

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

Date: Thursday November 10, 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 County Water District Boardroom:

Director Dan Stockton
Director Karen Heald

Directors in attendance by Zoom:

Director Jon Harvey (arrived after Agenda approval)
Director Jennifer Jackson
Director David Keatley

Staff in attendance at the Sierra Lakes County Water District Boardroom:

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

Staff in attendance by Zoom:

Jeffrey Mitchell, District Counsel

Guests in attendance at the Sierra Lakes County Water District Boardroom:

None

Guests in attendance by Zoom:

Tim Kustic
Rich Benson
Joe Peltier
Alex Stodmeister
Vickie Day
Steven Shray
Dick Simpson

Minutes Recorder:

Anna Nickerson, Financial Consultant

II. Decision to Meet Telephonically:

The Board considered the continuation of meeting telephonically.

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

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 Heald and seconded by Director Jackson to approve the agenda moving item IX. New Business A before VII. Consent Items Calendar. The motion passed by a unanimous rollcall vote: Ayes: Stockton, Heald, 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. There were none.

VI. Operations:

A. Paul Schultz P.E. Inc., General Manager, presented his report to the Board for consideration and possible action. He reported the following:

- The sewer improvements project was complete. There were only two small change orders; location of buried sewers and credit for unused processes. The projects came in at about \$2,100,000, less than budget. He also said Farr West's fees were less than estimated.
- Matt Van Dyne, from Farr West Engineering, was asked to put together a proposal for the District's Utility Financial Strategy and Water/Sewer Master Plans. Mr. Van Dyne presented information on Financial Strategies at the October 2022 meeting and Mr. Stodmeister would be presenting information about the Water/Sewer Master Plan, later in the meeting. He said if the Board was comfortable with the information presented, the Board could vote to proceed.
- Farr West's engineering projects (task orders) were moving along. There were two new task order proposed, one to determine the necessary repairs to the Ice Lakes dam and hydraulic modeling for the Water/Sewer Master Plans.
- The surveys for the Ice Lake dam and channel acquisitions were complete. Farr West was compiling the information and should have maps available in December, January at the latest.
- Air Resources Control Board representatives will be coming up to look at some of the District's specialized equipment that may be difficult to transition to electric.

- There was no change on the system wide leak detection.
- Sexual Harassment Training for Management is due in December or January, based on position. He would send out invitations and links for the training.

Director Heald said, Mr. Van Dyne presented information regarding Financial Strategy in October. However, she did not hear was information about ways to fund the ultimate capital improvement. She said she was wondering when there would be a discussion on how the projects would be funded. Mr. Schultz said the funding would be discussed as part of the Master Plan. He said Farr West plans their projects as a series of task memos and as the information becomes available then the financing options can be discussed.

- B. Patrick Baird., Utilities Operations Manager, presented his report to the Board for consideration and possible action. He reported the following:
- The month was busy, closing out projects and preparing for winter.
 - Donner Summit PUD's wastewater treatment plant did not have any violations in October. They tested their snow making equipment and would begin making snow at the Soda Springs ski hill.
 - The District had no sewer overflows in the month of October.
 - The treatment plant was running well and all requirements were met.
 - Water flows decreased in September; demand was 7,000 more than the five year average. Sewer flows decreased from September; discharge into the sewer ended with the completion of the project.
 - Sewer flows through the sewer plant were down to 25%.
 - Staff was working on upgrading the well. During testing, leaks were identified and fixed. Farr West would be working with staff to develop and operational procedure plan.
 - Staff went through all the whole sewer system, pump stations 1, 2, 3 and 4, and cleaned all the wet wells. A broken propeller was also replaced.
 - Staff continued installing meters. As of the previous week, 540 meters were installed and active. Although staff was assured by Badger that both AT&T and Verizon cell signal was strong enough to cover the subdivision, it was determined that AT&T's signal was not strong enough so staff has had to replace approximately 200 AT&T endpoints with Verizon endpoints.
 - There were two major leaks discovered and fixed in October with the help of the Badger meter software.
 - There were 14 customers currently on Eye On Water.
 - The capital improvement projects were complete, the wet well was online and there were no operational issues.
 - The last leaking valve was replaced on October 17, 2022.
 - Staff help SLPOA remove sand from the shoreline of the beach.
 - There was one escrow inspection.

Director Jackson asked Mr. Baird to remind here how many meters there were in total. Mr. Baird said there were 836 connections, another 40 meters were installed in the last week. Mr. Schultz said having to replace endpoints set them back a little bit.

Director Heald asked if Mr. Schultz knew what the cost of replacing meters were. Mr. Baird said the cost was operational time or replacing the meters and reassigning customer accounts to the new meters.

Director Harvey asked Mr. Baird to clarify his comment that the connection issues would be resolved with a software fix. Mr. Baird said for the short term.

Director Harvey acknowledged staff and Farr West for completing so much work before winter.

IX. New Business, A.

Mr. Benson application for a HOTFaP grant was presented to the Board for consideration and possible action. Mr. Benson said the instructions in the application were impossible to follow and there was no written final inspection. He said some of the details were impossible to do because the service was not available but he felt he stayed within the intent of the requirements.

Director Heald said Mr. Benson did a great job and appreciated all his documentation.

Director Jackson asked how many oil tanks were left in the District. Mr. Schultz said there were four buried tanks. Director Jackson also noted that the application needed to be updated, it still had the previous General Manager's name on it. Director Heald said the application should be revisited at some point.

A motion was made by Director Heald and seconded by Director Jackson to approve a maximum grant of \$7,500.00. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Harvey, Heald, Jackson and Keatley.

VII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the October 13, 2022 Regular Meeting; October 2022 Check Register; financial reports for the month ending October 31, 2022; and Disbursements for Board Approval. Mrs. Nickerson said she received an email from Mr. Simpson with a correction to the minutes. He said "Redfern" should be "Red Fur" tree. The correction noted would be made to the minutes.

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, Harvey, Heald, Jackson and Keatley.

VIII. Old Business: George Carman's proposal to Lease of property or other consideration for seasonal snow storage at 7607 Yuba Drive was not discussed. Mr. Carmen was not in attendance.

IX. New Business:

A. Mr. Benson's request for a HOTFaP grant was discussed earlier in the meeting.

B. Mr. Stodmeister, a member of Farr West Engineering Utility Planning Group, presented Utility Master Planning Proposal Scope and Fee to the Board for consideration and possible action. He said the proposal consisted of seven tasks:

1. Project Management – to plan, organize, control, and communicate activities in the Scope of Work and within the approved budget and schedule.
2. Condition and Risk Assessment – determine the location and condition of the pipes, facilities, manholes, sewer system etc.
3. Sewer Flow Monitoring – determine exiting sewer flows based on a study performed by ADS Environmental Services, using sewer flow meters installed around the system.
4. Hydraulic Modeling – determine the water distribution and sewer collection systems capacity and/or deficiencies. The modeling would help guide decisions going forward.
5. Water Mater Plan – craft a Master Plan based on results of the first four tasks. The Water Master Plan would include five Technical Memorandums (TM):
 - TM1 Water System Usage and Demands
 - TM 2 Water Resource Analysis
 - TM 3 Water Treatment Plant Analysis
 - TM4 Water System Distribution Analysis
 - TM5 Capital Improvement Plan
6. Sewer Master Plan – craft a Master Plan based on results of the first four TMs
 - TM1 System Flows and I&I
 - TM2 Sewer Collection System Analysis
 - TM3 Sewer Lift Station Analysis
 - TM4 Capital Improvement Plan
7. Final Master Plan – delivery of a complete utility Master Plan combining all TMs into two documents.

Director Jackson said the costs of the tasks seemed expensive and asked for more information. Mr. Stodmeister said there were some options that could be taken off to reduce the costs if needed. He said the sewer flow study was expensive because the use an outside company would be required. However, the information would provide a better understanding of the District's actual peak flows.

Director Jackson said, at the last meeting, there was a presentation regarding

financial planning. She said the presentation stated that Master Plans would be a needed for financial planning but did not see anything about financial planning in the current presentation. Mr. Stodmeister said the last TMs, Capital Improvement Plans, would provide high level cost estimates to provide the Board with information to help determine what projects could be funded through reserves, or depreciation or if outside financing would be necessary.

Director Heald said she was interested in the exclusion of field inspection testing from the Risk Assessment. She said, if the state of the water system was being looked at, to see how it functioned and where the problems were, why wouldn't you need to look at the linear pipes? She didn't see how field observation could be excluded. Mr. Stodmeister said he understood that the District had a grant for leak detection testing and that the information from that testing would be used to create maps of the locations of leaks and to perform analysis of pipe materials and age. He also said the District had video of most of the sewer system that could be reviewed instead of performing field inspections. Mr. Schutlz said the District also had access to the Woodard Curran 2018/2019 AC Pipe Corrosion Study that Mr. Quesnel had requested.

Director Heald said, based on the available information from the leak detection study, looking at the pipe materials and age risk, reviewing the sewer pipe video, field inspection of manholes and the 2018/2019 AC Pipe Corrosion Study was additional field evaluation of the pipes themselves going to be needed in order to create the Master Plan? Mr. Stodmeister said no, the Master Plan would be created based on the available information and risk assessment. However, because there has not been a lot of planning or assessment of the system, "we don't know what we don't know" and cannot rule out the need for some field evaluation of specific locations. Director Heald said she thought the discussion in March or April was that a lot of the field camera inspection of the pipes had already occurred. Mr. Schutlz said the need was camera inspections of the sewer system and about a third of the system was done this year.

Director Heald said in regard the Director Jackson's question about the sewer flow monitoring costs and the analogy that it was "a Cadillac vs. a Pinto." She asked if there were any other costs that could be categorized in the same way. Mr. Stodmeister said a lot of the costs were rolled into Tasks 2 and 3 and that Task 2 – Condition and Risk Assessment could be moved to next fiscal year to cut costs. There was also a lot of information already available, without field work, to develop a risk assessment. Director Heald asked if the cost of the proposal was budgeted. Mr. Schutlz said no but that there was still money in the Placer County Treasury fund to pay for it.

Mr. Baird said, regarding the sewer flow monitoring, he wanted to know when the flow meters would be installed if the proposal was approved. Mr. Stodmeister said an assessment would be done to determine the best time. He said installing the meters near the end of winter would give the best information about I&I. He also said putting the meters in as soon as possible would provide information about I&I during winter storms.

Director Harvey said, looking at the big picture, this proposal was to create the Master Plan that would include technical information. He asked Mr. Stodmeister to describe how the Mater Plan would turn into engineering drawings, processes, and construction etc.; what

happens after the Master Plan to realize the improvements. Mr. Stodmeister said the intent of the Master Plan was to find all the problem. Once the problems were identified, project cost estimates would be developed. The Board would then use the Master Plan to decide which projects to go forward with.

Director Jackson asked if the Board could accept this proposal or if it was required to put the Master Plan project out to bid. Mr. Mitchell said he didn't believe the project needed more than one bid. Mr. Schultz said it wasn't really a bid item, it was a negotiated item. Mr. Mitchell also said he believed it was part of the work they were retained to provide.

Director Stockton summarized Mr. Mitchell's statement that the Board could approve the proposal contingent on Mr. Mitchell's closer review of the proposal.

Director Harvey asked what the funding component of the \$300,000 was. Mr. Schultz said the funds would come from the District's Placer County fund. Mr. Schutz also said it was not a budgeted item but was important to help the Board make future decisions. Mrs. Nickerson said the current balance of the Placer County fund was about \$1,000,000 before this project. Director Harvey said the projects identified in the plan would involve much bigger dollars. He asked if the projects would then be paid for through grants and new rates. Director Heald said general bonds, special assessment district etc. Mr. Schultz said any funding method available to Municipalities would be considered. Mr. Stodmeister said whatever funding mechanism the Board decides to pursue will require a Master Plan. He said there were many funding avenues including grants but wouldn't know what was available until the cost estimate of the projects were determined.

Director Heald said she shared Director Harvey's angst about how the projects will be paid for. She said she would like to have discussion about the alternative funding options and how the Board would want to go prior to completion of the Master Plan in two years. Mr. Schultz said funding was something that should be discussed as part of the planning process so upon completion of the Master Plan the Board would already have a good idea of the funding that will be sought. Director Harvey said he just wants to be transparent with the rate payers.

Mr. Stodmeister said rates would be a consideration when applying for grant and funding. He knows of a district that was required to raise rates before obtaining funding because the rates were too low. Director Stockton said he didn't think there was an Affordability Index for the District and asked if a neighboring community's Index would be used. Mr. Stodmeister said most likely a funding agency would use Truckee. He said Truckee's current Index shows a median annual income of \$98,000 and utility rates should be about 2 ½% of that. The District was currently at less than 1%.

Director Jackson said part of the communication challenges the District was having was that metered rates and all the capital improvements were hitting at the same time. Mr. Stodmeister said he understood the challenges the District was facing. The good news was that the projects could be spaced out based on a priority list.

A motion was made by Director Heald and seconded by Director Harvey to approve the project as described subject to the review of District Counsel and the General Manager. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Harvey, Heald, Jackson and Keatley.

Director Jackson asked about the timeline for the project. Mr. Stodmeister said he would contact ADS immediately to see when flow monitors would be available with the hope they could be installed within the next month. He anticipated the first draft of TMs would be ready in February with the final Master Plan completion in October.

C. Mr. Carmen was not in attendance. The item was tabled until the December meeting.

X. Administration:

A. Mr. Schultz said the survey for Ice Lakes Dam & Serena Channel were complete and the maps were in production. He said he would incorporate Director Jackson's comments into the Vessel Storage on District property before spring. He also said he talked to the property owner and sent them a letter. He said he had considered having them remove the sand but was concerned it would cause more damage than leaving it in place. Mrs. Nickerson said she received the grant deed for the donated property the day after the October meeting.

B. A Status of Action Items was presented to the Board for consideration and possible action. Mr. Schultz said he planned to redo the Action Items List prior to the next meeting. He then reported that:

1. AMR and Metered Rate:
 - a. AMR Data Collection: The item was ongoing and progress remained at 15% complete. There were about 600 meters installed and would begin to make meaningful use of the data.
 - b. Develop recommended method for providing customer access to their personal water use data: – The item was ongoing and progress remained at 50% complete. Eye On Water would be used for now and changes would be included in the Master Plan.
 - c. Develop Metered Rate Structure: The item remained at 85% complete. Mr. Van Dyne's Gantt Chart was attached to the Action Items list and be updated as needed.
 - d. Rate Study Communication: The item remained at 50%. Mr. Schultz said the communication webpage was not complete but would work on it in conjunction with the Master Plan.
 - e. Board and Community Workshop: Progress remained at 75% complete. Community Workshops would be built into the Mater Plan being developed by Farr West Engineering.
2. District's ownership of the Dam: – The item was discussed earlier in the meeting.

3. Retool General Manager Position – Mr. Schultz would be meeting with Director Stockton early in the next week and with Directors Harvey and Heald early in December.
4. Gantt Chart – Farr West Engineering’s Gantt Chart was included in the board packet following the Action Items List.

B. **CLOSED SESSION:** Conference with Real Property Negotiator (GOVT CODE §54956.8):

Negotiating Parties: Paul Schultz, George Carman
Property: 7607 Yuba Drive
Under Negotiation: Lease terms

No Closed Session was not held due to Mr. Carmen’s absence.

C. **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 Stockton, Harvey, Heald, Jackson and Keatley.

The minutes were approved at the Regular Meeting held on December 8, 2022, as part of the Consent Items Calendar. A motion was made by Director Jackson and seconded by Director Keatley to approve the Consent Items Calendar as presented. The motion passed by a unanimous rollcall vote.