

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

Date: Thursday March 23, 2023 / **Time:** 6:30 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

The meeting was held in person at the District Office and was teleconferenced to allow public participation.

I. Open Meeting:

Roll Call:

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

Director Dan Stockton
Director Jon Harvey
Director Karen Heald
Director Jennifer Jackson
Director David Keatley

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

Paul Schultz P.E. Inc, General Manager
Patrick Baird, Utility Operations Manager

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:

Dr, Chandra	Dick Simpson
Roger Drosd	Barbara Pelletreau
Bill Cooper	David Niemeyer
Dennis Fisco	Sandy
Shandon Lloyd	

Minutes Recorder:

Patrick Baird, Utility Operations Manager

II. Public Forum: An opportunity for members of the public to address the Board on items that were not on the agenda. Mr. Drosd said he wanted to mention the stellar job Mr. Baird has been doing.

III. Approve Agenda: The agenda was presented to the Board for approval. Director Jackson asked to move item VII. C. General Manager Recruitment to the beginning of Old Business to accommodate Mr. Niemeyer who was in attendance. The Board decided to leave the agenda as presented.

A motion was made by Director Heald and seconded by Director Keatley to approve the agenda. The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Harvey, Heald, 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. Mr. Schultz said a letter in support of the fire cameras was received and would be included in the board packet.

V. Operations:

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

- DSPUD reported some overruns that Sierra Lakes County Water District would be sharing in. The result of the overruns was a budget deficit that would be discussed later in the meeting under Item VIII. A.
- Dr. Chandra, University of Nevada Reno (UNR), would provide an update on the Contemporary Water Assessment later in the meeting. He said a letter was provided to the District in February regarding trout stocking that suggested a return to old levels of loading fish in the lake down from the current high loading of fish loading that has been taking place over the last couple of years. The information would be passed on to SLPOA and the issue reevaluated at the end of the Water Quality Assessment in June 2024. Director Heald confirmed that the recommendation was to lower the fish load and to load over a period of time.
- In anticipation of his resignation, Mr. Schultz would be reassigning some of his regulatory duties to Mr. Baird. Mr. Baird had already completed the annual reported diversions and was working on the Annual Electronic Report and Consumer Confidence Report. Mr. Baird would also be given the Draught Resiliency Report.

Director Harvey asked what DSPUD's incentive was to keep costs in line and if they were under budget would the District get a credit? Mr. Schultz said the District would get a credit if DSPUD was under budget but didn't know if there were incentives for staying within budget. Regardless, if DSPUD goes over budget, the District would be responsible for its share.

Director Harvey said the District needed to give direction to SLPOA or the fish stocker based on Dr. Chandra's report.

- B. Patrick Baird, Utilities Operations Manager, presented his report to the Board for consideration and possible action. He reported the following:
- DSPUD had no permit violations in February.
 - Snow removal continued due to massive amounts of snow.
 - There were no sanitary sewer overflows in the month of February.
 - All water treatment requirements were met.
 - Water usage was down about 10% per day.
 - Sewer flows were up about 5% per day. He anticipated a high I&I season with the record setting winter.
 - The lake completely froze to the bottom and the raw water temperature was at 0°, causing a decrease in the water production level from 150 gallons/minute to 100 gallons/minute. Staff was placed on a staggered schedule to keep up with demand.
 - All lift stations in SLCWD's sewer system were working with no issues.
 - All generators and pumps were working properly through the various power outages.
 - 21 customers were now signed up for EyeOnWater.

Mr. Baird said he appreciated it when members of the community report issues, even when an issue was not water related. He said he saw a transformer that was cracking and immediately reported the issue to PG&E. PG&E was out to fix the transformer within a day. Mr. Schultz said staff was beginning to see issues with some of the District's above ground facilities mentioning the roof at pump station 3 that had snow damage. He said there might be funds available from Placer County to help with the damage.

VI. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the February 9, 2023, Regular Meeting; February 2023 Check Register; financial reports for the month ending February 28, 2023; Disbursements for Board Approval.

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

VII. Old Business:

A. SLPOA - Fire Cameras (This Item was discussed after Item B.)

Barbara Pelletreau and Dennis Fisco co-presented an update on the proposed Fire Cameras. Ms. Pelletreau said the SLPOA Board approved \$25,000 for Tahoe Prosperity Centers to support the installation and annual fees for one camera and asked that Sierra Lakes do the same. They initially were looking at two cameras but decided to get one installed before fire season. She said a ten minute video regarding the camera was posted on SLPOA's website if anyone wanted more information. The posting included letters of support from Placer County Sheriff's Office and Tahoe National Forest. Truckee Fire would not provide a written letter given

that the Measure T grant application would soon be released and it was SLPOA's intent to apply for a grant.

Ms. Pelletreau said their goal was to secure \$50,000, by April 15, 2023, to get one camera ordered and installed at the Soda Springs Ski Resort. They were also working on a contract with UNR and the owner of Soda Springs Ski Resort and securing pledges of another \$67,000 for five years of annual fees and 10% to Tahoe Prosperity for installation.

Dennis Fisco said the \$25,000 for five years of fees broke down to about \$6.00/rate payer/year. He said they didn't need the money right away they just needed a pledge.

Mr. Schultz said the District was right in the middle of developing their 2023/2024 Budget so the Board could not make a firm commitment. He thought the Board could make a decision by the April or May meeting.

Director Heald thanked them for the presentation and asked if the Land Trust offered any support for the project. Ms. Pelletreau said they had been working with the Land Trust but it was on hold. She did say she believed the Land Trust would provide a letter of support if asked. Director Heald said she was asking about a support for funding. Mr. Fisco said he thought the problem with the Land Trust was, having inherited the Royal Gorge properties, the forest management plan was more than they thought it was going to be and, as a homeowner, the clearing of the forest was far more important than the camera.

Director Heald said she watched the video and the overlays of coverage. She said she didn't see anything that included Mt. Lincoln in Soda Springs. She asked what the gaps would be without Mt. Rodden? Ms. Pelletreau said there was a view that only showed Mt. Rodden. She also said Mt. Rodden was down in a canyon towards The Cedars and the back side of Mt. Lincoln and Soda Springs had a direct view down into Serene Lakes.

Director Heald said there was a reference to PG&E cameras to the west and asked if they had any information about their coverage. Ms. Pelletreau said they didn't and that PG&E told them that their cameras were adequate for what they needed to cover and it didn't include a camera for Soda Springs.

Director Stockton asked if the cameras covered The Cedars. Mr. Pelletreau said no, the best camera for the Cedars would be Mt. Rodden. Director Stockton said he was told that if the community had a fire coming it would most likely come from The Cedars. Mr. Fisco said they were not giving up on the Mt. Rodden camera that would cover the Cedars, they were going with the most expedient camera. Director Heald said there was a study done a few years ago that determined the "most likely" path a fire would enter Serene Lakes was from the American Canyon based on topography and prior burns not that it couldn't come from the west.

Director Jackson said she had a question about the placement of the camera. She asked, if they imagined that the fire would start locally, if they were looking for an early detection, why would the cameras be looking at Serene Lakes why not look somewhere else? Ms. Pelletreau said the camera would do two things. There was a control mode that looked for changes and

dispatchers at Placer County had security to change the cameras to hone in on certain areas to allow them to get the resources where needed.

Director Keatley said he supported the camera as a homeowner but questioned who had jurisdiction and who should be paying for it? He did understand that the District had assets that could be impacted by fires. He also asked if SLPOA fees could be increased to cover the costs? Mr. Fisco said the number one owner of property and infrastructure in the Serene Lakes area was the Water District. Without the Water District, homeowners could not occupy their properties.

Director Heald said she would like Mr. Mitchell, District Counsel, to provide a recommendation to determine if it was something the Water District could do before deciding if the District wanted to do it. Mr. Mitchell said he would follow up.

Director Harvey asked if the District had a fund to pay for items like the camera or if it would become a line item on the budget? Mr. Schultz said there was no fund. Mr. Mitchell would provide an update at the April meeting.

B. Contemporary Water Quality Assessment (This item was discussed prior to Item A.)

An update on the District's Contemporary Water Quality Assessment was presented by Dr. Chandra, PhD, Limnologist from UNR's Global Water Center. A copy of Dr. Chandra's slide presentation has been attached to the minutes.

Dr. Chandra said he would be summarizing some of the major points of the progress made over the last six months. He also said the project was moved from the graduate student to staff to move forward with the project in a timelier manner with no effect on the deliverables.

Dr. Chandra said there had been a lot of change in climate since the early historical setting of the 1990s. He also said snow pack would drive the type of dynamics in the lake. He noted the following:

- There had been slight increases in the air temperatures from 0.4 to about 1°C. The information would be broken down by seasons in the report.
- Historical data showed that there were big movements of water every five years.
- In November 2021, a high-resolution contour map of the lakes was developed. Director Jackson asked if there was a comparison to the historical bathometric map. Dr. Chandra said a comparison was not done but if the Board wanted, they could try to print out the old map and do an overlay; the old map was not high resolution, it was coarse, making it hard to see changes. Director Jackson said she had several members of the community express their feelings about how shallow the swim lake had gotten. Mr. Schultz said Dowl might be able to help with a comparison.
- It was noted that Dulzura lake was gradually decreasing its clarity to 2.8 meters in the summer/early fall and Serena took a step wide shift of 2.9 meters from the mid-summer. Clarity overall was less all year round than the historical data from August 1990.

- Algal growth increased to 2.5 to 3 meters below the surface by August/September showing that algae growth within the system dominated below the surface; very common for mountain lakes.
- Summer clarity readings in both lakes had decreased since 1990 and a comparison of nutrient data from August 1990 and August 2021 showed that nutrients were currently lower than the 1990 levels. It was suspected that a different measuring method was used in 1990 and suggested that the current data be used as the baseline.
- Serena had higher algal concentration in shallow water where Dulzura had higher concentration in deeper water showing the algal balance was different in each lake. The higher algal mass in the depth was possibly due to plants.
- Serena and Dulzura were classic mountain lakes, largely limited by nitrogen and phosphorus, not nitrogen only. Nitrogen sources include snow pack, rain and possibly groundwater or leaking wells, which could stimulate growth. Landscape was the source of phosphorus; largely from materials eroding from the soils or interim mixing in the lakes from sediments. By controlling phosphorus, the algae bloom could be controlled. This information would be used for developing Best Management Practices for water quality.
- Accounting for the major smoke impact would help determine the effects of wild fires on the lake systems. The miniDOT sensors showed that oxygen levels significantly declined as soon as fire season started.

Director Jackson said she and Mr. Baird had been doing some investigation into cyanobacteria and asked if the slide referring to bacteria growth referred to bacterial from decaying plant matter or could it include cyanobacteria? Dr. Chandra said cyanobacteria was not a true bacterium but the green part of the graphs would be what the cyanobacteria would be picking up. The actual composition of cyanobacteria would not be collected but the blooming of oxygen would provide a sign of cyanobacteria. The black parts of the graph showed the bacteria that eats the organic matter produced from the algae.

Dr. Chandra said if the Board was interested or worried about cyanobacteria blooms there were two things he would recommend for monitoring. First, the already purchased oxygen and temperature probes could be used for continuous monitoring and the purchase of an optical probe, at a cost of \$5,000.00 to \$8,000.00, could measure both cyanobacteria and chlorophyll.

Director Jackson said she had a question about the fish stocking memo. She said it sounded like fish could both increase potential algae growth by defecating and decrease algae growth by consuming algae. Dr. Chandra said fish could stimulate growth of algae and it was common in mountain lakes. He said they found that 36% of the nutrients in a lake they studied near Mt. Shasta came from fish excretions. He also said overstocking a lake could stimulate algae growth when there were too many fish eating too much of the plankton that eats the algae. Dr. Chandra said the intent of his letter was to explain that both things could happen and that they noticed the planting of fish doubled. Director Jackson asked why should there be any stocking of fish. Dr. Chandra said fish could be eating certain types of the zooplankton and could enhance the other zooplankton that graze on algae. There was a nuance that was hard to predict without enough data and recommended monitoring for a couple years before making a drastic change.

Director Jackson said he had previously mentioned the aquatic plants and asked if he had a sense of how to monitor the growth of the plants. Dr. Chandra said his recommendation would be to keep the map as a base map and measure the extent of the area over time instead of measuring the actual plants for growth. He could provide a method that would put a rake in the water to get the composition. He also said it was a great water year to monitor plants with all the water coming in.

Mr. Baird said he saw the graduate student collecting more samples in 2022 and asked if data was available and if a comparison to 2021 would be done. Dr. Chandra said, by contract, they were not slated to do a comparison. He said most likely they would plot the data to look at it together but would probably not run the models due to the expense.

Dr. Chandra said Mr. Drosd made a great point. The number of fish stocked was one thing but the actual density or populations didn't matter because the fish were sterile and would deplete over time. He said they wouldn't be able to determine the depletion rate without either putting nets out or having a group of avid fishermen keep detailed records.

C. General Manager Recruitment

The Board discussed the status of the General Manager Recruitment. Director Harvey provided a summary of the steps taken to date from notification of Mr. Schultz's desire to retire, selection of a recruiting firm and identifying individuals for interview. Mr. Niemeyer, CPS HR, Consulting, provided a summary of the process they took to identify possible candidates. He said they identified 35 candidates, screened 13 and selected nine to answer additional questions. The plan was to hold initial video screening calls with the top candidates in the next couple weeks followed by recommendations to the Board for interviews. Director Jackson said the hope was to hold interviews with three to five candidates at the April, 13, 2023, meeting. Director Harvey said the candidates were a mixture of highly educated professional engineers, people who came up through the ranks, a few that were local and some that would need to relocate to be within an hour of the District.

D. Walter Dahl request to hold and event: Mr. Dahl's letter requesting that his prior request to hold an event on District property be rescinded was presented to the Board. Not action was needed.

E. Fire Hydrant Snow Removal: The Board discussed a possible fire hydrant snow removal program. Mr. Baird said he spoke to the Battalion Chief after an incident where a propane tank exploded. He said he was told by the Chief that it would take them one to two hours to dig out a hydrant. He also told the Chief that the District always kept a hydrant at Station #3 and another by the District office cleared. Mr. Baird said he contacted a couple contractors in the area and was told that it would cost \$600 to \$1,000 per/hydrant per/mobilization for seasonal snow removal. He said most snow removal companies would not clear snow from hydrants due to the liability. The Board agreed that the cost was not feasible.

Mr. Baird said there was a 2006 agreement between both Water Districts, Fire Districts, Nevada and Placer Counties and LAFCO that was signed when Truckee Fire Protection District took over Donner Summit Fire District. He said, since the agreement was signed, this was the first year Truckee Fire did not dig out fire hydrants. He also said Donner Summit PUD was having the same issue. Mr. Schultz said because LAFCO was a part of the agreement there was a chance for resolution. Mr. Baird said Donner Summit PUD provided Truckee Fire with a copy of the agreement. Mr. Schultz said staff would follow up and report back in April or May.

F. Director Jackson presented additional information regarding the novel constituents and contaminants in raw water. She said she had numerous conversations with Mr. Baird and met with people from the Office of Environmental Health Hazard Assessment that was connected to a large State program “California Harmful Algal Bloom Program”. She said, through that program there was a mitigation subcommittee that she and Mr. Baird met with. She also said she and Mr. Baird would be having another meeting with them now that they had an update on the Contemporary Water Quality report. Director Jackson said her recommendation was to continue to learn about the parameters, what could be done to visually monitor and possible mitigation practices that were not really costly or possibly free. She wanted to learn more and report the information to the Board. She also said Trish La Notte, who presented at the last meeting, was continuing to fund raise and advance her study and wanted to include Serene Lakes in their sampling plan. She was looking to collaborate with Ms. La Notte.

Director Jackson said there was not registry for ALS but she had a list of eight people and Trish had a list of about 15. She said the incident rate of those number were about four times the norm for the population based on her very rough calculation and there was really no one to help crunch the numbers. Mr. Schultz said on extremely rare occurrences, like ALS, being four times over wasn’t really that indicative without further analysis. He also said Director Jackson was doing a lot of work on her own as a committee of one and wanted to make sure it was acceptable to the Board. He didn’t want to end up with unintended consequences; if we find them we will have to act. The consensus of the Board was in support of Director Jackson’s work.

Director Jackson said her profession was working with toxins and there was a class of PFOS chemicals (Teflon), also known as forever chemicals because they do not degrade in the environment. She said many water agencies across the country, who have adopted Maximum Contaminant Levels (MCL) for drinking water, had been treating to remove PFAS. She also said the EPA just published a draft MCL and, if adopted, the District would have to monitor and treat if found. She mentioned it for consideration when discussing the budget. She also said sampling would cost \$400 to \$500 and might be good information to have for the Master Plan. Mr. Schultz said they could generally design the process without sampling the water. Mr. Mitchell said there was no requirement to test and if you test and find something there would be someone who would want something done. Testing does not legally obligate action but might attract pressure from the community to act. Director Jackson proposed taking two samples; one raw water and on treated water. Mr. Baird said he ordered the bottles from the lab but needed a sampling plan. Mr. Schultz said UNR already had a sampling plan and he would see if he could get it.

Director Heald said, from a philosophical perspective, she agreed with Director Jackson that it would be good to know to help plan for the future. She also said she agreed with Director Harvey that a sampling plan was required along with an estimated cost.

Mr. Baird was asked to obtain a sampling plan and develop a cost estimate to be presented at the next Board meeting.

VIII. New Business:

A. The Board discussed the first draft of the 2023/2024 Budget. Mr. Schultz said, in response to Director Jackson's questions, the current year, 2022/2023, had an estimated deficit of \$104,000.00 and the first draft of the 2023/2024 budget had an estimated deficit of \$161,500.00. He said he met with Mr. Baird to work through some of the operational costs and anticipated repair work and determined that things were not going in the right direction. He also said the deficit for the current year was due to Donner Summit PUD's inaccurate budget that wasn't provided until August, after the District's budget was adopted was off by about \$400,000.00 resulting in a cost to the District of \$161,000.

Mr. Schultz said he looked and confirmed that the District's reserves were just over \$1,000,000.00. Director Jackson had asked him what the industry best practices were for reserves and he said the District did not currently have a policy. However, in December, Mr. Van Dyne presented information about the types and amounts of reserves the District should have. Mr. Schultz said allocating about \$600,000.00 as Operations Reserves and 10% for debt reserve, there would still be about \$400,000.00 to \$500,000.00 left in the reserves to cover the deficit. He said the Board could borrow from reserves and send out a supplemental bill or pay the deficit from the reserves and wait until October when the Master Plan should be completed and set a new rate for 2024/2025.

Director Jackson said she talked to Cindy Gustafson, who was the General Manager for Tahoe City but was now the County Supervisor, who said it had been a long time between rate increases for Tahoe City and they decided on an incremental rate increase over time. Mr. Schultz said that was Dowl's recommendation.

Director Keatley said there was enough information now to know that a rate increase was needed. Mr. Schultz said Mr. Mitchell would need to do an analysis of the rate increase letter that he sent him to make sure it was in compliance with Proposition 218 requirements. He also said a rate increase due to "pass through" costs may not be subject to the Proposition 218 process. Mr. Mitchell said the analogy he gave Mr. Schultz was, if PG&E passed on a power rate increase, there was a school of thought that the cost could be passed on without a Proposition 218 process. He said the other piece was that a rate study would not be needed to deal with specific external increases.

Mr. Baird said, to go through a rate increase this year would be extra work since the following year another rate increase would be needed. Mr. Schultz would work with Mr. Mitchell on a rate increase for 2023/2024.

B. Administration:

A. The Follow Up items from the February 2023 meeting were presented to the Board. The fire hydrant map was provided to the Board.

B. There were no changes made to the Status of Action Items list. Mr. Schultz said the Master Plan was currently in production, on schedule and within budget.

A. CLOSED SESSION:

1. Public Employment (GOVT CODE §54957): Title: General Manager
Appointment – General Manager Position
2. Conference with Real Property Negotiator (GOVT CODE §54956.8):
Negotiating Parties: Paul Schultz, George Carmen
Property: 7607 Yuba Dr
Under Negotiation: Lease Terms

Mr. Mitchell reported out of Closed Session. He said he met with the Board in Closed Session for the two items identified on the agenda and no reportable action was taken

B. Adjournment

A motion was made by Director Heald and seconded by Director Jackson 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 Special Meeting held on April 13, 2023, as part of the Consent Items Calendar. A motion was made by Director Jackson and seconded by Director Keatley to approve the minutes of the March 23, 2023; Special Meeting as presented. The motion passed by a rollcall vote: Ayes: Directors Stockton, Harvey, Heald, Jackson and Keatley.