

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

Date: Friday March 12, 2021 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

The meeting was teleconferenced as provided by Governor Newsom’s Executive Order N-25-20 (“Executive Order”), declared on March 12, 2020. The Executive Order temporarily granted state and local agencies certain powers to aid in the implementation of social distancing measures recommended by state and local public health officials that suspended certain Brown Act requirements.

I. Open Meeting:

Roll Call: No Directors were in attendance at the Sierra Lakes Boardroom

Directors in attendance by teleconference:

Director Dan Stockton
Director Bob McCormick
Director Karen Heald
Director Michael Lindquist
Director Jon Harvey

Staff members present: Anna Nickerson, Financial Consultant

Staff present by phone: Paul Schultz P.E. Inc., General Manager
Jeffrey Mitchell, District Counsel

Guests present by Zoom: John Loll
Dennis Fisco
Bob Gudz
Michael Day
Vickie Day
Roger Drosd
George Carman
Judith DeVito
Alice Mansell
Susan Cooper
Carol Raisbeck

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 comments

III. Approve Agenda: The agenda was presented to the Board for approval.

A motion was made by Director McCormick and seconded by Director Lindquist to approve the agenda. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Heald, Lindquist and Harvey.

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. Mrs. Nickerson reported that she received an email from Mr. Carmen earlier in the day and a copy was forwarded to all members of the Board, the General Manger and District Counsel.

V. Operations: Paul Schultz P.E. Inc., General Manager, presented his operations report to the Board for consideration and possible action. Mr. Schultz reported the following:

- Donner Summit PUD (DSPUD) was still spraying snow and discharging some into the river. DSPUD was also holding some in storage to spray more snow later.
- DSPUD's NPDES permit: the permit was supposed to go before the State Board in April 2021 but was postponed again to June 2021 due to COVID 19 restrictions.
- The contract with University of Nevada Reno (UNR) was complete and ready for execution. The contract was reviewed and modified by Jeffrey Mitchell, District Counsel and reviewed by both parties.
- An application for partial funding for the Water Quality Assessment project was submitted to the Placer County Water Association. Mr. Schultz expected to hear by July or August about a possible \$50,000 grant. He said the District's project was the only project on the list associated with water preservation.
- The Placer County Lease agreement was complete and ready for execution. The item would be discussed later in the meeting under Item VIII. B.
- The Policies and Procedures review was nearly complete. Jeffrey Mitchell's office completed everything they could do. Mr. Schultz said he had a few policies to review, and the Capitalization policy would be sent to the District's auditor for review.
- The Lake Management Committee had convened a couple times. The topic would be discussed later in the meeting under Item VIII. D.
- The status of the possible purchase of the dam parcel was advanced by Mr. Schultz and Director McCormick. The item would be discussed later in the meeting under Item VIII. E.
- The Lake Intake Study report from Woodard and Curran for the project that was put on hold, was received earlier in the day. Mr. Schultz said he would review the report and if nothing was objectionable, he would prepare the report for public viewing. Otherwise, if the report contained issues, he would present the report to the Board prior to issuing it to the public.

- The utility staff would be returning to their normal schedule starting Monday March 15, 2021. The remote on-call status was being discontinued because staff was now able to work outside and social distance.
- The Meyers Control Panel repair was complete. However, Mr. Schultz was waiting for an estimate from Great Basin Controls for a replacement of the very old control system. It was difficult to find parts for the last repair and anticipated it would only get more difficult. A new control system would be included in the 2021/2022 Operating Budget.
- Approximately 400 meters had been installed and in the last two days leaks resulting in the loss of 12,000 gallons/day were detected. He estimated that another 20,000 gallons/day might be found. Mr. Schultz said there should be some public education before going to metered rates. He also said he wasn't sure if metered rates would be needed if all the leaks were brought under control.
- Water flows were back to normal. Flows were trending back down to prior levels.

Director Lindquist said he would like Mr. Schultz to encourage the utility staff to get their COVID vaccinations and the help them get appointments.

Director Harvey asked Mr. Schultz to provide more information regarding his comment "if we need to go to metered rates". Mr. Schultz said, if the cost for producing water stayed the same and less water was being produced, there would be a savings. Therefore, there would be no need to change the rates since the established rates would already cover the costs. He said the 2024 rule required the District to have meters installed, the rule didn't say the meters had to be read and the rate structure changed. Director Stockton said he thought the District was required to read the meters by 2025. Mr. Schultz said the requirements were based on several factors including the size of the community. He said there were not a lot of rules published for County Water Districts, the published rules were for Public Utility Districts. He also said Jeffrey Mitchell typically conservatively went with Public Utility District requirements. Director Harvey asked that copies of any prior memorandums explaining the water meter requirements be sent to him.

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 12, 2021, Regular Meeting; February 2021 Check Register; financial reports for the month ending February 28, 2021; and Disbursements for Board Approval. Director Stockton noted a typo on page 3, paragraph 2 of the minutes; "based" would be changed to "basis".

A motion was made by Director Heald and seconded by Director Lindquist to approve the Consent Items Calendar with the correction to the minutes. The motion passed by a rollcall vote: Ayes; Directors Stockton, McCormick, Heald and Lindquist. Abstentions: Director Harvey.

VII. New Business:

A. An application for a new dock was submitted by Peter and Ann Appert of 4427 Hemlock Dr. Because the Board was currently reviewing the docks and piers ordinance it was agreed that the item would be continued to the April meeting.

A motion was made by Director Lindquist and seconded by Director Heald to continue the item to the next meeting. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Heald, Lindquist and Harvey.

B. An Engagement letter from MacLeod Watts, to provide an updated Actuarial valuation of the District's Other Post Retirement Benefits, was presented to the Board for consideration and possible action. Mrs. Nickerson asked the Board to approve Approach 2, as supported by Robert Johnson, the District's Auditor.

A motion was made by Director Lindquist and seconded by Director McCormick to approve the recommendation to go with Approach 2. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Heald, Lindquist and Harvey.

VIII. Old Business:

A. The Contemporary Water Quality Assessment of Serene Lakes project was presented to the Board for discussion and possible action. Mr. Schultz said, as directed by the Board, he met with UNR to work out the details of the contract. The contract was reviewed and modified by both Jeffrey Mitchell and UNR with the last change being a negotiation clause. He said he applied for a \$50,000 grant to help with the first year's costs. Director Heald said she was looking at the budget and wanted to confirm that the budget for the first year was \$105,000 and the overall budget was \$175,000. Mr. Schultz said the entire budget was \$180,000, the difference was an error that omitted the cost for one of the lake technicians.

Budget Summary:

- a) First year: \$105,525; \$25,000 was already budgeted, \$50,000 from a possible Placer County Water Agency grant leaving a balance of \$30,525.
- b) Second year: \$49,636 no grant.
- c) Third year: \$15,781

Director Heald asked what the additional \$90,369 that was required in the District's fiscal year 2021/2022 "to complete the first year's work" was for. She said the \$90,369 plus the \$25,000 was \$115,369. That was \$10,000 more than the \$105,525. Mr. Schultz said it should be \$80,369.

Director Harvey asked if the total contract amount should be stated. Mr. Schultz said the total contract was about \$180,000. It was discovered during the discussion that the research agreement did not make it into the packet; the Board only had the rate agreement. Director Lindquist said the Board had a couple options. The item could be continued until all the information was in the packet or the Board could authorize Mr. Schultz to sign the contract with the dollar limits presented in the rate agreement. Mr. Schultz said the details of the contract had not changed from the previous month other.

Director Lindquist suggested that a Special Meeting be scheduled. A Special Meeting was scheduled for Wednesday March 17, 2021, at 6:00pm. Mr. Mitchell said he would not be available for would have Andreas Booher attend the meeting

B. The Placer County Road Department Lease Agreement was presented to the Board for consideration and possible action. Mr. Schultz said he received the final contract that was approved by the Board of Supervisors. He asked that the Board approve the contract with Placer County for a five-year lease with two, two-year options to continue.

Mr. Carmen, member of the public, said he wasn't sure how current the Board was regarding his concerns about Placer County's practices for snow storage on his property. He said since 2012, when he purchased his properties located at 7607 and 7617 Yuba Dr., at the corner of Short Rd., he had had several conversations with Placer County representatives, Matt Lewis, Mark Taber, and Jennifer Montgomery and most recently Paul Schultz. He said he never granted permission for Placer County to store snow on his property and the snow storage was damaging trees on his property. He also said that he had a propane leak in 2019 due to the amount of snow that got blown onto his properties. He felt the excessive snow storage on his property had increased the damage. Mr. Carmen said he was appealing to the District, as a member of the community and a next-door neighbor, to help stop the practice of excessive snow storage on his property and to restore his property to the condition it was in when he first purchased it. He also said, it would be a lost opportunity if the District continued to lease space to Placer County without addressing his concerns in the contract.

Director Harvey asked if the snow the Mr. Carmen was talking about was from the District's property. Mr. Carmen said the County blows snow from Yuba Dr., Short Rd. and the District's property onto his properties. He said his main concern was the snow coming from SLCWD's property.

Director Lindquist asked if there was a deadline for approving the agreement or if the decision could wait until the next month. Mr. Schultz did not think there would be any consequences for putting off the decision. Placer County had been on a month to month for the last year.

Director McCormick said it was his understanding that Placer County's snow removal service was critical to the community. He asked if there was any way to help mitigate the situation and maybe have something in the agreement. He said he could appreciate the situation because he also owned a corner lot. He felt Placer County could take into consideration the impact the snow storage was having on Mr. Carmen's property. Director McCormick also asked if there were any discussions with Placer County about covering the District if someone sued over their snow storage practices. Mr. Mitchell said the contract did not specifically address the rules and that it was his understanding that Placer County has been clearing snow off the District's property historically as an accommodation, not because of a contractual obligation.

Mr. Mitchell said he wanted to be clear that the discussion concerned the snow from the District's property only and that the District had no control over snow removal from Yuba Dr, or Short Rd. Director McCormick asked if there was any way to help the situation. Mr. Schultz said he wasn't inclined to negotiate against himself and that he would like Placer County to negotiate with Mr. Carmen; he felt they were the appropriate parties. He also said he would be happy to add a clause to the contract and to enforce it if Placer County and Mr. Carmen came to an agreement.

Mr. Schultz said, in response to Director Heald's question, Mr. Carmen gets snow from three sides; Yuba Dr., Short Rd. and the District's property. He also said, based on the damage, the snow from Short Rd and along the side of the District's property has been causing the damage to the trees.

Director Lindquist said the snow removed from the area where Placer County parks their equipment could be exacerbating the situation; if they didn't need to park their equipment there, the snow might not need to be removed.

Mr. Carmen said the District should be a good neighbor and find a place for its snow without putting it on his property. Neighbors don't throw snow onto each other's properties.

Director Heald said she was taken by Mr. Carmen's appeal as neighbors versus the legal rights he might have under a prescriptive easement. She said she also agreed with Mr. Schultz that the community needed snow removal in a more accommodative place; here versus elsewhere. However, she said she felt it was the District's obligation to mitigate the impact to Mr. Carmen's property due to the snow from District property and for that reason the District should negotiate with Placer County. Mr. Mitchell said the lease was for 740 square feet of space, the lease was not for the grounds; there was nothing in the lease addressing the outside of the building. Director McCormick said snow removal was in lieu of rent so therefore it was part of the lease as an obligation to Placer County.

The Board gave Mr. Schultz direction to negotiate with Placer County, specifically related to Section 5.2 of the lease, to discuss alternatives for snow clearance as it relates to Mr. Carmen's property after speaking with Mr. Carmen.

A motion was made by Director Harvey and seconded by Director McCormick to approve the lease agreement and direct the General Manager to engage Mr. Carmen and the County to try and resolve their issues.

Director Heald said she didn't think the lease should be approved until it was determined if the problem could be mitigated. She felt the lease gave the District leverage.

The motion passed by a 3 to 2 rollcall vote. Ayes: Directors Stockton, McCormick and Harvey. Noes: Directors Heald and Lindquist.

C. An update on the status of the District's Policies and Procedures review was presented to the Board for consideration and possible action. Mr. Schultz said Mr. Mitchell's office completed their review. He said he had a couple policies to review and still needed to send the Capitalization Policy to the auditors for their review. One of the policies he wanted to review was the District procurement policy, it was lacking qualification based awards for professional services. He anticipated the policies and procedures would be ready by the April Board Meeting.

D. The Lake Management Plan Review Committee presented an update to the Board for consideration and possible action. Director McCormick said there were some areas where he and Director Harvey were not exactly in agreement, but he said one of the things they discussed

was a limit on the width of the docks. He said it was about how a dock looked from the lake looking at the shoreline. He said the Committee also felt the General Manager would know better about the needs and construction requirements for walkways. Director McCormick then said the Committee was looking at setting up guidelines for the General Manager to use for dock approvals reducing the number of dock requests that had to come before the Board.

Director Heald said she liked what was done on the shoreline to make it a stable value. She liked putting approvals onto the General Manager so that not every dock had to come before the Board. However, she said in Section 5, she would want anything exceeding the hardcore values to be brought to the Board.

Director Heald said she was concerned about retroactively enforcing the limitations. She said she did like the suggestion for limitations on lakefront owner's storing boats on the shoreline; limiting them to the number of boats could be stored by non-lakefront owners at the access points. She also said there should be more clarification on portable personal property.

Director Harvey said he didn't think there would be a problem with retroactively applying the provision since the provision provide more leeway than was in the original ordinance. Director Heald said there might be some problem with the width of previously approved docks exceeding 8 feet.

Director Heald asked if docks have been permitted on an annual basis. Director Schultz said annual permitting was not being done. He also said the section regarding permitting had not been changed because the Committee was still looking at the insurance options which would then require an annual fee. Director Heald pointed out the Section 4 stated deficiencies would be handled by the annual permit noting that the two sections needed to be congruent.

Director Lindquist said one of his goals was to set clear boundaries to allow the General Manager's approval of applications without having to go to the Board. He said he recognized that by not going to the Board, the approval would not be subject to public review. However, he felt that having clear boundaries would still meet the needs of the community. Director Lindquist then said it was important that all applications that did not fall within the clear boundaries must be brought to the Board for public review.

Director Lindquist said he liked the 20-foot length and the 80 square foot limit but suggested the width be 8.5 feet to give homeowners a little flexibility due to Pier DNort's configurations. He said regarding to "parallel to the shore", care should be taken with the wording so it's clear. Director McCormick said the plan was to include a guide with the application that would give examples. Director Lindquist said the examples would need to match the wording of the Ordinance.

Director Lindquist said he supported leaving the existing docks "as is". He was not in favor of retroactively applying current or future changes unless the current dock configuration presented a clear and eminent adverse effect to water quality, as determined by the General Manger. He would like those issues to be brought before the Board for consideration of any sort of action. He also said he would like retrofitted docks to conform to the new guidelines.

Dennis Fisco, homeowner, said he didn't think the District should be in business of insuring or worrying about insurance on a homeowner's dock other than requiring the District being listed as additionally insured on the homeowner's insurance policy. He also said the District should seriously consider grandfathering all the previously approved docks since the docks were approved and the homeowner spent a considerable amount of money for the approved dock. Mr. Fisco then said he thought the Board should consider adding fines and an enforcement procedure for breaches of the ordinance. He gave the example of when there were trees cut down on the greenbelt with no enforcement procedures. Finally, he said he liked the thought of the adverse effect to water management and water quality, but the ordinance needed to include procedures for getting a variance.'

Director McCormick said the only reason the Committee was looking at insurance was because homeowners have been unable to get the insurance coverage. He said he was told by several insurance companies that the problem was that the docks were on the District's property so the homeowner's insurance would not cover them. Director Stockton asked why an umbrella policy would not be applicable. Director McCormick said he wasn't sure if homeowner's had umbrella policies but that it might be a solution. He also said the insurance companies that have added the District as additionally insured may not be aware that the docks were not on the homeowner's property. He said he didn't want to have to tell homeowners that they would have to remove the docks if they could not get the insurance.

Director McCormick said he took down some good comments that would be helpful. Director Harvey asked if the Board thought Attachment A was ready to be in final draft form at the next meeting.

Director Lindquist said he had a couple more comments. He said the word "design" was added to Section 6. He didn't think the Board wanted to get involved in designs, he was thinking it would be more like a sketch. Director Harvey said "design" was changed to "configuration".

Director Lindquist said he preferred to leave Section 30.05 as is. He said he would encourage the General Manager to give the homeowner notice before removing anything from District property but didn't think the Ordinance should be changed. Director McCormick confirmed that Director Lindquist did not want to change the Ordinance that gave the District the ability to remove items immediately. He wanted to make giving notice to a homeowner part of the District's policy without being putting the procedure into the Ordinance. Director Lindquist said he was fine with giving the District the ability to remove items immediately.

Director Lindquist said he was fine with the language in Section 30.06. He did not see any reason to change the Ordinance.

Director Lindquist said Section 30.13 should read "Construction of any kind, unless specifically authorized in advance in writing by the 'District' is prohibited" instead of "by the Board". That would provide flexibility for approval to be given by the General Manager or the Board.

Director Lindquist said he would like to discuss the width to reach a consensus before concluding the discussion. Director Harvey said he too liked having a limit on the width and

supported having a 10' or 10.5' limit. He didn't think an additional two feet would make that much difference. Director McCormick said he supported an 8' to 8.5' limit. Director Heald said she preferred the 8' to 8.5' length since Pier D Nort came in four-foot section it would not be hard to comply with the limit. She said two feet on any given pier didn't seem like that much but applied around the entire lake it might add up. Director Lindquist said he supported the 10' because it would give more flexibility.

E. Director McCormick presented an updated on the District's purchase of Ice Lakes Dam and the Serene Creek Channel. He said preliminary searches were done but did not provide any information regarding an easement or a location of the dam. He said a case could be made that the District gained the right to have the dam based on "use over time" and that it was a critical part of the District's infrastructure. He said he would be more comfortable if the District owned the land the dam sat on and the channel between the dam and the lake. He asked if the Board wanted to push forward with acquiring the property that the dam was on. He also said if the Board wanted to move forward with the acquisition, then he would recommend hiring a surveyor to perform a detailed title search and provide a legal description of the channel and the dam location. Once the legal description was provided then the land trust could be contacted about a possible lot line adjustment.

Mr. Schultz said a preliminary lot line adjustment document, including all the required title searches and a diagram of the adjusted lot lines, would be needed. Director Harvey said he thought it might be good to have a conversation with the TDLT about the concept of acquiring the land before hiring a surveyor. He said if he was on the other side he would want to know before the work was done.

Mr. Schultz was asked to contact the TDLT to present the proposed lot line adjustment.

F. Mr. Schultz proposed a Cybersecurity program that would include telephone, internet connectivity, reliability and speed. He said the District was in pretty good shape but that the computer system wiring in the building was very old and probably couldn't host a Zoom meeting from the office. He proposed to first have the District office re-cable the office with modern Cat6 wiring for around \$2,800.00. Once the office cable was upgrading, he would contact an IT professional to help build a more robust and safer internet and telephone system. He also said he received an offer Elon Musk's Starlink company, who would be launching internet satellites over the summer, to sign up for internet and telephone service. The cost would be about \$99.00 per month. He said for now, he paid a deposit for Starlink but would continue to look for other alternatives for communication systems. He asked the Board to approve an adjustment to the 2020/2021 budget transferring \$3,000 from the TVing line item to the Building Improvements line item for the installation of new cable at the District office.

A motion was made by Director Harvey and seconded by Director Lindquist to move the recommended action. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Heald, Lindquist and Harvey.

IX. Administration:

A. A list of Follow-up Items from the February 14, 2021 Board meeting was presented to the Board for consideration and possible action. Mrs. Nickerson said she still had not received a request from SLPOA about contacting District customers. Mr. Schultz said he contact Ms. Mansell and let her know that he would be reviewing the report and, as long as there were not issues, the report would be presented at the April meeting

B. A Status of Action Items list was presented to the Board for consideration and possible action.

- a) AMR Data Collection – Data collection had started and in the last couple days staff found 12,000 gallons in non-revenue water leak. He anticipated that another 10,000 to 20,000 gallons more would be found that would result in cost savings to the District for chemical, electricity etc.
- b) District's Policies and Procedures – work continued no change made. He anticipated the Board might have a copy by the April meeting.
- c) District's ownership of the Dam – based on the earlier discussion, he would contact a surveyor to start the preliminary lot line adjustment. He would also meet with the TDLT.
- d) Upcoming Meter Rates - Mr. Schultz said he would be preparing a Gantt chart.
- e) Ownership of the Water – the item was complete and would be removed from the list.
- f) Develop recommended method for providing customer access to their personal water use data - Director Lindquist said there was nothing to report.

X. Adjournment

A motion was made by Director Heald and seconded by Director McCormick to adjourn the meeting. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Heald, Lindquist and Harvey.

The minutes were approved at the Regular Meeting held on April 9, 2021, as part of the Consent Items Calendar. A motion was made by Director McCormick and seconded by Director Lindquist to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Lindquist and Harvey. Director Heald was absent.