

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

Date: Thursday March 10, 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: Andreas Booher
Alice Mansell
Matt Van Dyne, Farr West Engineering
Steffi Gavin, Farr West Engineering

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

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 none.

V. Decision to Meet Telephonically:

Director Heald asked about the status of Zoom meeting capabilities for public participation at board meeting. Mr. Schultz said the equipment was purchased and anticipated that the everything could be ready in time for the first workshop. He also said hybrid meetings could probably start with the April meeting. Director Heald said she would prefer to continue to meet telephonically, at least for one more month, until the equipment could be tested. The Board agreed to meet telephonically for the April meeting.

A motion was made by Director Keatley and seconded by Director Heald to hold the next meeting telephonically as the state of emergency continues to directly impact the ability to meet safely in person and State officials continue to recommend measures to promote social distancing. The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey, Jackson and Keatley

VI. Election of Officers:

Director Stockton opened the floor to nominations for President and Vice President.

Director Harvey asked if Director Stockton would be willing to continue as Board President. Director Stockton said it wasn't his favorite position but would be willing to continue for another term.

Director Harvey nominated Dan Stockton for President. The nomination was seconded by Director Jackson. Director Stockton was elected President by a unanimous rollcall vote: Directors Stockton, Heald, Harvey, Jackson and Keatley.

Director Jackson asked if Director Heald would be willing to serve as Vice President. Director Heald said she was not in a place where she could give more time and would prefer to give someone else an opportunity and suggested Director Harvey. Director Harvey accepted.

Director Keatley asked about how often officers were elected. Director Stockton said elections were held annually. He also said the Board previously discussed a rolling system that was never really resolved and, with the recent openings on the Board, it became a mute question. It was a process that could be determined later.

Director Jackson nominated Director Harvey for Vice President. The nomination was seconded by Director Keatley. Director Harvey was elected Vice President by a unanimous rollcall vote: Directors Stockton, Heald, Harvey, Jackson and Keatley

VII. 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's wastewater treatment plant and there was nothing to report.
- The first three items on the report would be discussed later in the meeting.

- He was working with Mr. Van Dyne on the Capital Improvement Replacement Program Workshop for the end of the month, possibly March 30, 2022, with a potential second workshop on April 6, 2022. At the workshop revenue requirements, capital improvement program and funding options would be discussed. Mr. Van Dyne said the nature of the construction climate, including capital planning and cost estimating, would also be discussed. He said costs were volatile due to inflation associated with contractors and materials. He also said he was looking forward to the workshop and that it would be helpful in preparing for what the District was up against.
- Water treatment plant improvements work was complete. Mr. Schultz anticipated the final bill would be received in April.
- There was nothing to report on the Contemporary Water Quality Assessment. He hoped to receive some preliminary information for presentation at the April meeting.
- The Oregon State University candidate's Wild Fire paper was submitted to her graduate advisor for approval. The Wild Fire paper would be posted on the District's website once approved. He said the paper was primarily a literature search that looked for information gaps to identify future researches.
- There were no sewer overflows in the month of February.
- It was determined that the District did not qualify for an Associate Membership with the California Special District Association and the Full Membership was too expensive. However, he was going to take advantage of the free Trial Membership that would be available this April, May and June, that would allow Board members to take advantage of online training. He was also going to take the General Manager's training as a refresher. He would contact all the Board members with information about the training courses available.
- SLPOA contacted the District about posting Bear Awareness signage around the District. Three locations for signs were identified.
- Sewer demand was unremarkable again in February; flows were about the same. He said I&I was very low. On Monday, he received the February flows through the plant and the District's share was 28.1%; February 2021 flow were 28.8%.
- He and Mrs. Nickerson started working on the 2022/2023 Budget. He said so far, they identified that energy costs had really gone up. He also said he contacted the Sierra Business Counsel and Sierra Energy Associates who referred him to a company in Southern California who would be doing a free energy audit. If they were able to identify some cost saving improvements, the District could take advantage of a zero-interest loan program. The loan principal would be paid by either PG&E or through the energy cost savings. The audit was scheduled for April 18, 2022.

Director Stockton asked if the low I&I level was due to the frozen ground. Mr. Schultz said yes, everything was frozen including manhole covers.

Director Heald asked if the SLPOA signs would be going on District property. Mr. Schultz said they would probably hang on the buildings similar to the COVID warning signs that were up. Director Heald also confirmed that the signs would meet Placer County code.

Director Harvey asked if the water usage chart, with the bar graph on the bottom, could include both the current and previous years charts. He said at the beginning of year there was not much data to compare. Mr. Schultz said he would provide 12 months previous year's graph.

Director Keatley asked if the energy costs were on one line or several lines in the budget. Mrs. Nickerson said the electricity costs were on two different line items; page 24 of the board packet accounts 9205 and 9305. The cost of propane was on page 23 of the board packet under account 9034. Director Heald asked if the District was using Suburban Propane. Mrs. Nickerson said yes. She then asked if any other providers had be contacted about price. Mr. Schultz said not recently but would look into it in the spring. Director Heald also confirmed that the District owned the propane tanks.

Mr. Mitchell said Item VI. B. Ad Hoc Committee Assignments was missed during the Election of Officers. He said there were also a couple very informal ad hoc committee assignments that he wanted to recognize in addition to the Lake Management Review Committee that was on the list.

There were three active committees identified;

1. Meters and Metered Rates with Directors Stockton and Jackson
2. Policies and Procedures (P&Ps) with Directors Heald and Jackson
3. District Engineer Consultant with Director Heald and Harvey

Director Harvey asked if the list was needed or if committees could be appointed on an “as needed” basis. Mr. Mitchell said committees could be appointed as needed. Director Heald said she agreed that a formal list was not needed and that committees could be appointed as needed.

Director Harvey said the Board had discussed compensation for approved committee meetings. Mr. Mitchell said language regarding Board Member Compensation would be presented at the April meeting. He also said he understood that compensation would be associated with Board approved or recognized committees whether formal or appointed as needed.

VIII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the February 10, 2022, Regular Meeting; February 2022 Check Register; financial reports for the month ending February 28, 2022; and Disbursements for Board Approval.

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

Director Stockton said, in regard to Capital Expense and Budget Items, in the past the Board would ask questions about the items. He hoped that after the workshop the Board would get back to that practice. He also said Director Freedle loved to talk about capital projects and would provide a report in simple English and end with “we are going to run out of money in...” to keep the Board aware of what was coming. Director Heald said she agreed with Director Stockton’s analysis and hoped Director Keatley, with his experience and expertise, would help with the capital budget.

IX. Old Business:

A. The Board discussed the results and the Committee's recommendations for a District Engineer Consultant. Mr. Schultz said he, Director Heald and Director Harvey individually reviewed the three Statements of Qualifications received and that all concluded that Farr West Engineering (Farr West) was the best selection based on experience, location and rates. The Committee recommended a contract be awarded to Farr West, direction for the General Manager and District Counsel to draft a two-year, time and material Master Service Agreement, with a mutual agreement for an extension and Board approval for larger items. The agreement would include a budget of \$50,000 for the current year and \$150,000 for the 2022/2023 fiscal year.

Director Harvey provided some background information regarding the process used to determine the needs of the District and Mr. Schultz, the amount of deferred maintenance and other wish list projects, and the steps taken to solicit applicants. Director Heald said the goal was to get someone onboard quickly to relieve Mr. Schultz of a significant amount of work and possibly reduce Mr. Schultz's hours. She also provided a summary of her evaluation of the applicants.

Mr. Schultz said the recommendation of the committee was to direct the General Manager and District Counsel to prepare a two year Master Service Agreement to Farr West, with optional extensions by mutual agreement, to allow the engineer to submit cash orders against the service agreement up to \$10,000 without Board approval, to be funded in the amount of \$50,000 for fiscal year 2021/2022 and a potential \$150,000 for fiscal year 2022/2023 and to direct the General Manager to execute the agreement on behalf of the District.

Director Harvey asked if approval of \$50,000 for the current year would put the District over budget. Mr. Schultz said it would not, there was a lot of money left over in the contingencies for projects that would not be used. Director Harvey asked if the \$150,000 should wait until budget approval. Mr. Schultz said he would like to setup a contract for two years. He also said the amount could be changed at budget approval if needed. Mr. Mitchell said the approval would be for a "not to exceed" amount and Mr. Schultz said expenditure of more than \$10,000 would be brought to the Board for prior approval. Mr. Mitchell said the Board would be approving a \$200,000 contract.

Mr. Van Dyne said Farr West was grateful for the opportunity to work with the District on the capital projects. He said their relationship with Mr. Schultz and the District was very favorable and was confident that their expertise and depth would be able to satisfy any District needs going forward. He also said Farr West worked with nearly all of the utilities around the Tahoe/Truckee area and was familiar with the area and was looking forward to giving Mr. Schultz some relief.

A motion was made by Director Harvey and seconded by Director Jackson to approve the recommended actions as stated plus the \$10,000 task order limitation. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Heald, Harvey, Jackson and Keatley.

B. Sierra Lakes County Water District's – P&Ps was presented to the Board for consideration and possible action. Mr. Schultz said there would be a meeting the following Tuesday to work on the deferred policies.

Mr. Mitchell said they believed the policies presented include all the comments from the committee members and Director Harvey. Mr. Simpson's comments were inserted and then reviewed by Mr. Mitchell and a response was sent to Mr. Simpson. He also said there was an email from Mr. Simpson stating that he was not able to attend the meeting, that he was not entirely in agreement with the responses but felt approval could go forward.

Director Harvey said the only item left for him was the concept of having a policy for how the Board was supposed to behave; the Code of Conduct. He said the policy was long and included things like "how to act at a board meeting". He wondered if the policy was needed. Director Stockton said most organization had a Code of Conduct. Mr. Schultz said it was a good idea, you never know what could happen in the future so in the event that there was an unruly board member the policy would give board something to turn to. Director Jackson said she agreed and that she was on another public body where there had been a lot of disrespectful commentary and currently looking at implementing a policy.

A motion was made by Director Jackson and seconded by Director Keatley to adopt the policies presented and to repeal all prior policies that address the same topics. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Heald, Harvey, Jackson and Keatley.

C. The 2022 Sewer Infrastructure Projects bid results were presented to the Board for discussion and possible action. Mr. Schultz said the sewer infrastructure project was sent out for competitive bid and only one bid was received from Rados and it was for 183% of the engineer's estimate. He said he separately spoke with Mr. Mitchell and Mr. Van Dyne and Mr. Schultz from Farr West and found that, as a County Water District, they were not required to go out for competitive bid. However, it was a good idea to do so. He also said, with the help of Mr. Mitchell and Mr. Van Dyne and with Board approval, he was developing a plan to breakout the manhole work (item 15 on the list of projects) and negotiate a price with the general contractor that submitted the bid. He also intended to continue to meet with the contractor to see if an agreement was possible for the work needed at pump station four and on the force main.

Director Harvey said he knew the County was planning road resurfacing work in the District and thought there had been a discussion to defer the work until the District could complete the planned work. Mr. Schultz said Placer County had planned a rubberized chip seal program for several streets in Serene Lakes but the work was rescheduled for next year. He also said the District's Encroachment Permit with the County included fees for repaving the streets in the District. The District would patch around the worksites but repaving would be done by Placer County.

Mr. Schultz said he would negotiate contracts with Rados, if possible, or another construction firm for review at the April meeting.

X. New Business: There was no new business.

XI. Administration:

A. The list of Follow-up Items from the February 10, 2022, Regular Meeting was presented to the Board for consideration and possible action. Mr. Schultz reported that he updated the previous article regarding the weed issue in the lake and provided the formation to Mr. Oudegeest. Director Harvey said Mr. Oudegeest added some great picture from the 1980's and that it was a fantastic article.

B. A Status of Action Items was presented to the Board for consideration and possible action. Mr. Schultz reported that:

1. AMR and Metered Rate:
 - a. AMR Data Collection: Ongoing. Staff continues to gather information. Monthly monitoring and notifying customers of leaks continued.
 - b. Develop recommended method for providing customer access to their personal water use data: – Mr. Schultz said he and Director Jackson were working on the next three items together. They decided to preliminarily recommend the use of Badger Meter's Eye on Water System for providing customers access to their water usage information. He also said they would like to provide the software to 20-25 customers in the District to help test the software. Director Stockton said the software worked great and asked that all the Board members be included in the test group.
 - c. Develop Metered Rate Structure: Ongoing.
 - d. Rate Study Communication: Mr. Schultz said in January he started preparing the webpages for the Rate Study Communication to the community. He shared the information with Directors Heald and Harvey but should have sent it to Directors Stockton and Jackson. He would forward to information to Directors Stockton and Jackson. He also said the information was pretty well developed and that he used the City of South Lake Tahoe and South Lake Tahoe PUD's webpage as a model.
2. Community Rate Workshop: Mr. Schultz said there was a workshop scheduled for the end of March. The workshop would be open to the public with workshops for the community after the Board had an understanding of the capital improvement program and the revenue requirements.
3. District's Policies and Procedures: Mr. Schultz said he would be meeting with Mr. Mitchell and Mr. Booher next week regarding the deferred Policies and Procedures and thank the Board for approval of the finished policies.
4. District's ownership of the Dam: – Mr. Schultz said he would be meeting with Mr. Van Dyne to work on advancing the item.

5. Retool General Manager Position – Mr. Schultz said he there was no movement on the item. Work would resume and a revised contract for Mr. Schultz’s services would be presented if deemed appropriate.
6. Index of Ordinance: The item was previously completed and would be removed from the list. A revised Ordinance for Board Member Compensation still needed to be drafted and presented to the Board.

Director Jackson said she encouraged all the Directors to check out the Badger program. She said it was the software provided with the meters but that it didn’t have a metered rate function; that would have to be layered on in order for customers to see what their bill was, based on usage. She said it was a good first step to inform people about the amount of water they were using.

Director Jackson said some systems rob data from people’s homes very regularly, as frequent as every five minutes. She said that collecting data that frequently could be an invasion of privacy. She asked Mr. Schultz how often meters read the data in order to report a leak. Mr. Schultz said a meter continuously reads waster usage but only reports the information to the District once a day. Director Jackson asked the Board to consider how much data would be important as they use the software to look at their water use. Mr. Schultz said the software was available at the App Store, either Apple or Android, Eye on Water or on their website.

Director Jackson asked if she could request and agenda item for the next meeting. She said there has been a lot of discussion about high levels of arsenic in Truckee’s drinking water and wondered if the Board should have a discussion about water quality in Serene Lakes. Mr. Schultz said the Consumer Confidence Report on water quality was published every year and that Truckee’s arsenic issues were due to ground water; that was why the District put the arsenic filter on the District’s well. Mr. Baird, Utility Supervisor for Sierra Lakes, said he had been following the issue as a resident of Truckee and spoke to friends at Truckee Donner PUD because the arsenic levels being posted were three times allowable rates. He said he learned that there could be issues with how the samples were collected, mailed and the lab used.

Mr. Schultz said he would add a discussion regarding District Water Quality to a future agenda.

XII. Adjournment

A motion was made by Director Harvey and seconded by Director Jackson 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 April 14, 2022, as part of the Consent Items Calendar. A motion was made by Director Keatley and seconded by Director Harvey to approve the Consent Items Calendar as presented. The motion passed by a unanimous rollcall vote.