

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

Date: Friday July 13, 2018 / **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 Richard Simpson
Director Karen Heald
Director Bill Oudegeest

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

Staff member present 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.

A motion was made by Director Oudegeest and seconded by Director Heald 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.

V. **Operations:** Mr. Quesnel's operations report was presented to the Board for consideration and possible action. He said subsequent to his report, the person on Yuba Drive with an underground tank called and said the tank had been tested and passed. He also said the homeowner was still trying to decide how he wanted to upgrade the tank. He said it was a slow process but progress was being made; most homeowners were being responsive.

Mr. Quesnel reported that both LAIF and Placer County Treasurer had asked the District to hold off on transferring funds until July 13th; neither fund was ready to accept District funds.

Mr. Quesnel reported that there were currently five leaks of 10 gallons/hour or more. He said letters had been sent letting the homeowners know that the leaks needed to be fixed within the next couple weeks or service would be shut off.

Mr. Quesnel said his report included an update on the sewer repair being done at the south end of the lake. He also said there was a lot of construction going on around the District and that he received another application for a connection permit earlier that day.

Mr. Quesnel said because he hadn't mentioned the website in his memo, the Board could not have a discussion regarding the website. However, Mr. Quesnel was able demonstrate the changes that had been made. Mr. Quesnel also said a list of problems and/or potential changes would be kept for discussion at the August meeting. He said Director Lindquist, Director Simpson and the website designer had tested the system by creating accounts. The system seemed to be working properly. He briefly explained that a customer would have to first create an account to allow access to the system. Then the customer would enter the property address and, after confirmation against the data base, could make payments using a credit card or ACH transfer.

Director Lindquist suggested that only a phone number be provided for "Reporting a Problem". He felt it would be better to have staff determine the severity of a problem rather than ask a customer to make a decision about significance of a leak.

Finally, Mr. Quesnel noted the pending website items included automatic payments and mass customer notifications. The topic would be on the August 2018 agenda.

Director Heald said, one of the things the Board wanted Mr. Mitchell to do after he was hired was to review the District's insurance policies. She said the purpose was to make sure the District was adequately covered. She asked that the topic be put on a list of things to do.

Director Simpson asked if the issue with the County Registrar regarding the upcoming election was resolved. Mr. Mitchell said the new person at the election office would speak with staff members that had experience with Sierra Lakes' election process. The status was that Placer County was going to provide Mr. Mitchell with language for a letter to be signed by President Lindquist. Mr. Mitchell said he would follow up with Placer County.

Director Oudegeest complimented staff for all their hard work repairing the sewer issue at the south end of the District. He said staff worked long hours for several days while maintaining a very positive attitude. He also commented on how attentive staff was to customers at that end of the lake. Finally, he said he was very impressed with Mr. Quesnel, the great job he did dealing with staff, listening to suggestions, taking staff's advice and working together to get the job done.

VI. Consent Items Calendar:

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the June 8, 2018, Regular Meeting; the June 2018 Check Register; Disbursements for Board Approval; and the preliminary year end, 6/30/18, Financial Reports. Director Simpson said he didn't see the website on the financial report. He asked if it made sense to create a new number to show the cost of website development. Website costs were included in account 9044 Computer Equipment & Service; they may be listed separately in future

reports once a new code has been assigned.

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

VII. New Business:

A. Mr. Quesnel's memorandum titled "Contract Awards: Utility Repair Project 18-001", dated July 3, 2018, was presented to the Board for consideration and approval. Mr. Quesnel said the bids came in higher than his estimate and that he had done some checking on the low bidder. He said the contractor came highly recommended by both South Placer PUD and PCWA inspectors. He also said he spoke with the contractor about two items that seemed high. The contractor provided good reasons for the proposed amounts and said he would watch the costs for mobilization to see if an adjustment might be made. Mr. Quesnel recommended that the Board award a contract in the amount of \$220,341 with a 10% change order authority to Precision Earthworks Construction and authorize the Board President to sign the contract. Mr. Quesnel said he anticipated work would start the last week of July.

A motion was made by Director Oudegeest and seconded by Director Stockton to approve the award of a contract to Precision Earthworks Construction as recommended by Mr. Quesnel and to authorize the President to sign the contract. The motion passed by a unanimous vote.

B. Mr. Quesnel's memorandum titled "Applications for New Pier and Dock", dated July 3, 2018, was presented to the Board for consideration and possible action. Mr. Quesnel said he was still recommending approval of the Pier D'Nort at 5418 Bales with the exception that the pier not exceed 60 square feet.

A motion was made by Director Oudegeest and seconded by Director Heald to approve the Pier D'Nort dock at 5418 Bales with the proviso that it not exceed 60 square feet. The motion passed by a unanimous vote.

Mr. Quesnel then said he could not recommend that the proposed dock for 2112 Serene be approved because the dock contained pressure treated wood. Director Oudegeest asked if the dock could be used if the pressure treated wood was replaced. Mr. Quesnel said he spoke to the homeowner about that and the homeowner had already decided to purchase a dock like those installed by SLPOA at the access points. The homeowner also planned to donate the float portions of the old dock to SLPOA to redo the Sierra dock.

Director Heald asked when the grandfathered docks needed to be replaced. Mr. Quesnel believed all grandfathered docks needed to be replaced by 2019 and that he needed to go out on the lake to take inventory of the current docks. Director Heald asked if the Sierra dock would be included with the docks that needed to be replaced by 2019. Mr. Quesnel said the issue of grandfathering pertained more to piers that had Lake Bottom foundations. But, due to the pressure treated wood used on the Sierra dock, Mr. Quesnel felt a board discussion would be appropriate. Director Oudegeest questioned whether the dock at the old lodge, which previously belonged to SLPOA, consisted of pressure treated wood. Mr. Quesnel said he would take a look at that dock during his inventory.

A motion was made by Director Oudegeest and seconded by Director Stockton not to approve the dock at 2112 Serene. The motion passed by a unanimous vote.

Mr. Quesnel said he would send the homeowner a letter advising that the Board did not approve the proposed dock.

C. Mrs. Nickerson's memorandum titled "Request for Waiver", dated July 6, 2018, was presented to the Board for consideration and possible action. Director Simpson said he tried to make contact with the homeowner but was only able to exchange emails. He said the homeowner was annoyed that Mrs. Nickerson wouldn't bend the rules for her. He also said he didn't see a reason to approve the waiver request; the late fee was to encourage timely payments. He said he felt Mrs. Nickerson had done the right thing.

Director Oudegeest said he agreed with his colleagues and with how Mrs. Nickerson handled the situation. However, the homeowner could have mailed the payment and it would have taken until Tuesday or Wednesday to arrive; maybe even longer given the current post office situation. He said the homeowner was trying to do the right thing by bringing the payment down Monday morning and thought the process was a little too tight since the payment needed to be postmarked by Friday and wouldn't have gotten here as quickly as it did by bringing it in person. Director Oudegeest felt the rules were a little too tight.

Director Heald said over the time she's been on the board, there had been several requests to waive fees; some elicited no empathy, others elicited some empathy and some she had trouble denying. She said the problem was with stretching the rules. To allow the rules to be stretched, the Board would need to set parameters for stretching the rules. Although the homeowner did get the payment to the office faster, there were no parameters in place to stretch the rules.

A motion was made by Director Simpson and seconded by Director Stockton to reject the request for waiver. The motion passed by a 4-1 vote. Those in favor: Director Lindquist, Stockton, Heald and Simpson. Opposed: Director Oudegeest.

Director Simpson noted that the District's Ordinance 4.01 says that the penalty would kick in at 30 days after the due date. Therefore, 30 days would have been Thursday June 14th not Friday the 15th because May had 31 days. He said all the penalty dates on the invoice were on the 15th but the Ordinance said 30 days. He said either the invoices needed to be changed to reflect 30 days or the Ordinance needed to be changed to read the 15th day of the following month. He thought this topic could be a future discussion item before the next billing period in June 2019.

D. Mrs. Nickerson's memorandum titled "Resolution 2018-846 – Establishing Appropriations Limitation", dated July 6, 2018, was presented to the Board for consideration and possible action. Director Heald asked about the population change rate used. She asked if the District should use Unincorporated instead of the County Total. Mrs. Nickerson said she would consult the auditors and report back at the August 2018 meeting.

E. Mrs. Nickerson's memorandum titled "Biennial Agency Conflict of Interest Code Review", dated July 6, 2018, was presented to the Board for consideration and possible action. Mr.

Mitchell said technically the District was not covered by the local code because there were fewer than 200 filers. He did say, however, based on his understanding, the District's code was compliant with all the requirements. Director Oudegeest pointed out a requirement that said employees needed to be designated but the District didn't have any employees to be designated. Mr. Mitchell said only individuals making or participating in the making of decision were required to report. Director Lindquist said he was comfortable with the current requirements for disclosure. He felt the code didn't pertain to just any decisions, the code pertained to significant decisions that had significant financial impact. He said the code was to protect the District from misappropriation of funds. He also said, typically, field staff would not be required to disclose. Managers of the field staff would be the ones who needed to disclose. The Board directed Mrs. Nickerson to fill out the form and send it in.

VIII. Old Business:

A. Mr. Quesnel's memorandum titled "Heating Oil Tank Financial Assistance Program Enrollment", dated July 2, 2018, was presented to the Board for consideration and possible action. Mr. Quesnel said there were two applications for HOTFaP enrollments. One was for the removal of an abandoned tank and the other was for reimbursement of the first annual integrity test of an underground tanks.

Mr. Quesnel said reimbursement for 5459 Hillside Drive was pending final paperwork and that the maximum exposure was \$5,000. The Board would have an opportunity to consider the item once all the paperwork was submitted.

Mr. Quesnel recommended that the Board approve payment of the \$337.50 for the integrity test on the tank located 5149 Soda Springs Road once the HOTFaP agreement was signed by both the homeowner and the Board President.

A motion was made by Director Heald and seconded by Director Oudegeest to approve reimbursement of \$337.50 to Mr. Banks following receipt of the signed agreement. The motion passed by a unanimous vote.

A motion was made by Director Heald and seconded by Director Oudegeest to authorize the President to sign agreements to provide grant funds to the property owner on Hillside Dr. The motion passed by a unanimous vote.

Director Lindquist said he wanted to commend the Board for all the hard work and debate that went into implementing the HOTFaP program. He said it was turning out to be wildly successful program, thanking everyone for the patience and hard work.

IX. Administration:

A. A list of Follow-up Items from the June 8, 2018, board meeting was presented to the Board for consideration and possible action. Mr. Quesnel was still looking into the possibility of a District weather station. Director Lindquist said there was no requirement to send in a bio or picture for the website but asked that anyone that had forgotten to please send something in.

B. The Status of Action Items remaining as of the July 2018 Board meeting was presented to the Board for consideration and possible action. The website progress would be updated to 85%. Mr. Quesnel said he still needed to do some work on fertilization information. He also said he had a professional videographer lined up to do the Stop&Drain valve demonstration video but didn't think it was something that would be very demonstrative. He was going to figure something else out.

Director Oudegeest said he didn't know how he would check his Stop&Drain valve because it was two feet down into gravel. He also wondered how they would get people to watch a video; they would not have a reason to watch a video if they felt everything was fine. However, Director Lindquist said it would be hard to start talking to people without a good visual aide. He also said the information would be most useful to have before the winter.

Director Simpson asked if having a second seasonal employee would help move the field work along any faster. He said it seemed like staff was working really hard with fewer people than last summer. Mr. Quesnel said more supervision was required with more seasonal employees. He said with more seasonal employees, the experienced employees couldn't work together because they would be out supervising the seasonal employees. He also said this year's seasonal employee was really exceptional and hoped he would stick around.

X. 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 August 10, 2018, as part of the Consent Items Calendar. A motion was made by Director Heald and seconded by Director Simpson to approve the Consent Items Calendar. The motion passed by a unanimous vote.