

Approved 4/10/09

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

March 13, 2009

5:00 – 9:12 p.m.

7305 Short Road, Serene Lakes, California.

ROLL CALL:

Directors in attendance at the Sierra Lakes Board Room were:

Director Mr. Wade Freedle, Chair
Director Mr. Gene Bowles
Director Mr. Martin Bern
Director Mr. Ulrich Luscher
Director Mr. Bill Oudegeest.

Staff members present were: Mr. Bill Quesnel and Ms. Dianna Smith

The guests present were: See attached Guest List – Exhibit #1

Minute Recorder: Ms. Dianna Smith

PUBLIC FORUM:

There was no public forum.

**PRESENTATION BY JASON RAINEY OF THE SOUTH YUBA RIVER
CITIZEN'S LEAGUE :**

The February 9, 2009 Preliminary Reading and Response by South Yuba River Citizen's League (SYRCL); the March 5, 2009 letter from SYRCL to the Central Valley Region Water Quality Control Board; and the March 5, 2009 letter from the California Sportfishing Protection Alliance to the Central Valley Region Water Quality Control Board were presented to the Board for review.

Mr. Jason Rainey, Executive Director of SYRCL, addressed the Board in regard to Donner Summit Public Utility District's (DSPUD) tentative waste discharge requirements for their pending permit. Rainey reported SYRCL felt that the mathematical approach by DSPUD to acquire dilution credits is flawed; that the interim limits should be on a three-year term rather than a five-year term; and that the tentative order with eighteen (18) dilution credits for nitrates was very high compared to other treatment plants in Nevada County.

There was discussion in regard to the specifications of the wastewater permit, the impact on the District, as well as the potential costs to the District. The Board requested Rainey to forward to the District Board the information and contacts SYRCL obtained while researching wastewater treatment plants with similar cold weather and peak flow concerns.

PROPOSED RESOLUTION 2009-789 CONCERNING THE POLICY FOR MANAGEMENT OF SERENE LAKES FOR WATER SUPPLY, WATER QUALITY, AESTHETIC, ECOLOGICAL AND RECREATIONAL PURPOSES:

The proposed Resolution 2009-789 Concerning the Policy for Management of Serene Lakes for Water Supply, Water Quality, Aesthetic, Ecological and Recreational Purposes was presented to the Board for consideration. The letters from property owners Le Bel, Hadley, Gary, and Andrade regarding potential building moratorium on existing vacant lots and the lake management resolution were presented to the Board for review.

There was discussion regarding the need, or not, for a CEQA and EIR.

Director Freedle reported the resolution was not fully reviewed by District counsel.

This matter was continued to the April Board meeting.

CONSENT ITEMS CALENDAR:

The Consent Items Calendar was presented to the Board for review and approval. Director Bowles requested removal of the Construction-in-Progress request for continuance from Mr. Singer. Director Luscher requested removal of the February 13, 2009 Minutes.

A motion was made by Director Luscher and seconded by Director Bowles to “Approve the February 2009 check register”. The motion passed on a unanimous vote.

A motion was made by Director Luscher and seconded by Director Bowles to “Approve the new vendor RMS Communications, Inc.” The motion passed on a unanimous vote.

A motion was made by Director Oudegeest and seconded by Director Luscher to “Approve the request for a ninety day continuance to obtain his building permit by Singer”. The motion passed on a unanimous vote.

Director Bowles requested the construction-in-progress requests for continuances be placed on the Agenda under ‘Old Business’ as was done in the past.

Director Freedle reported the Minutes of February 13, 2009 were continued to the April Board meeting. There was discussion regarding whether there was sufficient water to serve the current subdivided undeveloped lots.

OPERATIONS:

Operations Report from Bill Quesnel.

Mr. Quesnel’s February 2009 Operations and Maintenance Report dated March 3, 2009 was presented to and reviewed by the Board. Mr. Quesnel reported on the

occupancy rate survey results and that only fifty percent (50%) of the surveys mailed have responded.

The Board directed Mr. Quesnel to send out another survey to those who did not respond and to develop a weighted average for annual occupancy.

Mr. Quesnel reported that the State does not plan to grant money for forest protection projects.

The Board felt if there are no grant funds available, this project was not feasible.

Award of Sewer Inspection and Repair Contract.

Mr. Quesnel's March 5, 2009 memorandum regarding Award of Sewer Inspection and Repair Contract was presented to the Board for review and consideration. Mr. Quesnel stated it would be best to TV the sewer system when there is spring run off in order to help staff find leaky laterals.

A motion was made by Director Oudegeest and seconded by Director Luscher to "Award a time and materials not to exceed \$14,000 contract for the television inspection and miscellaneous pipeline repairs to Mountain Pipeline of Truckee". The motion passed on a unanimous vote.

Finding of Categorical Exemption for 2009 Water System Improvement Project.

Mr. Quesnel's March 2, 2009 memorandum regarding California Environmental Quality Act Notice of Exemption 2009 Watermain and Lateral Replacement Project was presented to the Board for review and consideration. Mr. Quesnel understood that the project was not changing the current capacity and he felt it was good housekeeping for the District to have the exemption on file with Placer County.

A motion was made by Director Luscher and seconded by Director Oudegeest to "Determine the 2009 Watermain and Lateral Replacement Project Categorically Exempt per Section 15302C of CEQA and to authorize the Board President to sign and file the CEQA Notice of Exemption with Placer County". The motion passed on a unanimous vote.

Proposed Ordinance No. 84 Revising Ordinance No. 69 Requiring the Installation of a Water Meter Box and Testing of the Private Water Service Line Upon Sale of Property or Remodel Involving the Installation of Additional Plumbing Fixture Units.

Mr. Quesnel's March 4, 2009 memorandum regarding Draft Revisions Ordinance 69 was presented to the Board for review and consideration. Mr. Quesnel reported this would benefit the District in locating leaking private laterals.

A motion was made by Director Bowles and seconded Director Oudegeest to "Accept Mr. Quesnel's recommended revisions to Ordinance 84, as amended with a

\$10,000 threshold, and to go forward with the Ordinance process at the next meeting". The motion passed on the following three to two roll call vote: Ayes: Freedle, Oudegeest, and Bowles. Noes: Luscher and Bern. Absent: None. Abstention: None.

Purchase of Replacement Pump for Sewage Pump Station-1 on Hemlock Drive.

Mr. Quesnel's March 3, 2009 memorandum regarding Purchase of Replacement Pump at Sewage Pump Station 1 was presented to the Board for review and consideration. Mr. Quesnel reported the current 20-hp pump has over 35,000 hours on it and was running all the time where the 40-hp pumps were not being used nearly as much. Mr. Quesnel's recommendation was to replace one of the 40-hp pumps with another 20-hp pump and to run the two 20-hp pumps on alternating cycles.

A motion was made by Director Luscher and seconded by Director Bern to "Authorize the Operations Manager to issue a Purchase Order to Simonds Machinery Company of Napa, California in an amount not-to-exceed \$12,000 for the purchase of a replacement pump for SPS-1, including sales tax and freight".

The motion passed on a unanimous vote.

OLD BUSINESS:

President's Report.

The March 6, 2009 President's Report for March 09 was presented to the Board for review. Director Freedle reported Eco:Logic was evaluating the present capacity of the DSPUD wastewater treatment plant, at which time the expansion committee would meet to consider the alternatives to upgrade and expand the plant.

Update on Eminent Domain.

Director Freedle reported he had received an e-mail from Attorney G. Richard Brown with McDonough, Holland & Allen PC informing the District that he was preparing a letter to the Board summarizing what their conclusions were for negotiations with Royal Gorge. Director Bern suggested the letter be put on the April Agenda – Closed Session.

Mr. Livak requested a copy of the appraisal. Director Freedle reported the appraisal was still in draft form and has not been released, but that he expected to have it by the next meeting.

Update on Water Rights Permit.

Director Freedle reported the District attorneys and Ms. Paula Whealen of Wagner & Bonsignore were preparing the District's water rights petition to submit to the State.

March 2, 2009 Letter from SWRCB re: Diversion from Ice Lakes.

The March 2, 2009 letter from SWRCB re: Diversion from Ice Lakes was presented to the Board for review. Director Freedle reported this letter essentially forces the District to submit a petition for change.

February 25, 2009 Meeting with Attorney Elizabeth Ewens re: Petition to Authorize Direct Diversion.

Director Freedle reported he and Mr. Quesnel had met with Attorney Ms. Elizabeth Ewens and water rights engineer Ms. Paula Whealan to discuss the back-up needed to support the District's petition for direct diversion. Ms. Whealan set a completion schedule of four weeks to complete and submit the petition to the State Board.

NEW BUSINESS:

February 13, 2009 Letter from ACWA re: 'Water for Tomorrow' Magazine – A New Tool for ACWA Members.

The February 13, 2009 letter from ACWA re: 'Water for Tomorrow' Magazine – A New Tool for ACWA Members was presented to the Board for review and consideration. There was discussion regarding the cost to the District and the expected benefits for customers.

The Board concurred not to support the magazine.

February 26, 2009 Letter from SWRCB re: Notice of Surface Water Shortage for 2009.

The February 26, 2009 letter from SWRCB re: Notice of Surface Water Shortage for 2009 was presented to the Board for review and consideration.

The Board concurred that it was not relevant to the District.

PCWA Grant Program.

Director Freedle reported that the Placer County Water Agency was accepting applications for a grant program.

A motion was made by Director Oudegeest and seconded by Director Bowles to "Authorize the Board President to apply for the PCWA grant for comparative analysis of the ice studies". The motion passed on a unanimous vote.

Snow Removal from District Fire Hydrants.

Director Freedle reported the fire hydrants were not dug out from the last snow storm ten days ago. Mr. Quesnel researched the agreement between Truckee Fire Protection District and Serene Lakes and had contacted Mr. Bob Bena, the Fire Marshall, regarding this matter.

The Board concurred Director Freedle would prepare and send a letter to Truckee Fire, with DSPUD's support, requesting they remove the snow promptly after storms, as the District could be held liable for any damages to property in Serene Lakes due to snow impaired hydrants.

March 10, 2009 Memo to Board of Directors re: Snow Removal from around Fire Hydrants in Serene Lakes.

The March 10, 2009 memo to Board of Directors re: Snow Removal from around Fire Hydrants in Serene Lakes was presented to the Board for review. This was the policy in regard to hydrant clearance that had been developed in the past by DSPUD.

ADMINISTRATION:

February 13, 2009 Meeting Follow-Up.

The Follow-up from the February 13, 2009 Board meeting was presented to the Board for review. The following was noted:

- Mr. Quesnel applied for Federal Economic Stimulus funding for 2009 and 2010 projects.
- Mr. Quesnel contacted forester Mr. Kevin Whitlock in regard to a possible forest project in Serene Lakes and sent copies to Mr. Todd Foster and Mr. Mike Livak of Royal Gorge, LLC.
- Director Bern and Ms. Smith prepared and sent a letter to Mr. Mark Davis accepting Mr. Ferrier's 'Option 2' to be completed at Mr. Davis' expense with Mr. Ferrier's oversight.
- Mr. Quesnel inquired with Placer County Building Dept as to the trigger amount of improvements made and the requirement to install a bear box.
- Director Freedle and Ms. Smith prepared and sent a letter to The Money Brokers, Inc. regarding the back charges and current amount due with late charges associated with 7217 Palisade Road (prior owner DeRosa).
- Director Freedle and Ms. Smith investigated the Pitney Bowes contract on the meter/scale at Vanderwood's house to see if there was a provision where the District could cancel due to lack of use. There was no such provision and the cancellation as executed.
- Ms. Smith sent the ethics training web link to Director Bowles and Director Oudegeest.
- Director Freedle contacted McDonough, Holland & Allen to obtain credit for Administrative Costs.

· Director Freedle contacted Attorney Ms. Stacey Sheston in regard to the contract with Johnson-Perkins & Associates, Inc. to inquire as to the \$10,000.00 not-to-exceed motion of the Board. She agreed that this was the limit of the initial proposal and would contact Johnson-Perkins in this regard. The contract will not be paid until this question is resolved.

February 2009 Action Items List.

The February 2009 Action Items List was presented to and reviewed by the Board.

FINANCE:

Disbursements Requiring Board Approval.

The following disbursements were presented to the Board for review and approval:

ACWA/JPIA 4/1/09 – 4/1/10 Property Program Dated 2/12/09	\$5,648.00
Acumen Engineering February Professional Services Dated 3/2/09	\$12,643.66
Ellison, Schneider & Harris, LLP January Legal Services Dated 1/31/09	\$2,756.50
McDonough Holland & Allen PC January Legal Services Dated 2/19/09	<u>\$2,639.00</u>
Total	\$23,687.16

A motion was made by Director Luscher and seconded by Director Oudegeest to “Approve the above disbursements requiring Board approval in the amount of \$23,687.16”. The motion passed on a unanimous vote.

Financial Reports February 2009.

The Operating Expense Budget-to-Actual for February 2009 was presented to and reviewed by the Board.

The Operating Expense Budget-to-Actual July 2008 through February 2009 was presented to and reviewed by the Board.

The 2008/09 Capital Projects Budget as of February 28, 2009 was presented to and reviewed by the Board.

The March 10, 2009 Cash Flow Forecast was presented to and reviewed by the Board.

Director Luscher requested a Profit and Loss Report be prepared for the April Board meeting.

Cash Flow & Financing Forecast.

The March 10, 2009 memorandum from Director Freedle regarding Three-Year Cash Forecast for 2008/09 through 2010/2011 was presented to the Board for review. Director Freedle reported at the end of 2010/2011 the District's line of credit with Bank of the West would be exhausted.

The Board concurred if rates needed to be increased, the method needed to be addressed soon.

CLOSED SESSION:

Personnel – All Employees (California Government Code Section 54957)

A motion was made by Director Luscher and seconded by Director Oudegeest to “Move the meeting into Closed Session at the hour of 8:15 p.m.” The motion passed on a unanimous vote.

OPEN SESSION:

A motion was made by Director Bowles and seconded by Director Oudegeest to “Move the meeting into Open Session at the hour of 9:12 p.m.” The motion passed on a unanimous vote.

Freedle reported no action was taken in closed session.

ADJOURNMENT:

A motion was made by Director Luscher and seconded by Director Oudegeest to “Adjourn the meeting at 9:13 p.m.” The motion passed on a unanimous vote.

Sierra Lakes County Water District

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APPROVED BY:

President