

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

Date: Friday August 13, 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 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: George Carman
Dick Simpson
James Jenkins
David Keatley
Alice Mansell

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.

Mr. Carman addressed the Board regarding his property. He said he and his wife Carrie, purchased their cabin at the corner of Yuba Dr. and Short Rd. in 2012 and that they shared a property line with the District. Later that year he became aware that Placer County was blowing snow, from the District’s property, onto his property, without permission, causing substantial damage to his landscaping. He then presented a picture of two trees that were damaged in 2017 stating that no one had made any effort to repair the damage. He also said he had a propane leak that same year as a direct result of the weight of the snow blown on top of his tank by Placer

County. Mr. Carman said he protested the damages, resulting from the reckless discharge of snow, to both Placer County and the Board of Supervisors and, for the most part, was ignored or dismissed. He said the reckless discharge of snow continues with no efforts to repair or mitigate the damages. He said in 2019 he began discussion with the new General Manager, Paul Schultz and was encouraged by the dialog. In the interest of reaching an amicable agreement about the matter, he forwarded a proposal to the Board for consideration. His proposal provided for a lease of his property for snow storage and restoration of his property, over time, to its original condition.

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

A motion was made by Director Heald and seconded by Director Lindquist to approve the agenda. The motion passed by a unanimous rollcall vote: Directors Stockton, 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 said there were no comments received after the agenda was posted. However, the Board was provided an anonymous that was received regarding water conservation.

V. Board Vacancy: The Board was presented with the five applications to fill the vacancy or the option of calling for a special election. Director Lindquist said the Board received five fabulous applications making the decision hard. He said he had a preference and suggested that each Director provide their preference with a discussion to follow. Director Harvey suggested each Director provide their first choice to determine if there was a consensus. Mr. Mitchell suggested that the candidates in attendance be invited to make statements prior to the Board's discussion of the applications.

James Jenkins said he has been a homeowner since 2010. He saw this as an opportunity to give back to the community and was excited about the possibly of being part of the process.

David Keatly said he agreed with Director Lindquist's comments regarding the applications. He said he had a unique background in managing companies, that he had been a member of the community for two years and saw an opportunity to contribute to the changing landscape of Serene Lakes. He also said he saw a lot of challenges facing the Board in the near term and wanted to be a part of finding the solutions and leading Serene Lakes in the future in a way to preserve some values from the past. He said there had been a lot of challenges brought up due to the increase in full time residency that would require creative solutions. He also said he had a technical background in biotechnology, that provided generalizable skills, and served two years as the Planning Commissioner of Half Moon Bay.

George Carman said he has been a member of the community for over 20 years and bought his own cabin in 2012. He said, like the other candidates, he wanted to give back to the community. He also said water structure was an important goal to have.

Director Lindquist said his first choice would be David Keatly. Director Heald said she was very pleased with the nature of the applications received and that her first choice was Jen

Jackson. Director Harvey said it was great receiving five well written comprehensive applications and that his first choice was Jen Jackson. Director Stockton said his first choice was also Jen Jackson. Director Lindquist said Jen Jackson was his second choice and endorsed the other Board member's choice.

A motion was made by Director Harvey and seconded by Director Heald to appoint Jen Jackson to the Board. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Lindquist and Harvey.

VI. 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 Public Utility District's (DSPUD's) General Manager, Tom Skjelstad, retired at the end of July and was replaced by Steven Palmer, PE. Mr. Palmer had been a General Manager or City Engineer all around the Northern California area for the last 10 years.
- Docks and piers inventory would be discussed later in the meeting.
- Revisions to the Lake Management plan would also be discussed later in the meeting.
- Policies & Procedures update would be going out at the end of the month for Board review.
- The new arsenic filtration system was installed and the representative from Division of Drinking Water would be up on Thursday August 19, 2021, to inspect and approve.
- Sewer system capital improvements were going well. Comments were provided to Farr West on the submitted package. The projects were on schedule and on budget.
- The PLC/HMI project was going well. There were some changes early on but currently 95% of the materials were on hand with the remaining 5% were due to arrive in the next week.
- The IT improvements were underway. There were some issues with the Airspring wireless system. A new antenna set was being installed. Until then, service would be provided by One Ring, a specialized 4G LTE wireless system.
- Roger Drosd from SLPOA sent out the District's Water Conservation Notice in the SLPOA newsletter and three days later there was a noticeable drop in water consumption.
- CalFire had to postpone their defensible space work due to the Dixie fire.
- The Water Quality Assessment (WQA) project was going well.
- He was in contact with a fish biologist at the University of Nevada Reno. He also was in touch with an Environmental Scientist and Hydrologist, that were working on the WQA project. They were working on the hypothesis of a low dissolved oxygen issue. He said it was extremely unlikely that it was a chemical contamination based on the nature of the community.
- No sewer overflows were reported for the month.
- Water demand was up in July over June but it was coming back down.

Mr. Simpson said he received a copy of the Water Conservation message by email, it was not in the SLPOA newsletter. He asked if the procedure going forward was for the communications to come from SLPOA instead of the District. Mr. Schultz said he wasn't planning on sending out an additional message.

Mr. Simpson asked if the public was going to have an opportunity to comment on the Policies and Procedures manual before a Board vote because he started the process when he was on the Board and wanted a chance to review the finished product. He said at the last meeting he noted that the agenda template seemed to have disappeared and that was one place where the public was given a chance to provide input to the District. He said he would like to see the policies and procedures before they go to a vote. Mr. Mitchell said the material would be provided to the Board and the public would have an opportunity to see them. He also said the Board would probably want to publicly review the material and act on them at a subsequent meeting. He said some Board members would be seeing the materials for the first time and it would be optimistic to think there would be no changes. Mr. Mitchell said he anticipated that the material would be reviewed at the September meeting and brought back in October for a vote unless there were further changes that needed to be reviewed.

Director Heald said she wanted to nail down the process for reviewing and approving the Policies and Procedures. She said her idea of a good process would be to send the material to the Board for review and non-substantive changes. Any substantive changes would need to come to the entire Board for discussion at which time the public would have a chance to provide input. She anticipated the process would take a couple months to get all the comments back from the Board before public discussion. Mr. Mitchell said that was the anticipated process. The material would be provided to the Board by August 27, 2021, allowing two weeks for review and a discussion at the September meeting. Then, depending on the nature of proposed changes, there could be an approval at the October meeting. However, there was no particular timeframe for completion of the process.

Director Heald said, although water consumption decreased about 20% after the general email was sent by SLPOA, she thought the Water District was going to send out an informational email or educational letter. She said it was required by District Ordinance for customers to conserve water and would like to see the District send something out to the community. Mr. Schultz said he would be happy to do that.

Director Lindquist said he would like to see Director Stockton and Mr. Schultz arrange a meeting with the new General Manager of DSPUD to introduce themselves and congratulate him on his new position. Director Stockton said he would be pleased to attend DSPUD's next board meeting and invited Director Harvey to join him.

Director Harvey said he appreciated Mr. Schultz's Operations Report with the information provided about the vast number of projects that were going on. Director Heald also said she really liked the format of Mr. Schultz's Operations Report.

VII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the July 9, 2021, Regular Meeting; July 2021 Check Register; financial reports for the month ending July 31, 2021; and

Disbursements for Board Approval. Director Harvey noted that on the Capital Projects budget, one of the items was already over budget. Mr. Schultz said he would look at it and get back to all the Board members. He also said the Board received an email, submitted by Mr. Simpson, regarding a change to the minutes and that he was happy to accept the change.

A motion was made by Director Harvey and seconded by Director Heald to approve the Consent Items Calendar with the understanding that Mr. Schultz would come back with more information on the capital expenses presented on page 45 of the board packet and the inclusion of the changes submitted by Dick Simpson regarding the July 9th meeting minutes. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Lindquist and Harvey.

VIII. Old Business:

A. Mr. Schultz presented the results from his Annual Inventory of Docks and Piers. He said all the docks and piers looked in good shape but there were still a few problems with items on the riparian strip. He said there were five locations with too much water craft, a few locations with fixed equipment that needed to be removed and a few locations that were need of erosion control. He would be sending out letters and scheduling meetings with the homeowners.

B. The proposed revisions to the Lake Management Plan and Ordinance were continued to the October meeting because the supporting documents included in the board packet did not capture the items that were agreed upon at the July meeting. Mr. Mitchell said he submitted the wrong draft. He also said, in regard to Director Heald's question, the Ordinance contained two provisions in Chapter 1 that allowed an appeal of a General Manager's decision. One expressly stated that decisions by the General Manager were reviewable upon request and one stated that a review could be requested if the property owner felt a provision of the Ordinance was not being fairly applied.

Director Harvey asked about the mechanism for requesting an appeal. Mr. Mitchell said there were two relevant sections but the most relevant was Section 2.15 that stated "All rulings of the Manager shall be final unless appealed in writing to the Board within five (5) days. In the event of such an appeal, the Board's ruling in the matter shall be final." The second was Section 2.11. That section was more generic stating "When any person, by reason of special circumstances, is of the opinion that any provision of the Code is unjust or inequitable as applied to his use, he may make written application to the Board, stating the special circumstances, citing the provision complained of, and requesting suspension or modification of that provision as applied to him". In both cases, an appeal would be initiated by the homeowner.

IX. New Business:

A. Resolutions 2021-07 – A Resolution of the Board of Directors of the Sierra Lakes County Water District Establishing Appropriations Limitation was presented to the Board for consideration and possible action. Mrs. Nickerson said the resolution fulfilled the annual requirement for calculating the District's appropriation limitation based the criteria established by the Board.

A motion was made by Director Lindquist and seconded by Director Harvey to approve Resolution 2021-07. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Lindquist and Harvey.

B. Robert W. Johnson an Accountancy Corporation's Audit Engagement Letter was presented to the Board for consideration and possible action. Mrs. Nickerson said it was the standard engagement letter for any audit and it was an audit requirement. She asked for approval for signature by the Board President. Director Harvey asked if it was the same three-year contract that was previously discussed. Mrs. Nickerson said it was not, it was an engagement letter for the actual audit, basically a scope of work.

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

X. Administration:

A. The Follow-up Items from the July 9, 2021, Board meeting were presented. Mr. Schultz said, as stated in his Operations Report, postmortem on a fish would be very expensive and the results would only be for one fish. He planned to continue work regarding the DO and if needed, circle back to the fish biologist. Director Lindquist asked if the number of dying fish remained the same or increased from the prior month. Mr. Schultz said the issue still existed but much less. Director Harvey asked if the nonexistence of catfish meant anything. Mr. Schultz said normally catfish were not an indicator species but would include that in the study.

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

- 1) AMR Data Collection – Meter installation and data collection continued. The data provided facts as to how much water was being used by temporal distribution (winter vs. summer for example)
- 2) District's Policies and Procedures – This item was discussed earlier in the meeting
- 3) District's ownership of the Dam – Mr. Schultz would be meeting with the surveyors.
- 4) Upcoming Metered Rates – Director Lindquist said he would be presenting a proposed schedule at the September meeting. That although there was time, the Board would need to move with purpose to complete the rates structure within the remaining four years.
- 5) Develop recommended method for providing customer access to their personal water use data. Director Lindquist said he and Mr. Schultz would be making a presentation of the alternatives at the September meeting. Director Stockton asked if a rate specialist had been contacted. Mr. Schultz said he asked his good friend, who is the practice lead at HDR for Rates and Finances, to put together a proposal for a rate study

XI. Closed Session

The Board moved the meeting into 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 – Threat of litigation by George Carman’s email dated 12/2/19. Mr. Mitchell said the Board would be meeting in closed session in accordance with the Brown Act and the agenda to discuss the potential litigation.

Mr. Mitchell reported out of closed session. He said the Board met in Closed Session as indicated in the agenda, direction was given and no reportable action was taken.

XII. Adjournment

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

The minutes were approved at the Regular Meeting held on September 10, 2021, as part of the Consent Items Calendar. A motion was made by Director Harvey and seconded by Director Heald to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote.