

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

Date: Friday July 8, 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 Karen Heald
Director Michael Lindquist
Director Dan Stockton
Director Wade Freedle
Director Bill Oudegeest

Staff members present: Bill Quesnel, General Manager
Christian Curtis, District Counsel

Guests present were: See attached Guest List

Minute Recorder: Bill Quesnel, General Manager

II. Public Forum: There were no public comments.

III. Approve Agenda:

The agenda was presented to the Board for approval. Director Stockton asked that Item XII. C. regarding Labor Negotiation be discussed first during Closed Session. It was determined that Director Stockton also needed to participate in the discussion of Item XII. B. so the agenda was approved as presented.

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

IV. Public Comments: There were no public comments received after the agenda was posted.

V. Lake Management:

A. Bill Quesnel's memorandum dated June 29, 2016 titled "Application for New Piers" was presented to the Board for consideration and possible action. The following Indemnity and Hold Harmless Agreements (IHHA) were also presented for the Board's consideration and possible action.

- Cliff Busby
- Michael Dans
- Christopher Grover
- Jill Marek

Mr. Quesnel said he looked at the proposed placement of both the Busby and Marek docks but had not had a chance to look at the Dans or Grover proposed placements. Director Heald said she thought the IHHA for the Marek dock should be signed by the legal owner and questioned whether or not Snively LLC was really the legal owner; she felt the agreement should be signed by Marek not Snively LLC. Mr. Quesnel said he would verify who the legal owner was and request a revised IHHA if necessary. Director Oudegeest said he did not have an issue with docks around the lake but was concerned because the Dans/Stockton proposed location was in shallow water. He suggested that a bridge be built over the adjacent drainage area and the dock be placed at the end of the bridge instead of on the shoreline foliage. Director Stockton said he was fine with whatever Mr. Dans wanted to do, he, Mr. Dans, was the applicant. Director Stockton said it was Mr. Dans pier and that he approved Mr. Dans' request to place the dock in front of his cabin.

Director Lindquist said that he wanted to make sure that by approving the applications the Board was not implicitly approving property lines based on the submitted maps that were modified by the applicants. Christian Curtis, District Counsel said, legally speaking, the maps were obviously altered by the applicant but that the District should be careful when generating or sending back information. He said he didn't think simply approving the location of a dock based on a map that happened to have dashed lines would be something that would be an issue in terms of admission or impeachment in the future. He also said it wouldn't hurt to have comments to that effect in the minutes as well. Director Heald said that the Board was stipulating that they were the applicant's drawings and that the Board was approving placement of the dock in the general location to the extent that the drawings were accurate.

Bob McCormick submitted drawings showing where he preferred the Dans dock be placed. He proposed that the dock be placed south of the proposed location, closer to the trees and away from the drainage. He said he wasn't against the dock but suggested that there be a meeting to consider alternative locations before approving the application.

At Mr. Curtis' suggestion, Director Stockton recused himself from the discussion of Mr. Dans' application due to the location of his property.

Mr. McCormick then said, according to the Ordinance, the parts of the docks that were above the water line needed to be painted with non-reflective paint if they weren't already non-reflective. He also noted that some of the docks had very high risers causing the docks to be much higher than the water would ever be. He asked if there was a way for the District to require that the docks be cut down so they weren't sticking up into view.

Director Heald said Mr. McCormick was raising two issues; placement of Mr. Dans dock and issues relating to the Ordinance that had already been passed. She said the Board would need specifics to determine if the docks were violating the Ordinance. Mr. McCormick asked that the Board remind applicants of the requirements when approving the dock application. He said having bright aluminum docks all over the lake went against having a beautiful mountain lake. Mr. Quesnel said the challenge was that the Pier D'Nort was a very popular pier, it was removable, desirable to the District, but made of aluminum for easy removal. Mr. Quesnel agreed that applicants be reminded of the requirements contained in the Ordinance.

Mr. McCormick said he was asking that the Board hold off on approving the Dans dock until alternate locations could be considered.

A motion was made by Director Oudegeest and seconded by Director Freedle to approve the applications for 2042 Serene, 4222 Lake and 2229 Lake. The motion passed by unanimous vote.

Director Heald said the three applications were approved with the caveats reminding them of the specifications and request for a new IHHA for 2042 Serene. Director Heald asked that, before approving the Dans application, Mr. Quesnel meet with Mr. Dans, Director Stockton and the neighbor to the south to discuss alternate locations prior to submitting a new application.

B. Mr. Quesnel's memorandum dated July 29, 2016 titled "Elevated Walkway, 5478 Bales Rd." was presented to the Board for consideration and possible action. Mr. Quesnel said most of the issues had been previously resolved but the length of the walkway was to be considered in the spring after the snow had melted. He said it was staff's prospective that there was riparian vegetation that was being shaded by the walkway, even though it was a foot off the ground, and that 15' of walkway could be removed because it was over an area that was not wet.

Director Stockton asked if the Board would be opening the door to others if the walkway was allowed to stay as built. Directors Freedle and Lindquist were neutral but Director Lindquist would support Mr. Quesnel's recommendation that 15' of walkway could be removed since that area was not muddy during the time of use. Director Heald said she trusted Mr. Quesnel's judgement and didn't want to see walkways all over the lake. She was in favor of standing by the Board's original decision. The lake would not be damaged by taking out 15' of walkway and the walkway was built without District approval.

A motion was made by Director Stockton and seconded by Director Freedle to require 15' of walkway be removed. The motion passed by a unanimous vote.

VI. Operations Report:

A. Mr. Quesnel's Operations Report was presented to the Board for consideration and possible action. Mr. Quesnel said since he drafted his Operations Report, he received comments from Mr. Curtis regarding the draft Service Agreement, the changes were discussed with Tom Skjelstad and they agreed the next step was to discuss the changes with the Facilities Committee. He anticipated that it would be September before the Committee would have an agreement for the two Boards to review and approve.

Mr. Quesnel said he called Mr. Geselbracht's office and learned that he had retired but he was able to talk with someone else. They discussed the concern of whether or not Sierra Lakes was getting a fair shake on treatment costs because the flows and loads of two Districts were different. Tim, from Waterworks, understood the concern and referenced East Bay Mud who handled wastewater treatment for five cities. Mr. Quesnel said he saw on East Bay Mud's website that the five cities were charged slightly different rates based on loads. Tim said Waterworks would be happy to help the District develop a sampling program if that was something the Board wanted to do. Director Freedle was in favor of doing some kind of testing to determine if the ratios used in designing the plant were close to actual. Mr. Quesnel said some testing could be done in

the summer and some in the winter, instead of testing all year round, since the summer and winter were diametrically opposed times of uses. He said he could talk with Tim and work with Director Lindquist to develop a plan for the Board's review. Director Freedle said the focus should be on the winter since the winter was when the plant capacity would be stressed; the capacity was never stressed in the summer. It was his understanding that the measurements should be made when the plant was at its peak and that would be the winter. He thought sampling should be done on the half dozen critical weekends in the winter when the process stress was highest. Director Oudegeest felt measurement should also be taken in the fall and spring as well. Director Heald felt testing should compare summer to winter but thought it would be interesting to look at fall and spring depending on the cost.

Director Lindquist said knowing flows and loads were essential for determining the size of a plant. However, he thought the results would be dampened once the plant was complete because there were so many fixed cost associated with running the plant. Director Freedle said the difference between fixed and variable costs were irrelevant, the focus of the negotiation should be on the total cost of running the plant.

Mr. Quesnel said he would work on developing a program with the possibility of having a proposed program ready for review at the August meeting.

Mr. Quesnel said he received an email from a homeowner concerning boats being stored overnight at access point #2; access point #2 was a day-use only access point. Because the access point was day-use only, with no boat storage, it was not monitored by SLPOA. Mr. Quesnel said he would put up a couple more signs at access point #2.

Mr. Quesnel said staff had noticed that the two day a week watering restriction and the ban on hosing down driveways were not being followed. The recommendation was to send out a Water Conservation Restriction reminder letter. Director Heald agreed that sending out a Water Conservation letter was a good idea.

VII. Consent Items Calendar:

The Consent Items Calendar was presented to the Board for action. Two typos were noted.

A motion was then made by Director Freedle and seconded by Director Lindquist to approve the Consent Items with two typo corrections to the minutes. The motion passed by a unanimous vote.

VIII. Approval of Litigation Fees:

The litigation fees billing had not received as of the day of the meeting.

IX. New Business:

A. Mr. Quesnel's memorandum dated June 30, 2016, titled "District Counsel Solicitation" was presented to the Board for consideration and possible action. Christian Curtis informed the Board that Jim Curtis has decided to retire so they would be closing the practice within the next few months. Director Heald said, upon Mr. Curtis' prior

notice of the intended closing, she and Mr. Quesnel put together the “Request for Statements of Qualification” that was presented with Mr. Quesnel’s memorandum. The requests would be sent to the list of attorneys noted in Mr. Quesnel’s memorandum and to other attorneys if requested. She asked that the response date be changed to August 1, 2016. She then said the solicitation letters would be sent out, the Legal Committee, Directors Heald and Lindquist and Mr. Quesnel, would review and discuss the candidates and present their recommendations at the August meeting.

Director Freedle said he was not impressed with the list of attorneys and felt the first consideration should be whether or not the attorney specialized in water rights law. He said the second consideration should be the billing rate.

It was agreed that a question regarding the attorney’s knowledge of water rights would be added to the list. It was also discussed that the Board would want to know who the District’s designated attorney would be with the possibility of holding an interview to make sure that person had an understanding of the community’s values. It was also discussed that the Board would hold a special meeting for the interview process.

Director Lindquist said he liked the list of questions but asked that specific examples of experience be provided.

B. Mr. Quesnel’s memorandum dated June 30, 2016, titled “Capital Improvement Project 16-001” was presented to the Board for consideration and possible action. The recommendation was to award the contract to John Longo Construction Company Inc.

A motion was made by Director Oudegeest and seconded by Director Lindquist to award the contract to John Longo with an authorization for the General Manager to issue change orders not exceeding 10% and approval for signature by the Board President. The motion passed by unanimous vote.

C. Mr. Quesnel’s memorandum dated June 30, 2016. Titled “Purchase of Replacement Truck” was presented to the Board for consideration and possible action.

A motion was made by Director Oudegeest and seconded by Director Lindquist to approve the purchase of the truck by the General Manager. The motion passed by unanimous vote.

X. Old Business:

A. Mr. Quesnel’s memorandum dated June 30, 2016, titled “Fuel Tank Risk Assessment” was presented to the Board for consideration and possible action. Mr. Quesnel said Stinson Beach had the ability to regulate septic tanks due to a sewer problem in their community. The State Water Board granted the ability to regulate septic tanks after the community defeated a proposal to fund the building of a new treatment plant. Mr. Quesnel said since Stinson Beach was given the authority to regulate septic tanks in order to protect their water quality, he thought Sierra Lakes might be able to get the same Legislative ability for oil fuel tanks.

Director Freedle said normally, if a Legislature presents a minor bill to correct something minor within their district, and the correction does not affect anyone outside that district, then the bill would sail right through. Director Lindquist said he was in favor of pursuing legislation as a long-term solution. Director Freedle said a request wouldn't need a lot of research, the bill could be written up and given to the Legislator to be carried forward.

Mr. Quesnel said he would call ACWA to see if they had a lobbyist that could provide information about the process and possibly the cost. In the meantime a stronger letter, incorporating Director Lindquist and Stockton's edits, would be sent out.

X. Administration:

A. The list of Follow-up Items from the June 2016 meeting were presented to the Board for consideration and possible action. Director Heald said all items on the list were completed with the exception of the first item on the list. Director Freedle said Bob Johnson had been on vacation for most of the month, there had been some communication back and forth regarding a memorandum of understanding for office back-up but it was too late to get it on the agenda. The topic would be put on the August 2016 agenda.

B. The Status of Action Items remaining as of the July 2016 Board meeting was presented to the Board for consideration and possible action. No changes were made.

XI. CLOSED SESSION:

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

Note: Director Stockton left the boardroom prior to the discussion of items A & B and returned for the discussion of item C. Mr. Quesnel left closed session for item C and returned for item D.

- A. Closed session pursuant to Government Code Section 54956.9(a) – to confer with Legal Counsel regarding the following item of litigation - Gortner v Royal Gorge LLC et al – Placer County Superior Court Case# SCV0032158**
- B. Closed session pursuant to Government Code Section 54956.9(d)(2) – Conference with Legal Counsel anticipated litigation – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: one potential case.**
- C. Closed session pursuant to Government Code Section (54957.6 - Labor Negotiations**

Conference with Labor Negotiators:
Agency designated representatives: Wade Freedle and Dan Stockton
Unrepresented employee: Anna Nickerson

Conference with Labor Negotiators:

Agency designated representatives: Wade Freedle and Dan Stockton
Unrepresented employee: Bill Quesnel

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

Mr. Curtis said, in regard to Item XII. A, the Board voted unanimously, with the exception of Director Stockton's abstention, to approve the settlement agreement with the plaintiff and that the settlement was now final and available for public inspection. With respect to Item XII B., the Board met with Counsel to discuss the threat of litigation and took no action. With respect to Item XII C., the Board discussed the item and had no action to report. Director Heald reported that Item XII. C. would no longer be on the agenda.

XII. Adjournment

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

The minutes were approved at the Regular Meeting held on August 12, 2016 as part of the Consent Items Calendar. A motion was made by Director Freedle and seconded by Director Stockton to approve the Consent Items Calendar as presented. The motion passed by a unanimous vote.