

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

**Date:** Thursday August 10, 2023 / **Time:** 5:30 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 Boardroom:

Director Dan Stockton  
Director Jennifer Jackson  
Director David Keatley

Present by teleconference:

Director Karen Heald

Absent:

Director Jon Harvey

Staff members in attendance at the Sierra Lakes Boardroom:

Shauna Lorance, General Manager  
Patrick Baird Utility Operations Manager  
Anna Nickerson, Financial Consultant

Staff present by teleconference:

Jeffrey Mitchell, District Counsel

Guests present at the Sierra Lakes Boardroom:

Peter Wiley  
Ed Bubnis

Guests present by teleconference:

Gowri Grewal  
Alexander  
Joe Peltier

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. There were no comments.

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

**A motion was made by Director Jackson and seconded by Director Keatley to approve the agenda.** The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Jackson and Keatley. Director Heald joined the meeting after the vote. Director Harvey was absent.

**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.

**VI. Operations:**

A. Shauna Lorance, General Manager, presented her report to the Board for consideration and possible action. She reported the following:

- She spoke with the Fire Chief and would be scheduling a meeting discuss options. The meeting would include Fire Chief McKechnie, a SLPOA representative, Mr. Baird and the Director of Transportation for Placer County. She also said the area of disagreement was that the LAFCO agreement stated Truckee Fire would continue to provide the same service that was currently being provided. However, the Fire Department considers snow removal around fire hydrants a departmental decision and not part of the fire code.
- Staff was still working on snow removal from District property. She said a tolling agreement was met with Mr. Carman; placing any deadlines for claims on hold. She also said she received notice from Placer County's attorney to District counsel stating Placer County would not be removing snow between the District's building and Mr. Carmen's property. However, Placer County's agreement stated they would remove snow from around the building. Staff was still working through the issues.
- Technical Memo #1 for the Utility Master Plan was received from Dowl. A very draft Technical Memo #2 was also received. Based on the information received, the schedule to be discussed later in the meeting was no longer valid and a new schedule was requested from Dowl.
- A purchase order in the amount of \$15,000 was issued for the Valve Box contract.
- She felt very strongly that if someone took the time to write a letter to the District, she should respond. She said several similar letters, in response to the proposed rate increase, were received so she placed a draft letter in the packet for approval. If the Board approved of the talking points, she would send letters.

Director Heald asked what Mr. Mitchell was implying about the enforceability of the LAFCO contract? Ms. Lorance said Mr. Mitchell hadn't responded yet but was looking into it. She also said she felt they may be able to resolve it issues.

Mr. Bubnis, resident of Serene Lakes, said, although he was not an attorney, it was his opinion that it was the sole responsibility of Truckee Fire to clean the hydrants per the agreement between DSPUD and Truckee Fire. He didn't understand why the Water Board was involved.

He also said DSPUD's legal people were talking to Truckee Fire legal people about clearing the hydrants. Mr. Bubnis said, in 1981, a tax was passed to create the Fire Service for the summit that included clearing of the hydrants and that Truckee fire had been providing that service for 20 years. He felt it was an issue between DSPUD and Truckee Fire and that Truckee Fire should be clearing the hydrants. Ms. Lorance said from what she had heard in the past, agreements within LAFCO were enforceable through the parties of the agreement and that there was a difference between operational and non-operational issues; if requirements change, processing must change to meet the new requirements.

- B. Patrick Baird, Utility Operations Manager, presented his report to the Board for consideration and possible action. He reported the following:
- DSPUD's wastewater treatment plant was operating properly with no violations.
  - Water usage was down 25% over the last five years.
  - Sewer flows were up almost 20% over normal. He said five manholes were prepared and coated for leaks. He also said he received sewer flow number from DSPUD earlier in the week that showed Sierra Lakes flows through the plant increased to almost 45%. More work was being done to identify leaks.
  - Water treatment system was running great. Water temperature in the lake warmed up, making it easier to process water.

Director Keatley wanted to know if the flows were slowly creeping up or if it was a big jump. Mr. Baird said there was an expected jump in April with the run off but, trending wise, it never dropped off. Mr. Baird said with continued cleaning and preventive maintenance, the situation should improve.

**VII. Consent Items Calendar:** The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the June 22, 2023 Special Meeting; Minutes from the July 13, 2023 Regular Meeting; July 2023 Check Register; financial reports for the month ending July 31, 2023; and Disbursements for Board Approval.

Director Heald noted that the June 22, 2023, Special Meeting minutes, page 7, fourth paragraph, Mr. Baird's comment about Mr. Schultz's approach to removing trees should read the trees "would be removed".

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

**VIII. Old Business:**

A. A follow-up to a customer's request to remove trees was presented to the Board for discussion and possible action. Ms. Lorance said after the snow melted, it was determined that the trees were within Placer County's 50-foot requirement and were not on District property. She said the District did not have jurisdiction in the matter. Director Stockton said the Fire District was recommending that the trees be cut into small pieces and removed, not chipped. He suggested that the homeowner check with Truckee Fire for more information.

B. Ms. Lorance presented draft Power Point presentation titled “Public Hearing - Potential Rate Increase”. The Public Hearing was scheduled for August 17, 2023, at 5:30 pm. (a copy of the presentation has been attached to the minutes).

1. Why is the Rate Increase Needed: She said the District had done a great job of holding the rates over the last few years, but like everyone, the District has had increasing costs for capital projects and wastewater treatment fees. Although CPI (Cost Price Index) continued to increase, decreasing the District’s buying power, the District was only proposing an 11% increase compared to the 29% increase in CPI since the last rate increase.

2. What to Expect in the Future: She said the District wanted to have a plan for future increases to avoid hitting customers with a big jump in rates. The District was currently working on a Master Plan that would include a planned approach based on the cost of capital projects and improvements. From there the cost would fold into a Five Year Financial Plan; a ten year plan with the expectation that it would only be valid for five. The Five Year Plan would include a projection of future rate increases needed over the next five years.

3. Overview of Current Budget: She said operating revenues were about \$2,100,000 and the operating expenses were about \$2,700,000. The result was a proposed increase of \$273.00 per connection.

4. Historical Rate History: An overview of the historical rate increases, dating back to 1970, was presented.

5. Proposed Water and Sewer Rate Increases: The rate increase was broken down between water and sewer, as required by Proposition 218, resulting in an increase in sewer fees of \$71.00/year and water fees of \$202.00/year for the total increase of \$273.00/year.

6. Questions: Director Jackson suggested that the slide titled “What’s Next” be moved to the end. That would allow Ms. Lorance to talk about future increases. Director Jackson also suggested adding arrows to point out specific items. Director Keatley suggested noting the items that helped avoid a rate increase in the previous year.

Mr. Wiley asked what the Water Department was doing about the algae growing in Serene Creek? Mr. Baird said it may be nutrients running off the hill. It was agreed that there would be a report back at the September meeting.

C. The Meter Implementation Plan was presented to the Board by Shauna Lorance, General Manager, for discussion and possible action (a copy of the presentation has been attached to the minutes).

1. Introduction: She said California State Law required meter billing by 2025. Meters were currently being installed at all water service connections and to date, about 700 of the 840 meters had been installed. The process will require adopting metered rates, installing billing software and converting to the new metered rates. Director Jackson noted that over the winter, heavy snow load caused issues with the transmission of water usage date. Mr. Baird said even with the big now load last winter, approximately 70% of the meters read.

2. Meter Installation: Staff had been installing about 60 meters per week. There was currently inadequate cellular reception in some areas but staff was working with cellular data providers to improve the reception.

3. Development of Metered Water Rates: Ms. Lorance believed developing the metered water rates was going to be the hardest part of the process. She said metered rates would need to be adopted six months before implementation to provide customers with a six month comparison based on the new rates. The Board would need to make policy decisions about fixed and volumetric rates, billing periods, water leaks, whether or not shut-off service

would still need to pay a fixed rate and determine the timing for funding the Capital Improvement Projects from Master Plan.

4. Meter Billing Software: QuickBooks, the District's current software, was not capable of generating metered water bills and was not compatible with Badger meters data. Staff would work with Badger meter on software suggestions.

5. Conversion to Metered Rates: The final step would be to provide six-months of comparison billing. Depending on the number of billing periods, comparison billings may need to be extended to 2026.

6. Implementation Schedule: Ms. Lorance presented an initial schedule for the process of implementing metered rates.

Director Heald said it looked like Group A was the area with the worst cellular coverage and thought it would be a while before there was cell service to support Group A. Ms. Lorance said she agreed and was going to switch the two groups. Director Heald said there was a policy in place regarding fees on discontinued service that should be reviewed before implementing that portion of the metered rate policy.

Director Jackson asked to what degree Group A was already installed compared to Group B? Mr. Baird said staff was starting to move towards the areas where they were having trouble locating meter pits. He said staff had to jump around due to meters in driveways that required drilling of holes and special lids. Mr. Baird also said he hoped by next summer all meters would be installed and working.

C. A Master Project Schedule was presented to the Board by Shauna Lorance, General Manager. Ms. Lorance said she was working on having a plan to show what was being starting, work that was continuing and work that was to be completed each month. She said the schedule may not be updated every month but as things changed, she would provide an updated schedule.

## **IX. New Business:**

A. A request for waiver of a late fee from Alice Phillips was presented to the Board for discussion and possible action. Directors Stockton and Heald both said waivers have not been approved in the past. The consensus of the Board was to deny the request for waiver.

## **X. Administration:**

A. There were no Follow-up Items from the July 2023, Regular Meeting.

B. The Board was polled to determine availability to meet in person at the September 14, 2023, Regular Meeting:

In Person:	Directors Stockton, Heald and Jackson
Possibly By Zoom:	Director Keatley
To Be Determined:	Director Harvey

Director Keatley asked that and item be placed on the next agenda to discuss a possible change to the meeting day.

## **XI. Adjournment**

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

The minutes were approved at the Regular Meeting held on September 14, 2023, as part of the Consent Items Calendar. A motion was made by Director Jackson and seconded by Director Heald to approve the Consent Items Calendar as presented. The motion passed by a Directors Stockton, Heald, Jackson and Keatley rollcall vote; Director Harvey was absent.

