

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

Date: Thursday June 9, 2022 / **Time:** 6:30 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:

Directors in attendance at the Sierra Lakes Boardroom:

Director Jon Harvey
Director Karen Heald

Directors present by teleconference:

Director Dan Stockton
Director Jennifer Jackson
Director David Keatley

Staff members in attendance at the Sierra Lakes Boardroom:

Paul Schultz P.E. Inc., General Manager
Anna Nickerson, Financial Consultant
Patrick Baird, Utility Operator

Staff present by teleconference:

Jeffrey Mitchell, District Counsel

Guests present at the Sierra Lakes Boardroom:

Carrie Hoyt

Guests present by teleconference:

Barbara Fox
Sudeep Chandra
Sam Steart
Roger Drosd
Betty Gudz
Judy Lieb
Dick Simpson

Minutes 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. Carrie Hoyt said Mr. Flannagan retained a real-estate attorney to draft language for the deed restriction and to move forward with gifting his vacant lot to the District. The item would be on the July 2022 agenda for further discussion and consideration.

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

A motion was made by Director Heald and seconded by Director Harvey to approve the agenda. The motion passed by a unanimous rollcall vote: Ayes: 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:

The Board discussed whether or not to continue meeting telephonically. Directors Heald and Stockton said they preferred to meet in person. However, Director Stockton asked that masks been worn in the board room upon return to in person meetings. Mr. Mitchell noted that a decision to meet telephonically was only good for 30 days and would need to be approved before the beginning of a meeting if it had been more than 30 days since the last decision. He also said the Board could still meet in person even if a decision to meet telephonically was approved.

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

VI. Operations:

- A. Paul Schultz P.E. Inc., General Manager, presented his operations report to the Board for consideration and possible action. He reported the following:
- The utility crew cleaned sewer lines in anticipation of the contractor's TV inspection of the lines.
 - An application was submitted to the California Rural Water Association for a grant to map District water lines for leak detection. Identification of leaking sewer and water line leaks was needed for the capital improvements program.
 - The energy audit was conducted on June 1, 2022. The District had already done a lot of improvements but there was still energy waste due to antiquated lighting. PG&E and American Energy Partners provide loans based on anticipated savings from lighting improvements. Payments would be deducted from the energy savings until the loan was paid off. Once received, the Energy Saving Report would be presented to the Board for a decision whether or not to participate in the funding of lighting improvements. Mr. Schultz said most of the payback periods were about 36 months.
 - The annual Consumers Confidence Report was complete and not violations were noted.
 - The California Air Resources Control Board would be requiring 50% of all new fleet purchases by public agencies, with the exception of fire and police, be zero emission vehicles by 2024 and 100% by 2027. Mr. Schultz said the District's

heavy equipment, like the backhoe, would need to be replaced but thought the cost wouldn't be much more than gasoline powered equipment. He also said the tractor truck would have an exception because it had two engines. However, Sacramento would need to do more work on the program since electric powered vehicles were not readily available yet.

- Truckee Fire performed an informal defensible space assessment. They identified many things that could be done to fire harden critical infrastructure to keep the community safe during and after a fire. Truckee Fire was asked to make a formal assessment later in the summer and provide a list of actionable items. Mr. Schultz would be meeting with Mr. Baird, Utility Supervisor, to discuss a basic plan.
- It was anticipated that the remaining Policies and Procedures would be presented at the July or August meeting, after Directors Heald and Jackson finish their review. Director Heald said a great deal of progress was made and asked that a meeting be scheduled to finish up.
- The pre-purchase of long lead time mechanical equipment for the capital improvement sewer projects were complete. Work on manholes was anticipated to start within the next week and improvements to Pump Station #4 would start at the beginning of July.
- Sam Steaurt and Professor Chandra, from the University of Nevada Reno, would be presenting a status report on the Contemporary Water Quality Assessment report later in the meeting.
- Members of the Board were encouraged to take advantage of the California Special District Association trial membership that would end at the end of June. Renewal costs was included in the 2022/2023 Budget, to be approved by the Board later in the meeting.

Director Stockton said when he joined the Board, he asked to see the water leak map and wondered if a map was now available. Mr. Schultz said there was still no map and that was the purpose of applying for the leak detection grant. The California Rural Water Association would provide a map identifying the location and approximate volume of the leaks.

- B. Patrick Baird, Utility Operations Manager, presented his report to the Board for consideration and possible action. He reported the following:
- Donner Summit PUD reported no wastewater treatment plant violations in May, they started using the sludge dry beds and discontinued the ammonia feed.
 - There was another small sewer spill at the same location. The small spill happened while testing the SCADA upgrades. The contractor reprogrammed the wet well controls to allow better control of the flows and to avoid any further spills. The line was cleaned and scheduled for inspection to provide the engineer with information to determine how to fix the problem.
 - All drinking water requirements were met.
 - Water demand in May increased slightly from April, possibly from irrigation. Water demand was 12,000 gallons less than the five-year average. Sewer flows were up 40,000 gallons possibly due the seasonal runoff I&I. The District's share of the flow through the treatment plant were 39%.

- Utility staff cleaned approximately 14,000 linear feet of sewer line, mostly on the west side to the south side of the lake and the lines were now being inspected by the contractor.
- Utility staff started installing more meters and hoped to have all meters in the ground by the end of summer.
- Four homeowners were contracted regarding significant leaks. Most were simple fixes; stop n drain left open and a faucet left running. There were 14 ongoing leaks.
- Three escrow inspections and one new construction inspections were completed in May.
- Staff, including Mr. Schultz, attended CPR training and Mr. Lundgren continued to work towards acquiring his commercial driver's license.

Director Jackson said she asked at the last meeting about the asbestos cement water pipe and wanted to know why there seemed to be more leaking on the water side than the sewer side since there were both asbestos cement pipe. Mr. Schultz said water lines were under pressure causing leaks to manifest sooner if there was any erosion to a pipe as opposed to a non-pressurized sewer line. Mr. Baird said sewer lines tend to erode from the outside in.

VII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the May 12, 2022, Regular Meeting; May 2022 Check Register; financial reports for the month ending May 31, 2022; and Disbursements for Board Approval.

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

C. Old Business:

A. Sam Steuart, of the University of Nevada Reno Ecology, Evolution and Conservation Biology program, presented an update on his "Water Quality Assessment of Serene Lakes and the Determination of Best Management Practices for Improving Lake Health". Also in attendance was his advisor Dr. Sudeep Chandra of the University of Nevada Reno Global Water Center. (A copy of Mr. Steuart's Power Point presentation, "Water Quality Assessment of Serene Lakes", and Mr. Schultz's "Presentation Notes" have been attached to the minutes.)

Mr. Steuart said the issue with the lakes was eutrophication and the water quality assessment was the best method for dealing with the issue. His presentation included the following topics:

- Eutrophication – was a complex issue that was affecting mountain lakes throughout the world but especially in the western US. It included changing environmental conditions, changes in lake hydrodynamics, nutrient pollution and food web disturbances such as fish stocking.
- Water Quality Assessment – the objective was to determine the present status of lakes Serena and Dulzura and to determine if there had been any changes since Dr. Vinyard's 1992 report. Also, to make informed decisions for the best management practices and/or restoration projects to maintain the health of the lakes for future generations.

- Historical study by Vinyard – performed August 28, 1990, classified Serene Lakes as mesotrophic or moderately productive (plant growth) with high levels of nutrient loading. A limited monitoring and control program was recommended.
- Snow water equivalent (SWE) – this information was important to help control the amount of nutrients in the lake.
- Water Clarity – was measured with Secchi disk. A 30 cm disc was lowered into the lake until it couldn't be seen any longer, then lowered further and raised again until it became visible. The difference between the two measurements determined the water clarity. He determined that the water clarity was lower than it was in 1990; indicative of increasing sedimentation and eutrophication.
- Water Temperature, chlorophyll and dissolved oxygen (DO) – a RBRmaestro, a multi-channel logger, was used to measure water temperature, chlorophyll and DO. He said water temperature of the lakes were stratifying and were higher than the previous collection. The higher temperature made since with the earlier ice off. However, when compared to Dr. Vinyard's report, the indication was that the lakes had been warming. He also noted that there were spikes in chlorophyll levels and that the DO levels showed anoxic hypolimnion.
- Photosynthetically active radiation (PAR) – a Biospherical Instrument and UV radiometer were used to measure light profiles.
- PAR extinction coefficient – the higher the light coefficient the quicker the light becomes attenuated; the long wavelength light wasn't penetrating the lake very deeply but was warming the lake.
- Nutrient, pH, total dissolved solids (TDS) and electrical conductivity (EC) samples collected – a Van Dorn depth sampler was used to collect samples. He observed that there were some anoxic periods. Some were due to daily cycles caused by lake metabolism and some for spikes in smoke from summer fires that suppress sunlight.
- Wildfires and anoxic periods – wildfire smoke was known to suppress UV radiation causing opposing effects on photosynthesis at different depths of water quality; increasing productivity in shallower waters while decreasing productivity in deeper areas. Some other anoxic periods occurred before the high smoke levels possibly due to bacterial respiration of decomposing plants and algae resulting in decreased DO. The decreased DO could have resulted in the prior catfish mortality.
- miniDOT sensor data – he deployed 19 miniDOTs throughout the two lakes for data collection. Both DO and water temperature were measured every 10 minutes in areas with and without plants. He said there was data variations that were normal due to lake metabolism but there were also periods when the DO was going much lower. Dr. Chandra said there were probes placed all over the lakes, that they were working through the data and had not made any conclusions yet.
- Aquatic macrophytes map – the two largest areas on the map were identified as pondweed and most of the smaller patches around the perimeter were bogbean. He said Dr. Vinyard's report suggested that the areas below two meters would be the areas with the greatest pondweed density but he found that pondweed grew in the areas of one to three meters.
- Next steps – included refining the analysis for the DO and temperature plots, proceeding with nutrient analysis, processing chlorophyll samples, developing

models and calibrations, take bathymetry readings and work with Dr. Heyvaert to develop initial ideas for management practices and/or restoration projects.

Mr. Steurt said, since the 1992 report, the following three observations were hallmark of eutrophication requiring further work to determine the nutrient loading and best management practices to control the issue.

1. Water temperatures in the lake had increased more than 3°C
2. Water clarity decreased by .9 meters
3. DO has been depleted to near zero values at some locations of the lakes.

Mr. Schultz said the presentation was a status report, that it was an ongoing study and that it would be at least another year before a definitive report was ready.

Mr. Baird asked about the effects of the October storm. Mr. Steurt said before the storm there was a large algae bloom that was flushed out of the system by the storm. He also said the clarity in lake Serena improved right after the storm.

Director Harvey asked if there was anyway to determine if any of the lake water was going into the ground water. Mr. Schultz said he doubted any water was going into the ground water but there might be some ground water going into the lake.

Director Jackson asked if it made sense to stock the lake this year. Dr. Chandra said the discussion was to proceed as normal until the report was done.

Director Stockton asked about the difference between the two lakes. Mr. Steurt said a question came to mind about if they were really two independent lakes or just one. Then the issue would be the rule about not swimming in a water supply lake. Director Stockton said he had been asked about the scientific reason for not swimming in the upper lake. Mr. Schultz said if the lakes were considered a single lake the State might completely ban body contact with the lakes. Mr. Steurt said there was evidence that parts of the lakes were not connected; some of the water in Dulzura was not mixing with the water in Serene.

B. The District's 2022/2023 Operating and Capital Improvements Budgets were presented to the Board for adoption. Mr. Schultz said he had neglected to include the \$200,000 for the District Engineer in the previously presented budget. The budget was reworked, most of the money to cover the District Engineer was taken from his budget line item because it still included 1,000 hours for Mr. Quesnel's advisory time.

Director Keatley said he understood that there would be a rate setting workshop later in the year to discuss long term revenue requirements but wanted to know what options were available if net income went negative; were there assets available to be sold off to finance expenses. Mr. Schultz said there were no assets to be liquidated but there was a reserve fund with Placer County Treasurer that could be utilized. He also said, as part of the revenue program, he would be recommending that the Board formally set a floor amount for reserves.

A motion was made by Director Keatley and seconded by Director Stockton to adopt the 2022/2023 Operating and Capital Improvements Budgets as presented. The

motion passed by a unanimous rollcall vote: Directors Stockton, Heald, Harvey, Jackson and Keatley.

Director Harvey asked when the Board would need to have a conversation to discuss near term rates in the event that a rate adjustment was needed. Mrs. Nickerson said a rate adjustment wouldn't be needed unless something drastic happened. She said the \$3,000,000 in reserves should carry the District two to three years. Mr. Schultz said he didn't think a rush to increase rates was needed, there was time to right size the rates. Director Harvey said that could be a conversation to have with the reserves for capital projects discussion. Mr. Schultz said that would be part of the next workshop and anticipated the next workshop would be held in October 2022. Director Keatley said if a rate increase was needed, it would probably be better to wait until July 2023. Mrs. Nickerson said a rate increase would be subject to a Proposition 218 hearing requiring a homeowner vote of approval.

D. **New Business:**

A. Mr. Robert W Johnson an Accountancy Corporation's engagement letter for the 2021/2022 Annual Audit was presented to the Board for consideration and possible action. Mrs. Nickerson said it was an audit requirement to provide the Board with a letter of engagement. Director Harvey said he only had a problem with the second to the last paragraph on the first page that basically said they would run tests because they were required but would not give an opinion or stand by the results. Mrs. Nickerson said the letters included information required by the Accounting Standards Board. Director Harvey said he would like the letter to state what they were going to provide, not what they weren't going to provide. Director Heald asked if Director Harvey had seen an audit report since joining the Board. Director Harvey said he had been involved in a number of other audits, some where well done and some not well done. He said he didn't know how he was going to feel at the end of this audit. Director Heald said, since the District was required to have an audit, it wasn't going to change the current decision. She did feel it would be helpful for him to look at a prior report. She said the audits were obtuse but followed what the letter outlined. She also said, in the past, the audit resulted in some items that were important and required Board action. Director Harvey said he had been involved in some audits where there was little transparency and others with a great deal of transparency. He said he would hate to find out there was a problem that was missed because the Board wasn't paying attention. Mr. Mitchell said it could be helpful to have the auditors attend a meeting to answer questions about the audit; they were obligated to present a report to the Board when there were irregularities. He also said he didn't look at the letter closely but it looked typical to letters received by other agencies. Director Heald said when she first joined the Board, she found the audits to be hard to understand. She said later she found that it was the norm and that the District got what it needed; the Board had received some important pieces of information over the years. Director Stockton said he agreed with Director Heald. If the auditors found something they were obligated to report it but, in the past, they hadn't found anything. Director Jackson said she would also appreciate a presentation by the auditors.

A motion was made by Director Heald and seconded by Director Jackson to approve signature of the Engagement Letter with the condition that the auditors will present their findings after the audit. The motion passed by a rollcall vote: Ayes: Directors Stockton, Heald, Jackson and Keatley. Noes: Director Harvey.

B. Director Jackson presented a request to add limits to the District's water conservation requirements for outdoor watering. She said the California State Water Board issued requirements for urban water agencies to limit landscape watering to before 10:00 am and after 6:00 pm. Mr. Schultz said the District did not have limits other than watering days based on street addresses. He also said the request could be added to the Water Conservation letter that would be going out with the annual billing in about a week. Director Harvey asked if the District had an issue with excessive water use due to irrigation and/or car washing and if the issue would be corrected with metered rates. Mr. Schultz said he didn't think there was a large amount of water waste due to irrigation or car washing etc. He said currently there was no issue with meeting the water needs of the District. He said water demand was the same all day long. He also said he felt that Director Jackson was striving for conformity which was a good idea. Director Heald asked if staff was monitoring the current watering policy. She said she didn't see a point in adding further restrictions if the current restrictions weren't being monitored. Mr. Schultz said he would add the request to water before 10:00 am and after 6:00 pm to the Water Conservation letter. No other action was taken.

E. Administration:

A. The two items on the Follow-up Items list from the May 12, 2022, Regular Meeting were completed. Mrs. Nickerson removed "free faucet aerator" availability from the District's website and funds were added to the 2022/2023 Operations Budget for the HOTFaP program.

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. Meter installation continued and the collection of general water use data was being collected. More granular information would be collected once more meters were installed.
 - b. Develop recommended method for providing customer access to their personal water use data: – Access to personal water use information was provided to some customers and monitoring of the performance of the devices would begin in June or July.
 - c. Develop Metered Rate Structure: Still at 85%. Farr West Engineering would be asked to take the District's schedule and true it up with the real time schedule. He anticipated it would be ready in August, 2022.
 - d. Rate Study Communication: Comments were received from Directors Stockton and Jackson. The comments would be incorporated and possibly presented at the July meeting. The Board would need to make decisions on how homeowners would be billed for wasted water. The Board would also have to develop a policy for wasted water fees and the possibility for relief.
2. Community Rate Workshop: The first community workshop was tentatively scheduled for October 2022. The materials to be discussed would be developed and shared with the Board prior to the workshop.

3. District's Policies and Procedures: Directors Heald and Jackson were reviewing the draft documents. It was anticipated that the remaining Policies and Procedures would be presented at the July meeting.
4. District's ownership of the Dam: – A meeting with Farr West Engineering was held to start developing a work plan for the acquisition of the Ice Lakes Dam and Serena Lake channel. Mr. Schultz would review the document received and report to the Board at the July meeting.
5. Retool General Manager Position – A meeting scheduled with Mr. Schultz and Directors Heald and Harvey was postponed due to illness. A meeting would be rescheduled before the next Board meeting.

Director Jackson said, regarding Item 1B, she had spoke to several people about participating in the Eye On Water program and found that a few of them who were willing did not have meters yet. She said it might be best to check with Mrs. Nickerson to see if the property had a meter before inviting them to participate.

Director Heald asked that the gift of land be added to the list.

F. **Adjournment**

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

The minutes were approved at the Regular Meeting held on July 14, 2022, as part of the Consent Items Calendar. A motion was made by Director Heald and seconded by Director Jackson to approve the Consent Items Calendar as presented. The motion passed by a rollcall vote; Ayes: Directors Stockton, Heald and Jackson Absent: Directors Harvey and Keatley.