

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

Date: Wednesday January 14, 2022 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

The meeting was teleconferenced as provided by Government Code Section 54953(e), which modified the Brown Act teleconference rules during “State-declared emergencies.”. In-person attendance by the public at the District Office was not be permitted.

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 Jon Harvey
Director Jennifer Jackson
Director David Keatley

Staff members present: Anna Nickerson, Financial Consultant

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

Guests present by Zoom: Tim Kustic
Grewal Family
Susan Cooper
Andreas Booher
Dick Simpson

Minute Recorder: Anna Nickerson, Financial Consultant

II. Oath of Office: Mr. Keatley took an Oath of Office as the newly appointed Director. He said he was looking forward to working with everyone.

III. 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.

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

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

V. 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.

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:

- Everything was going well at Donner Summit PUD. However, their access to the river was currently a little limited.
- He met with Directors Stockton and Jackson on December 3, 2021, to discuss the upcoming capital improvement projects and the need to develop the revenue requirements for the capital projects. He also said the Community Workshop was in development and that he would be meeting with Farr West to refine the revenue requirements and possible financing alternatives that could be presented at the Workshop.
- Sewer project design was going well and was reported to be 90% complete. He anticipated that the final design package, including estimated costs, would be complete and ready to go out for bid by the beginning of February. He anticipated the estimated cost would be less than the original \$1,670,000 because they were able to trim some of the work. Farr West was working on a schedule for completing the projects that would be provided to the Board for discussion at the February meeting. He also said he hoped that contracts could be ready to go out for bid by the end of February with a bid return date in March. He said a Special Meeting might be needed to award the contracts in order to begin construction by June and finish by October.
- The upgrades to the Water Treatment Plant were almost complete and working well.
- The new Starlink internet was installed and working well with download speeds of 250 mbps and upload speeds of over 100 mbps. Starlink still needed to be integrated to the system.
- He finished reviewing Ms. Gunning's paper on Wild Fire Impacts on Serene Lakes and anticipated hearing back from her in the spring.
- The District's policies and procedures would be discussed later in the meeting.
- He said there was a three-gallon sanitary sewer overflow at the end of November as mentioned at the last board meeting. The incident was reported to the State Board.
- The State adopted new Drought Conservation Emergency Regulations at the beginning of the year. He said the District was already in compliance with the regulations due to the waiver of the curtailment that was received.
- Last summer the District removed a lot of hazardous trees from around the lake. One of the residents, Barbara Pelletreau, appreciated the work so much that she sent the District a \$2,500.00 donation towards the Contemporary Water Quality Study.
- He said the utility crew work diligently during the month of December; the power was off more than it was on and there was 16 feet of snow. The guys worked very hard keeping up with snow removal and making water.
- Water/Sewer demand for December was unremarked.

- There were some personnel shortages due to COVID; one person was currently out, with no symptoms, and another was back from being out.

Director Stockton said, under Information Technology Improvements, the report stated that the equipment was “tested uninstalled” during December and wondered if it should be “tested installed”. Mr. Schultz said the report was correct, the equipment was setup in the parking lot and tested. He said a lift truck was needed to install the equipment and didn’t want to get it installed only to find out it wasn’t going to work.

Director Stockton said that, under Water/Sewer Demand, even though the numbers went down, the percentage of the flow through the plant was slightly higher. Mr. Schultz said that was correct based on the amount of flow put through the plant by Donner Summit PUD.

Director Harvey asked if Mr. Schultz could talk more about the Capital Improvement Workshop, tentatively scheduled for February. He wanted to know what the purpose and objective of the Workshop was. Mr. Schultz said the purpose and objective was to illustrate the capital improvement needs of the District over the next five to ten years and to provide various methods that could be considered to fund the needed improvements. Director Harvey said he thought the Board would want to review the draft list before the Workshop. Mr. Schultz said he would make sure a list of the projects was made available before the next Board Meeting.

Mr. Simpson said he was impressed with the mbps up and down and asked if the telephone connections would be going through the satellite as well because the delay going up and down from the satellite could make it awkward to communicate by telephone. Mr. Schultz said he had looked at the latency and found it to be surprisingly low for the satellite link. He said it wasn’t a single satellite, it was a field of satellites. He also said, ultimately the District would have two feeds for redundancy.

VII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the December 15, 2021, Special Meeting; December 2021 Check Register; financial reports for the month ending December 31, 2021; December 31, 2021 Balance Sheet; and Disbursements for Board Approval.

A motion was made by Director Keatley and seconded by Director Jackson to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Heald, Harvey, Jackson and Keatley.

VIII. Old Business:

A. A Proposal to modify the day and time for the monthly Regular Board Meetings was presented to the Board for consideration and possible action. Also presented was a draft Ordinance, number 2021-03, to Amend the District Code Concerning Regular Meetings and a draft Resolution, number 2021-08, Amending the Schedule of Regular Meetings. Mr. Mitchell said the Ordinance would change the District Code by replacing the existing provision that identifies the date and time of regular meetings with a requirement that the Board set the meeting date and time by resolution. He also said the Resolution presented would change the date and time of the regular board meeting to the second Thursday of the month at 6:00 pm.

In response to Director Keatley's question, Mr. Mitchell said by adopting the resolution the day and time of the meeting would be set. If the Board wanted to make another change, then a new resolution would have to be adopted.

Director Stockton said the proposed ordinance and resolution would make future changes easier. Mr. Mitchell said changing an ordinance for a county water district was not as complicated as it was for a city; a city would have to have two readings of the ordinance, five days apart. A county water district still had to post the ordinance by putting it up on the website to notify the public.

Director Jackson said she appreciated the mention of notifying the public. Like former Director Lindquist, she too was very interested in transparency. She also said one of the reasons for the change was to hopefully encourage more people to attend the meetings. Director Harvey said there was a SLPOA meeting the next day and an announcement could be made at that meeting by Tim Kustic, SLPOA's liaison to the Water District.

Mr. Simpson said he was in favor of changing the ordinance.

Director Keatley said he was in favor of a change that could increase participation.

A motion was made by Director Harvey and seconded by Director Keatley to adopt Ordinance 2021-03 allowing meetings to be defined by resolution. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Heald, Harvey, Jackson and Keatley.

Director Heald said she had no preference as to the day of the week and that Thursdays would be fine while meetings were still being held by Zoom. But she thought the topic should be revisited when meetings return to in-person.

Mr. Simpson said he had two concerns. First, he agreed with Director Heald about Thursdays while the meetings were Zoomed, but Friday was originally selected because people were expected to come up to the mountains for the weekends and could come a little earlier to attend the board meeting. By moving the meeting to Thursdays, people would have to come up a day earlier. However, if the Board was to hold hybrid meetings, then it wouldn't matter if meetings were on Fridays or Thursdays. He said if the Board decided to move the meetings to Thursdays without a Zoom alternative, participation would probably decrease. His second issue was that he had a conflict with Thursdays. He was the secretary for the Donner Summit Association (DSA) and Tim Kustic was SLPOA's liaison to the DSA and DSA meetings were the second Thursday of the month at 5:00pm. He said it would be hard to get from a DSA meeting scheduled for 5:00 to 6:00 pm to a 6:00 pm Water Board meeting. He also said he preferred Thursdays for DSA and Fridays for the Water Board.

Director Jackson said she was supportive of hybrid meetings and thought the District should always offer that option. She said some members of the public may not be comfortable going into the office and would enable Board Members, like her who do not live in the District fulltime, to attend. She also said she worked for a large company that struggled with getting hybrid meetings to work properly and encouraged Mr. Schultz and Mrs. Nickerson to look into how to make hybrid meetings work.

Mr. Schultz said he would have to look at the link to see what the lag time might be for hybrid meetings, as mentioned by Mr. Simpson earlier in the meeting. He said there would be enough bandwidth to make it work, it just depended on the lag time.

Director Heald said, in the past, the Board has met at 6:00 pm and at 5:00 pm. When the meetings were at 5:00 pm, people had trouble getting up to the District for in-person meetings. She said as long as the meetings were being Zoomed, she had no problem with starting the meetings at 6:30 pm to accommodate people who have been participating in the meeting all along.

Director Harvey said he has only been on the Board for about a year and during that time, there has been very minimal participation by the public. Mr. Simpson said he was on the Board for four years and there was at most five people who attended meetings.

A motion was made by Director Harvey and seconded by Director Jackson to adopt Resolution 2021-08 with the change to hold regular board meetings on the second Thursday of the month at 6:30 pm. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Heald, Harvey, Jackson and Keatley.

B. Mr. Schultz presented an update to the Board regarding the Scope of Work and Solicitation for a District Engineer for consideration and possible action. He said the Committee considered benefits of formal proposals or Statement of Qualifications (SOQ) and decided on a SOQ. He also said requesting proposals would take more time because he would have to develop a scope of work. Based on the identified projects, the SOQ would include a description of the projects already identified, an estimate of 900 to 1,000 hours over the next two years and an estimated cost of \$90,000.00 to \$125,000.00. He asked for Board consensus to prepare a Request for Qualifications (RFQ).

Director Harvey said it would be a two-step process. The Committee would identify which of the two firms that they communicated with, and who fit the needed qualifications, and lock in a fee schedule.

Director Heald said going with a consultant would give the District the most flexibility to make changes and update as opposed to hiring an employee. She also said the SOQ was the simplest way to proceed.

Director Jackson said, she was guessing that the RFQ would include some of the kinds of work we would likely be doing and the tasks that would be needed. Director Harvey confirmed that the RFQ would include that information. Director Jackson also asked if there was a goal in mind for what it would ultimately make the General Manager position look like; what percentage of time Mr. Schultz would be at. Mr. Schultz said he hoped to be able to reduce his hours down to what he originally contracted for.

Director Heald said the District originally contracted with Mr. Schultz for 75% and hoped to get him back down to that. She also said with the tasks he might be able to offload, his time may go down below 75%.

Director Jackson said, in conversations with Mr. Schultz, she was told that Mrs. Nickerson's role was a lynch pin role and if something were to happen to her the District would be lost. She asked if the RFQ could include some redundancy to have a backup plan. Mr. Schultz said it was a good idea to consider in the future after the District Engineer functions were established.

Director Heald said the issue regarding Mrs. Nickerson had been reviewed many times in the past. She said a couple of steps had been taken to create redundancy with the accounting firm that audits the District's financial statements and a detailed Office Procedures Manual detailing everything that needed to be done and how to do it. Mrs. Nickerson said the District had a written agreement with Robert Johnson Accounting where Mary Cummins would come in until a replacement could be found. She also said the Office Procedures Manual was extensive with step-by-step instructions on how to do everything and it included examples and diagrams.

The consensus of the Board was to proceed.

C. The Board discussed the status of the District's Policies and Procedures. Andreas Booher, from Kronick, Moskovitz, Tiedemann & Girard, said he had taken a comprehensive look at all of the District's Policies and Procedures. The policies were checked to ensure compliance with State laws. A majority of the review was complete with the exception of a few policies that would be completed by the spring. He asked if there were any comments.

Mr. Mitchell asked if Directors Heald, who was very involved with the review and providing comments, and Director Jackson, who also provided some comments, would like to lead the discussion. He said they could go down the list, policy by policy, to allow members of the Board to ask questions. Mr. Booher asked that any written comments from the Directors be submitted at the end of the meeting to be inserted into the policies for consideration at a future meeting.

Director Heald said she had no comments on the policies. She said she had been over them so many times that she didn't look at them again and really wanted to hear what the other Directors had to say about the final project, excluding the four policies that were not finalized.

Director Harvey said he was not prepared to go through the policies one by one; he had not read them all. He had, however, tested one regarding Director's Compensation and Expense reimbursement.

Director Jackson said she discussed her changes with Mr. Booher and was comfortable with those. What she had ready to discuss were substantive changes to the four pending policies.

Director Heald suggested a two-week limit for written comments from every Director. She also suggested that the policies be brought back to the February meeting and give the public access to the completed policies for review.

Director Harvey said he wanted to have time to ask questions about the Director payment and reimbursement policy.

Director Jackson asked about the timing of the policies that were being deferred. Mr. Booher said those policies would be reviewed after the current policies were adopted. Director Heald said those policies had a tremendous number of problems that needed further review from other people at Mr. Mitchell's office. It was agreed that the bulk of the policies would be completed and adopted before returning to those policies. Mr. Booher said he was close to having an updated version of the deferred policies but felt it was better to adopt the bulk of the policies before sending out the others to avoid confusion. Mr. Mitchell said the deferred policies could be sent to Directors Heald and Jackson if they were willing to be the informal committee.

Mr. Simpson said he was on the committee that started the review of the policies and has not seen anything other than the list that was presented in the board packet. As a member of the public, he would need to know what the documents looked like in order to provide input.

Mr. Mitchell said the process was to ask for Director comments, incorporate any comments received and present the policies before the February meeting when the public would have an opportunity to comment. Mr. Simpson said that didn't work for him it would take more than two or three days to review the documents. Director Jackson said since the Board was given the packet in December it should also be released to the public.

Mr. Simpson said there was going to be a Sexual Harassment Policy as of August 2020, but he didn't see it on the list. He said there was going to be something on customer access to water use data and asked if there was a status report on that. Mr. Booher said the information access piece would be part of the policy regarding public records. Mr. Mitchell said he didn't think access to an individual's water usage needed to be a policy because a member of the public could call the office to request their personal information. Director Jackson said it was an item on the Action Items list to determine the recommended method for providing personal water data.

Mr. Mitchell confirmed with Mr. Booher that the Sexual Harassment Policy would be part of the Employee Manual.

Mr. Mitchell said Director Harvey had a question regarding Policy #13 Compensation. Director Harvey said he looked at the policy that said the policy would be reviewed every December to decide the new compensation. He said Mr. Mitchell told him there was an overarching State Code that guided what Special Districts could do and that he didn't think the District was compliant. He also said he wanted to know what needed to be done to be compliant and that for him, he didn't like the idea of being compensated.

Mr. Mitchell said, even though they had been referred to as the old policies, those policies were still in effect and that the current policy was similar to the proposed policy. He said the current policy provided compensation of \$180.00 per meeting. He said the statute provided that compensation started at \$100.00 per meeting and could be adjusted by as much as 5% per year for every year after adoption and required a public hearing to increase the per meeting compensation.

Director Heald said from what she remembered, the rate had not changed since she joined the Board in 2012, but the details of additional compensation for days worked and meetings attended changed significantly.

Mr. Mitchell said Section 2.18 Compensation of the Board Members provided details for additional days of compensation but did not state the rate. Mrs. Nickerson was asked to track down the Ordinance or Resolution that set the current rate.

Director Jackson said she wasn't sure how many hours would constitute a day's work. Director Heald said, back when Ulrich Luscher was President, the Board had a lengthy discussion regarding the number of hours that would be considered a day's work and was supported with the current policy as a guideline. Mr. Mitchell said he would not recommend setting a specific number of hours to constitute a day's work. Mr. Booher said that policy update was not proposing any specific change to what was already in place. Mr. Mitchell said the Board was not adopting the policy by ordinance and compensation could not be set by a policy; compensation had to be adopted by a change to the Ordinance.

Mr. Mitchell asked Mrs. Nickerson to provide him with a list of ordinances that could be crossed referenced to Ordinance 18.01 to make sure no other updates were needed.

Director Harvey said he would like the compensation item to be brought back to the Board for discussion before updating the current code. Mr. Mitchell said an Ordinance would be brought back to the Board to correct the compensation items at which time the Board could discuss any desired changes.

Mr. Booher asked the Directors to provide written comments within the next two weeks.

IX. New Business:

A. Mr. Mitchell presented a summary of the Key Components of the Brown Act to the Board. He said Directors were required to complete a two-hour Ethics Training course, per AB 1234, every two years.

Mr. Mitchell said the Ralph M Brown Act (Brown Act), also known as the California's Sunshine Law, was to ensure the decision-making process of the bodies was conducted in public. He said the public had a right to know what was happening and to participate in the process (see the copy of his power point presentation, attached to the minutes, for more details).

- **Legislative Body** would include the Board of Directors and any other body created by the formal action of the Legislative Body. Meetings of the Legislative Body would require a fixed meeting schedule. Advisory Committees, Ad Hoc committees or any other committee with less than a quorum would not be considered a Legislative Body and would not require a fixed meeting schedule.
- **Meeting** a congregation of a majority of the members of a legislative body to hear discuss or deliberate upon items within the subject matter jurisdiction of a board. Examples of gatherings attended by all directors that would not be considered a meeting would be conferences, public meetings of other legislative bodies or social and ceremonial events. Directors needed to self-police their conversation to avoid discussing matters that were within the jurisdiction of the District.
- **Serial Meeting** would be to use a series of communication, directly or through intermediaries, to accomplish what couldn't be accomplished in a meeting;

consensus building through intermediaries for example telephone or email exchanges. Allowable communication would be to gather all the information and provide it to everyone in the context of attending a meeting so that all comments could be seen. He also cautioned the Board about using “Reply All” and Directors commenting on social media regarding subject matter jurisdiction of the District.

- **Teleconferencing** would require that the voting be conducted by a rollcall vote, agendas posted at each teleconference location, each location must be identified in the notice of the agenda, each location must be accessible to the public and the public must be allowed to address the legislative body from each teleconference location. However, a majority of the board must participate from a location within the boundaries of the district. Currently teleconferencing requirements were temporarily suspended under AB 361. Mrs. Nickerson said she remembered the District’s ordinance requiring that a majority of the Board had to attend from the conference room, not just from within the District’s boundaries. Mr. Mitchell said he would review the requirement before the District returned to in-person meetings.
- **Agenda Requirements** For regular meetings, the agenda had to be posted within 72 hours of the scheduled meeting on the District’s website. Also, an emergency or the need for immediate action would have to exist to add an item to an agenda after posting. A need for action, that came to the attention of the agency, not the board, after the agenda was posted, could be added to the agenda. Adding an item to the agenda would require a 2/3 vote of the legislative body present at the meeting. The agenda for a special meeting, held to discuss items within the jurisdiction of the legislative body, would need to be posted within 24 hours of the scheduled meeting. No items could be added to the agenda and no decisions of executive/staff compensation could be made. Public Comments could be on the agenda but was not required.
- **Conduct of Meetings** For purposes of the Brown Act, there were two distinctions of circumstances; discussion of something on the agenda and something not on the agenda. Something on the agenda meant the item was literally typed on the agenda. For something referenced on the agenda as received late, the item was considered, per the Brown Act, to be on the agenda and open for discussion. Comments made by the public under Public Comments were not considered as being on the agenda and could not be discussed; members of staff could be directed to follow up with the person or the item could be placed on a future agenda but not discussed. The posting of an agenda was to provide the public with prior notification of what would be discussed at the meeting. He also said the way things were described on the agenda was important. If an item was listed on the agenda as for “Discussion”, no action could be taken. The item would have to be described as for Consideration, Deliberation or Action in order for the legislative body to take action. Also, members of the public could be asked to provide their name and address but they were not required to provide the information. Finally, rollcall votes were only required if the meeting was teleconferenced.
- **Closed Session** Ground rules for holding a Closed Session pertaining to personnel issues, labor negotiations, litigations or exposure to litigations and real estate negotiations required them to be construed narrowly and agenized properly and members of the public had to be given an opportunity to comment on the item before going into Closed Session. Only those who had a reason to be in the Closed

Session could be in the room. If an action was taken in Closed Session, and it was the last party's action, then a report out was required. If no action was taken in the Closed Action, a report out was not required.

Mr. Mitchell said the bi-annual Ethics Training course included more information about the Brown Act and conflict of interest rules. He encouraged the new Directors to complete the training. Information on Ethics Training sessions could be found on the Attorney General's or the FPPC website.

Director Harvey said he wanted to confirm that all Directors could logon to a SLPOA meeting to listen. Mr. Mitchell said there was an exception to meeting the requirements for community organizations. Directors may participate if it was a publicly noticed meeting provided all members of the public were allowed to attend. He said if only SLPOA members were allowed to attend the meeting than it would not be considered a public meeting and the Directors should be careful about participating. Director Stockton asked if he was at the SLPOA meeting and was asked a question, could he respond? Mr. Mitchell said it would first depend on if a majority of the Directors were in attendance. As long as a majority was not in attendance then he could respond.

X. Administration:

A. There were no Follow-up Items from the December 15, 2021, Regular Meeting. Mr. Schultz said the Follow-up and Actions Items were different by distinction but most of the items on the Follow-up list had ended up on the Action Items list. He proposed that there should only be an Action Items list. Director Jackson said if something was not considered an action item it should be on the Follow-up list. However, should it be moved to the Action Item list it should be renamed. Mr. Mitchell said, if it was a follow-up then it would require an action. No change to the agenda item was made.

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

1. AMR and Metered Rate:

- a. AMR Data Collection: No advancement made since the last meeting. There were several large leaks identified and stopped. The reasons for the leaks were stop and drain valve issues or water left on.
- b. Develop recommended method for providing customer access to their personal water use data: – Mr. Schultz said he did not meet with Director Jackson in December but was likely to meet in February and March. He hoped to have information for the Board by April.
- c. Develop Metered Rate Structure: Mr. Schultz said the schedule was included with in the December board packet. He said he wanted to simplify and update the schedule for February. Director Jackson noted that the Gantt Chart that was presented at a previous meeting was included in the current board packet immediately following the Action Items list.

- d. Rate Study Communication: Mr. Schultz said he and Director Jackson would continue to work on the item.
 - e. Community Rate Workshop: Mr. Schultz said it was 20% complete and would be meeting with Farr West regarding the revenue requirements and funding alternative for the capital project cost estimates.
2. District's Policies and Procedures: The Policies and Procedures remained at 95%.
 3. District's ownership of the Dam: – Mr. Schultz said did not work on the item since the last board meeting. He said he would be working with Anderegg to get a proposal for the lot line adjustments for the acquisition.
 4. Retool General Manager Position – Mr. Schultz said he met with Directors Heald and Harvey. The item was increased to 60% complete.
 5. Index of Ordinance: Mrs. Nickerson was asked to provide Mr. Mitchell with an Index of Ordinances as discussed earlier in the meeting.

XI. The Board discussed the new “Monthly Decision to Meet Telephonically”. A monthly decision, based on current Governor orders and health and safety considerations and in accordance to the information provided by Mr. Mitchell’s office that was included in the board packet.

A motion was made by Director Harvey and seconded by Director Keatley to continue meeting Telephonically. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey, Jackson, Keatley.

Mr. Mitchell said, because it could be more than 30 days between meetings, he suggested making this item the first item on the agenda because to decision to meet telephonically had to be in place before the meeting could be held telephonically under the Governor’s rules. It was agreed to move the item to the beginning of the meeting.

XII. Adjournment

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

The minutes were approved at the Regular Meeting held on February 10, 2022, as part of the Consent Items Calendar. A motion was made by Director Keatley and seconded by Director Jackson to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote.