, possible removal of a tree and the construction of a bocce ball court.

Director Heald asked where the bocce ball court was going to be located. Mr. Bubnis said that it would be between the horseshoe pit and volleyball court. Director Simpson asked about the size of the proposed slab and where it would be located. He was concerned that the Board would be giving SLPOA a blank check to pave everything over with concrete. He wanted to make sure the Board was given specification on the size. Mr. Quesnel said his understanding was that there was currently a table made with concrete masonry unit (CMU)/concrete legs covered with plywood. The CMUs would be removed and a concrete slab poured within the same footprint. The slab would be approximately 20' x 25'. Mr. Bubnis concurred.

A motion was made by Director Oudegeest and seconded by Director Heald to authorize the construction and for the General Manager to send a letter to the Property Owner's Association to accomplish the project before winter. The motion passed by a unanimous vote.

V. Lake Management:

A. Mr. Quesnel's memorandum titled "Elevated Walkway, 5478 Bales Road." dated August 30, 2017, was presented to the Board for consideration and possible action. Mr. Quesnel said, at Director Simpson's request, Mr. Byers was asked to provide an application summarizing his understanding of what the Board approved in regard to his dock and walkway. However, Mr. Byers was traveling and unable to provide the letter in time for the meeting. Mr. Quesnel said the Board could elect to table the discussion until the October meeting or approve the proposed use, as described through email conversations, with a follow-up letter from the District to Mr. Byers. Director Simpson was concerned that an approval would be based on a "collection of fragments", he said he would like to have a written document from Mr. Byers stating what he wanted to do, including the removal criteria for the walkway extension. Director Simpson wanted to wait until October, after receipt of a formal application from Mr. Byers. Director Oudegeest and Director Heald agreed to wait. Director Heald suggested that Mr. Byers be given an October 2017 deadline for submitting the application.

B. Mr. Quesnel's memorandum titled "Application for New Pier, 5485 Hemlock Rd., dated August 30, 2017, was presented to the Board for consideration and possible action. Mr. Quesnel said the proposed pier was the same Pier D'Nort used by others, the setbacks were appropriate, the distance appropriate and the pier would be painted. Staff recommended that the Board approve the pier.

A motion was made by Director Oudegeest and seconded by Director Simpson to approve the request. The motion passed by a 3-1 vote. Director Stockton recused himself from the vote.

C. Director Simpson's memorandum titled "Long-Term Health of Lakes Serena & Dulzura", dated September 4, 2017, was presented to the Board for discussion. Director Simpson said, at SLPOA's Annual Meeting, Bill Thauvette asked him about sedimentation and vegetation growth in Lakes Serene and Dulzura. Based on this question, Director Simpson did some research and found that the vegetation in the lakes was buckbean, not water hyacinth, but that buckbean had some of the same properties as water hyacinth. Director Simpson referred to two reports, the 1990 Vineyard Study and the more recent Horizon Study, and that the more recent study concluded that the lakes were not as bad as the Vineyard Study thought. Director Simpson said he wasn't proposing to do anything except try to educate people about using fertilizer and controlling erosion.

It had been suggested in the past that the lakes would need to be dredged. Director Oudegeest said the problem with dredging would be how to provide water when the lakes were drained; the last time the lakes were dredged there were only 200 cabins; now there are over 800.

Mr. Quesnel said he had done a little research about how to control the vegetation. And, although there was not a lot of information available, he found one thing from UC Davis that talked about smothering the plants by putting mats over the vegetation. He said, maybe, after some research and understanding what the CEQA ramifications would be, the Board might consider allowing some lake front owners to experiment with the process. Mr. Quesnel said he would do additional research to see what local controls might be appropriate. He also said he would put together some information for the next newsletter or handout about best management practices and fertilization.

VI. Operations:

A. Mr. Quesnel's operations report was presented to the Board for consideration and possible action.

Director Heald asked what modifications at Lot 18 exceeded the Board approved improvements. Mr. Quesnel said, due to the concern about how muddy the shoreline was at the waterline, he met with SLPOA representatives Mark Himmelstein, Ed Bubnis and George Lamson and they agreed that spreading gravel and sand along the shoreline, like what was installed at the Bales site, would be appropriate, covering about 15 feet of shoreline. The problem was that a 400 square foot sand beach was installed. Mr. Quesnel said he told SLPOA's representative that the sand beach was beyond what had been discussed, that it was prohibited by the ordinance and would have to be removed. He added that Mr. Byers was required to remove the sand beach he had installed and that the requested remediation by SLPOA was consistent.

Director Oudegeest said 400 square feet was only 20' x 20'. Mr. Quesnel replied that the sand beach was 10' above the waterline and 40' long. Director Oudegeest said he would question the 400 square feet estimate because it was just a little sand sitting on the forest floor, making it look bigger than it was. Director Oudegeest said he disagreed with having to pull the sand out. He said last year the area hadn't been used very much but this year the area had been used almost non-stop. He also said it was different from the Byers situation (or anyone else's) because there were a lot of people using the area, not a single person/family. He felt that, because of the amount of use, pulling the sand out would create a long term problem. Mr. Quesnel said that the agreement was to lay gravel along 15' of waterline but that 40' had been installed. It was also

agreed that the forest floor was not causing an erosion problem; the problem was the muddy shoreline where the dogs were getting out of the water.

Director Heald said, first, that Mr. Quesnel had given very explicit direction as to the amount of ground coverage that was appropriate to address the lakeside issues at Lot 18 and that amount was a 10 by 15 foot coverage. No one from SLPOA argued that Mr. Quesnel's directions were not clear. In making this determination and giving this direction, Mr. Quesnel also considered what was appropriate under CEQA since Lot 18 improvements received a lot of discussion during the formulation of the Lake Management Plan and Mr. Quesnel was very aware of what was legally defensible.

Second, Director Heald said that there was still enough acrimony in the community that someone might complain about, or even challenge (under CEQA), the 10 by 40 foot fill that SLPOA placed. Even if no one did lodge a challenge, she was remiss to authorize something known to be difficult to defend under CEQA. Under CEQA, it would not matter if the placement of three times the authorized amount of fill was accidental or intentional. To be legally cognizable, it needed to comply with Mr. Quesnel's directions.

Third, she said that Mr. Quesnel diligently monitors and requires compliance with District Ordinances and that it would be unfair to him to make exceptions to the required compliance for no other reason than it inures to the benefit of more than one homeowner. It did not matter if the benefit of the violation was one homeowner or the community, it was still a violation and had to be consistently addressed.

Mr. Quesnel said that, although he was not going to divulge who, he had already received a request to provide the CEQA documentation for the modifications made at Lot 18. Director Oudegeest thanked him for not revealing the complainant. However, Director Oudegeest said Lot 18 was a very popular amenity for the community and that the Board would be upsetting a lot of people if it tried to take the 'beach' away. He said that, although a mistake had been made, the location was very popular and the community would not be willing to help remove the sand. Directors Heald and Simpson agreed that SLOPA would probably need to pay for the work if volunteers were lacking; but Director Heald said she was at a loss as to why anyone in the community would not be happy with the direction given here. The Board was allowing SLPOA to use and access Lot 18 with parameters that were legally necessary.

Director Stockton said he had an issue with the fact that this situation put Mr. Quesnel in an awkward position. Mr. Quesnel has told other homeowners that they couldn't do exactly what SLPOA has done. Director Simpson said that he agreed and that he supported Mr. Quesnel in his actions.

Director Oudegeest felt the Board needed to take action and not leave it on Mr. Quesnel to handle. Director Heald said it was not an agenda item so no action could be taken. Mr. Quesnel said Ordinance 101 gave him the authority to regulate and take care of issues that were unpermitted.

Mr. Quesnel would send a follow-up letter to SLPOA and mark the area to define what needed to be removed. He also said he would bring the topic back for more discussion at the October meeting.

Mr. Quesnel reported that the final round of sampling, at the Cushman residence on Bales, came back “non-detect”. He also said there was an 8:00 am conference call scheduled for Tuesday with the regulators, Broadbent and the property owners to discuss the next steps. Although the tests had come back non-detect, Mr. Quesnel said he felt very strongly that monitoring needed to continue.

Director Oudegeest ask why the usage reports showed less water used but more sewage being processed. Mr. Quesnel said he thought it was due partly to disparity in the numbers but that the gap was getting narrower, indicating that District repair projects were having an impact on the amount of leakage.

Mr. Quesnel reported that the new pump at Bales was installed and working well. He also reported that Pacific Water Resources would be covering the second round of costs for the crane, roof removal and replacement, and the contractor.

Mr. Quesnel reported that there were still 75 manhole chimney seals left to install but that staff was working hard to get them done. He also said the remaining manholes were difficult, requiring tedious prep work before the chimney seals could be installed.

Mr. Quesnel reported that the new Administration Building roof was complete and that there was no dry rot found.

VII. Consent Items Calendar:

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the August 11, 2017, Regular Meeting, the August 2017 Check Register, Disbursements for Board Approval, August 2017 Financial Reports and a list of new vendors. Director Heald asked about the employee salaries that were over budget. Mr. Quesnel said annual salaries were allocated evenly over 12 months and that seasonal labor was using 12 months of allocation in three. Salaries would level out by the end of the year. Mr. Quesnel also said the costs for the vacuum truck and backhoe went over budget because \$1,500 was spent on tires on the vacuum truck and \$900 for front tires on the backhoe.

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

VIII. New Business:

A. Director Simpson’s memorandum titled “Audit Committee Report”, dated August 31, 2017, was presented to the Board for discussion. Director Simpson said Mr. Johnson clarified that the difference between the Assessment District and the Water District was that the Assessment District handled the Wastewater Treatment Plant loan. He also said one item that needed Board attention was the Reserves. Mr. Johnson had said reserves held for specific expenses and not used within five years could be seized by the State. Director Simpson said he found that the District had a policy for Reserves but that dated back to 2005. He proposed having a modified reserve policy that allowed the Board to set up reserves for other things. Director Simpson said he would develop the topic for discussion at a later date. Director Heald suggested that the new policy be realistic; the

current policy stated that the Board would review the reserves monthly. Director Simpson suggested that the Board review the reserves every six months, but Director Heald felt the reserves should be reviewed annually along with the Budget. The topic would be brought back to the Board at a later date for further discussion.

Director Simpson said Mrs. Nickerson provided him with a binder of District policies. He felt that some the policies were worth scanning and posting on the website. It was agreed that Mr. Quesnel would review the policies to determine if they were already part of the District Code or if they should become part of the District Code. Mr. Mitchell noted that some of the policies were or should be part of the District's Employee handbook. Mr. Quesnel said he would review the policies, verifying which topics were covered in the District Code or employee handbook, and determine if there were any policies that needed to be added to the Code. It was anticipated that the District Code would be reviewed at the November 2017 Regular Meeting.

B. Mr. Quesnel's memorandum titled "SLPOA Improvements Lot 1", dated August 30, 2017, was moved and discussed to the beginning of the meeting.

IX. Old Business:

A. Mr. Quesnel's memorandum titled "Heating Oil Tank Financial Assistance Program Enrollment and Contacts" dated August 30, 2017, was presented to the Board for consideration and possible action. Also presented were the following:

- 5495 Hemlock Drive HOTFaP Request
- 4152 Donner Drive HOTFaP Request
- 4005 Serene Road HOTFaP Request

Mr. Quesnel reported three property owners were being very proactive; two already had contractors ready to go. His recommendation was that the Board enroll the three applicants in the HOTFaP program. Director Simpson said he was skeptical about Mr. Seigert's proposed cost because the costs seemed low. Director Oudegeest wanted to know what would happen if the costs came in higher than proposed. Mr. Quesnel said the programs had specific upper limits and percentages and that a property owner would not receive any more than the allowed amount based on submitted receipts.

Director Heald asked if Mr. Quesnel had any thought on how to approach the property owners who had not responded. It was agreed that Mr. Quesnel would send certified, return receipt, letters to the non-responders.

A motion as made by Director Oudegeest and seconded by Director Simpson to approve the three HOTFaP agreements. The motion passed by a unanimous vote.

X. Administration:

A. The list of Follow-up Items from the August 11, 2017 meeting was presented to the Board for consideration and possible action. All items on the list were still pending. Mr. Quesnel had sent out letters as noted in item 1 but would be sending additional certified letters to the non-responders.

B. The Status of Action Items remaining as of the September 2017 Board meeting was presented to the Board for consideration and possible action. No changes were made.

XI. Adjournment

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

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