

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

**Date:** Wednesday December 15, 2021 / **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

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: Dick Simpson  
Shandon Lloyd

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.

**III. Approve Agenda:** The agenda was presented to the Board for approval. To accommodate Mr. Mitchell’s need to leave the meeting early, Old Business item A Proposal to Modify the monthly Regular Meeting date and time, was moved up the agenda immediately following item V. Board Vacancy.

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

**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 she

received a message from Mr. Simpson stating he no longer wished to seek a seat on the Board. He apologized for any inconvenience. He also said either of the other two applicants would be an excellent addition to the Board and he hoped to be able to help the Board in the future. Mrs. Nickerson also said Mr. Keatley asked her let the Board know he would not be able to attend the meeting because he was at his company's Christmas party in Portland Oregon.

**V. Board Vacancy:**

The Board considered two applications, one from Mr. Keatley and one from Ms. Lloyd, submitted to fill the board vacancy created by Director Lindquist's resignation.

Director Harvey said he reviewed the applications and both applicants were great. He said he hoped that whoever was selected would stay around and whoever wasn't selected would run in the next election. Director Harvey said, based on Mr. Keatley's financial background, he felt Mr. Keatley would be a great addition to the Board. He also said Ms. Lloyd's Non-Profit Board experience would be very valuable to any board but Mr. Keatley's financial background was currently needed.

Director Jackson said she felt both applications were great but that Mr. Keatley's financial management background would be helpful with the upcoming rate study.

Director Heald said she agreed with Director Harvey that both candidates were equally qualified. She said her preference was Ms. Lloyd, because of her prior experience of working with her, but agreed there was a gap on the Board in the financial area and Mr. Keatley was stronger in that area. She could go either way.

Director Stockton said he preferred Ms. Lloyd because she had a more balanced background.

Mr. Simpson said he leaned towards Mr. Keatley. He said he got the impression that Mr. Keatley took time to review past minutes to become familiar with the issues facing the Board. However, Ms. Lloyd's main strength was that she was a fulltime resident.

Mrs. Lloyd said it sounded like the Board made their decision. She said, although she had past financial experience, she steered away from that but was good at raising money. She thanked the Board for their consideration.

**A motion was made by Director Harvey and seconded by Director Jackson to consider Mr. Keatley for the Board.** The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Heald, Harvey and Jackson.

**VIII. Old Business item A: Proposal to Change Meeting date and time:** Director Harvey said this was a continuation of the discussion around switching the regular meeting to some other day other than Friday night or weekends. Mr. Mitchell said, at the present time and as long as the state of emergency was in effect, providing a need for social distancing, the Board could continue to work under the modified teleconferencing rules. The main thing about the rule was that it eliminated the requirement that a majority of the Board had to be within the District at the time of the meeting. The modification also eliminated the need to identify every teleconferenced

location, post the agenda at every teleconference location and to allow the public to participate from any of the teleconference locations.

Director Harvey said, based on Mr. Mitchell's summary, the Board could have a least another year under the current state of emergency. He also said he thought the other Board members previously indicated that they could attend in person on a Thursday.

Director Jackson said the new Board member would need a chance to respond to the possible change.

Director Stockton said he was flexible. He also said that trying to get up to the Summit on a Friday night was difficult.

Director Jackson said she commuted back and forth to the Bay Area and driving up in the snow would be a problem because of her car. Regardless of whether the meeting was on a Thursday or Friday, she could have problems getting up to the District. She wanted to make sure there would be a quorum of Directors that could make it up for the meetings.

Mr. Mitchell said the Board could consider amending the Ordinance to read "the meeting day and time would be set by Resolution". This would remove the publication requirements. The Board could still reach out to the community for future changes but there would be no need for the formalities.

Director Heald said the Board could go forward with the change because the item would be discussed at the January meeting, giving Mr. Keatley an opportunity for input. She also said, in regard to Director Jackson's concern about getting up to the District in bad weather, during her time as President she had to cancel a couple meeting due to weather and road conditions.

Director Heald then said she felt there was an incredible value to in person meetings, especially when dealing with controversial topics. Mr. Mitchell said as long as the agenda was noticed properly, Director's could attend meetings from the boardroom while members of the public joined remotely. Director Heald said she agreed with continuing meetings remotely for now but once Mr. Schultz resolves the internet issues, she would like to discuss having Director's back in the boardroom, whether or not members of the public were allowed to attend in person or virtually. She also said she would like to make the suggested changes to the Ordinance, allowing for changes to date and time of meeting by Resolution, at the January meeting.

Mr. Simpson asked if the change to the Ordinance would need to be posted and adopted at a Public Hearing. Mr. Mitchell said he would have to go back and look at the rules but a Public Hearing wouldn't be necessary.

Director Harvey asked if the Board agreed with changing the meeting date to the second Thursday of the month. He said he wanted to avoid starting from scratch in January by reaching an agreement on the change of day. Director Heald said it was a great idea. Although Director Harvey suggested changing the January meeting to the second Thursday, Director Heald felt it was better to leave the next Regular Meeting on Friday and make the change after the change to the Ordinance and adoption of the Resolution.

**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:

- There were no permit violations at Donner Summit PUD in the month of November.
- The Board would be considering a contract for floor grating in the filter plant and safety rails on the office water tank.
- The Lake Management Plan updates to the website would take play not later than January 2022.
- The District's Policies and Procedures were moving along.
- He was still waiting for final approval of the arsenic filtration system and a pressure reducing valve would be added between the well and the arsenic filtration system to reduce surges.
- Farr West Engineering was 90% complete and anticipated the projects would be ready to go out for bid in February or March 2022. He anticipated that preliminary costs could be available by the January meeting.
- Water Treatment Plant improvements were progressing. Testing of the system took place earlier in the day.
- He, Directors Jackson and Stockton met earlier in the month to discuss meters and metered rates.
- The information technology saga continued. Internet issues continued. The Starlink hardware was received and it provided an increase in speed. The device would be installed on the building as soon as there was a break in the weather.
- In regards to the Water Quality Study, he received the abstract for the Oregon State University student's paper. He would report back to the Board after he had an opportunity to review the plan.
- There were no sanitary sewer overflows in the month of November. However, on November 30, 2022, a small, 3 to 5 gallons, overflow was noted on Soda Springs Road. The overflow was due to the new sewage pump at Pump Station #3. Because of the amount of water that was being discharged into the manhole when all the pumps were on, the pressure lifted the manhole lid and a little bit of the water seeped out. He was working with Farr West to mitigate the issue and anticipated that it would be an easy fix.
- The petroleum storage tank project continued. A new above ground petroleum storage tank was found. He would be working with the new owners to get the tank into compliance.
- New Drought Conservation Emergency Regulations were being developed by the State. There should be little to no effect to the District because of the District's recent relaxation issued by the State.
- Water demand was down but sewer flows were still up, primarily due to ground water.

Director Jackson asked where the spill was because she was in that area and that she smelled a smell she had never smelt before. She also verified that there was a place on the District's website for members of the community to report issues such as the small sewage spill.

Director Harvey asked when Mr. Schultz anticipated breaking ground on the capital projects. Mr. Schultz said as soon as the snow was gone. Director Harvey asked, by going out to

bid in February or March, when would contractors would be able to start work? Mr. Schultz anticipated that he would be presenting bid results in March or April and contract awards in May.

Director Harvey asked about the communications technology and where it might end up. Mr. Schultz said Boardvoice was providing telephone service that was working well, Logically was in place for computer and security management but the internet speed was still a problem. He said he thought the District would end up with fixed wireless from Aerospring once their construction was finished with backup from Suddenlink or Starlink.

Director Harvey asked when preliminary results of recent samples taken as part of the Water Quality Study would be available? Mr. Schultz said the last sampling event took place the first week of December and expected something by March.

**VII. Consent Items Calendar:** The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the November 12, 2021, Regular Meeting; November 2021 Check Register; financial reports for the month ending November 30, 2021; and Disbursements for Board Approval.

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

**VIII. Old Business:**

A. A Proposal to modify the Regular Meeting day and time was discussed earlier in the meeting. The Board would be modifying the Ordinance to read that the meeting day and time would be set by Resolution.

B. The Board discussed New Metered Rates and Revenue Requirements and a proposal for a Rate Workshop. Director Jackson said the Committee discussed three topics; community perception of rates, the State mandate for metered rates and the critical path for making the decisions about metered rates. She said there were normal operating expenses, capital improvements and the possibility of increasing staff. She also said the rate structure could just cover the normal operating expenses with the capital improvements covered under an assessment. Director Jackson then said the Committee talked about the need for a rate study and how much of rate study work could be done by staff. They also discussed having a Rate Workshop to allow community participation. She said, because about 90% of the costs were somewhat fixed, the rate might not look much different than what people were already paying.

Mr. Mitchell said there were guidelines for what was allowed and that an assessment had to be based on a specific benefit so a District wide assessment most likely wouldn't be possible, it would have to be done by zones. He said there were other options including long term financing. He also said there were people who could provide possible solutions to financing needs and that capital financing options could be part of the rate study.

Director Harvey said community education was an important part of the process and there were customers that were not clear as to how metered rates would affect their bill.

Director Jackson said she had a discussion with a Finance Director, who had performed many rates studies, and was told that having too much of the rate fixed would not provide an incentive for water conservation.

Director Heald said collecting information from the public was a good next step and asked if there were other major capital improvement projects on the horizon in addition to the eight miles of asbestos piping. She said it would be helpful if she had more information about costs. Mr. Schultz said he had some very preliminary numbers for capital improvements that could be provided. Director Jackson said it would be helpful to know how much of the work needed to be done; does all eight miles of pipe need to be replaced and over what period of time would the work be done? She said Mr. Schultz also mentioned that the District did not have a reserve policy, another thing the Board should consider. Mr. Schultz said it would be a good idea to have a Board Workshop, where the public could attend, but it should be a workshop for the Board to gain an understanding.

Mr. Schultz suggested having a separate meeting, specifically to discuss capital needs. Director Heald said she supported having the separate meeting but asked if information about the capital projects needed and options for funding those projects outside of the rate structure would be available by February. Mr. Schultz said, in regard to the revenue requirements and project identification, he would be working with Farr West Engineering to put together preliminary costs prior to any special meeting.

Director Jackson asked if it would be possible to have Bartel Wells talk about funding mechanisms. Mr. Schultz said Bartel Wells could get involved after the costs were determined.

Prior to the vote, Mr. Simpson said he thought February was a little premature because it was going to take a while to get the information together. He recommended that the item be on the next agenda as a progress report and call a meeting once 80% of the information was compiled.

Director Heald said, based on what she heard, Mr. Simpson had a good point about it being a little premature to call a meeting. Special Meetings could be called with very little notice and suggested that a meeting be called when enough information was available.

Director Jackson said the January agenda should include an item to provide a progress report.

**A motion was made by Director Jackson and seconded by Director Harvey to call a special meeting to discuss rough cost provided by Mr. Schultz and Mrs. Nickerson for capital improvement projects and possibly including financing options provided by Bartel Wells.** The motion passed by a unanimous rollcall vote. Ayes: Directors Stockton, Heald, Harvey and Jackson.

## **IX. New Business:**

A. Director Harvey provided a report for the District Management Needs Committee. He said the Committee, that included Director Heald and Mr. Schultz, met several times to talk about getting some help with the District Engineer function and to assist Mr. Schultz in offloading

some of his responsibilities to a consultant. The Committee received a couple boiler plate tech proposals but nothing definitive could be provided until the Committee determined what the specific scope and budgetary requirements would be. Director Jacksons said she had some documents outlining what an Assistant General Manager's (AGM's) job duties would be but wasn't clear what an AGM would do vs. a consulting firm. Director Harvey said the Committee's first task was to solve the District Engineer issue. The possibility of hiring an AGM might be a second or third task.

Director Harvey said another area that needed to be addressed was lake management. It was an interrupt driven type of work that was also seasonal. The Committee would work with Mr. Schultz to develop a plan that would be brought to the Board at a future date.

The Board supported the Committee's plan to move forward with engaging a consulting firm. Director Jackson said she was eager to know who was going to do what and what the consulting firm would be doing based on what the AGM's job duties may or may not be. Director Harvey said the Committee was not focused on hiring an AGM, they were purely focused on offloading engineering tasks and providing Mr. Schultz with the ability to delegate. Mr. Schultz said it may be that a District Engineer would solve a lot of the problems. There were a lot of reports and documentation that didn't get done that needed to get done and once those large items were complete, the need for a District Engineer could drop. He said the cost of hiring a consultant could fluctuate, based on need, where adding an AGM would add to the fixed costs forever.

Director Heald said when Mr. Schultz was hired, the Board was provided with an analysis of hiring an employee vs. an independent contractor along with some other parameters. She said it was very informative and that the Board decided to hire a consultant. She also said, because this was time sensitive, they Committee was going down the path of providing an engineer from a consulting firm to complete specific items and that once the large items were complete, the Board could revisit the need for an AGM either as a consultant or as an employee.

B. The Board was presented with a contract for engineering services to design the floor grating and some safety railing. Mr. Schultz said the floor grating in the filter plant downstairs were badly damaged. The utility operators have tried putting rubber mats over the top of them but they really need to be replaced. He said the grating needed to be engineered because of the penetrations needed for piping for the filter vessels. He said he wanted to hire a small local firm to design the filter plant grating and replacement railings on the top of the water tank and the fire escape on the back of the administration building that were both crushed by snow. The contract was for \$10,500.00.

Director Stockton asked if there was a discussion at the last meeting about raising the scrutiny level to \$25,000. Mr. Schultz said that was part of the policies and procedures that would be discussed at the January meeting. He asked that the Board approve the contract and approve him to sign the contract.

Director Harvey said his first thought was whether or not the work could be done as design/build. He asked Mr. Schultz if it was possible for a couple of welders to come out and fix the grating and railing. He said he was surprised that it would cost \$10,000 to plan and more to have someone do the work. Mr. Schultz said he contacted a mechanical/metal work company to

do the work but they required engineered drawings. He said he even called the company that construction the tanks but they wanted drawings because it was a water tank and safety railings. When asked, Mr. Schultz estimated that the additional cost of the grating would be about \$30,000 and the safety railings about \$20,000.

Director Heald said she too was appalled at the cost of drawings but made the following motion.

**A motion was made by Director Heald and seconded by Director Harvey to approve the contract at the cost outlined by Mr. Schultz and to authorize him to sign the contract.** The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

**X. Administration:**

A. There was one item on the Follow-up Items list from November 12, 2021; determine the practicality of allowing the use of the filter plant backwash wastewater for ornamental irrigation. Mr. Schultz said he examined the District's backwash wastewater and did a literature research of the EPA and the State of California. He said the consensus was that backwash wastewater could not be used for irrigation. The recommendation of the EPA said backwash wastewater should not be directly discharged into any receiving waters or soils due to the extremely high content of suspended solids, BOD (Biological Oxygen Demand), and residual chlorine in the backwash waste. He also said he talked to a couple of consultants that were looking at ways of reducing backwash waste discharges to sewers and found one somewhat successful program that used an external tank to store two cycles of their backwash waste water and settle out the solids. The project was curtailed because the solids in the tank created a new waste stream to deal with. The settled solids were too thick to be discharged into the sewer and had to be dried in sludge drying beds and then trucked out.

Director Jackson thank him for looking into it. She also said she had been told by people in the community that the amount of plant life in the lakes was much higher than it used to be and that she was looking forward to the results of the water quality study. She hoped the study would address solutions to the plant life problem ultimately reducing the need to backwash as often. Mr. Schultz said the goal was a backwash stream of less than 10%

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

1. AMR Data Collection – Mr. Schultz said new data collection would resume once the new endpoints were installed in the spring.
2. District's Policies and Procedures – The Policies and Procedures was increased to 95%. The policies would be ready for review at the January.
3. District's ownership of the Dam – Mr. Schultz said he met with Andregg Geomatic Surveys about preparing a proposal to review a lot line adjustment for acquiring the dam and channel. The survey was anticipated March 2022.
4. Upcoming Metered Rates – A Workshop was anticipated for some time in February.
5. Develop recommended method for providing customer access to their personal water use data – Mr. Schultz and Director Jackson were working on a method

to provide customers with access to their water use. The percent complete remained at 20%.

6. Retooling the General Manager Position - Mr. Schutz said progress was moving well. The item was increased to 25% complete.
7. Investigate use of recycled water – The item was considered complete based on the Follow-up Items discussion.
8. Rate Study Communication – Mr. Schultz said he received preliminary information from Director Harvey and Mr. Mitchell. He was compiling it into a notice that could be posted on the website. He anticipated that it would be ready for comment at the January meeting, after sharing it with Director Harvey.

Mr. Simpson said there was previously an item on the list for developing a schedule for the rate study. It was not longer on the list and asked if that was intentional. Mr. Schultz said Mr. Lindquist had drafted a preliminary schedule that was currently being refined. He and Directors Stockton and Jackson were discussing how much of the rate study would be done inhouse and how much would be done by a consultant. Until that was determined, the schedule could not be finalized. He said the committee was leaning towards doing the bulk of the work inhouse and getting guidance on public participation.

**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 Jackson and seconded by Director Harvey to continue meeting electronically especially given the unknown status of the Omicron virus in the United States.** The motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey and Jackson.

## **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: Directors Stockton, Heald, Harvey and Jackson.

The minutes were approved at the Regular Meeting held on January 14, 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.