

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

March 14, 2008

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:04 p.m., Friday, March 14, 2008 at the regular meeting place of the Board, 7305 Short Road, Soda Springs, California.

ROLL CALL:

The Directors in attendance at the Sierra Lakes Board Room were Wade Freedle, Gene Bowles, Ulrich Luscher, and Bill Oudegeest. Director Martin Bern was present from 560 Mission Street, 27th Floor, San Francisco, California. Staff members present were Bill Quesnel and Dianna Smith. The guests present were Amber Waddle, Leroy Waddle, Linda Waddle, Karen Heald, and Tom Burns. Mike Livak was present for Royal Gorge, LLC.

APPROVAL OF AGENDA:

The Agenda for the March 14, 2008 meeting was presented to the Board for approval.

A motion was made by Luscher and seconded by Bowles to approve the March 14, 2008 Agenda, as presented. Ayes: Freedle, Bern, Luscher, Bowles, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

PUBLIC FORUM:

Mr. Mike Livak addressed the Board concerning the February 19, 2008 E-Mail from Catherine Gortner regarding Comments on Proposed Ordinances 2008-082 and 2008-083. Livak stated that Royal Gorge's intention in questioning the Ordinances is neither to usurp the water and sewer rights of the community here, nor is it to question their aesthetic, ecological, and recreational purposes. Royal Gorge believes that with regard to the Ordinances, the District has a duty to fully understand the implications of the actions from an environmental standpoint. They believe the Ordinances do change things from an environmental standpoint. Likewise, Royal Gorge does not suggest the District doesn't have the ability to provide a higher level of priority to their existing customers and the existing lots. They do not believe that is what the Ordinance suggests. If there were an Ordinance that did suggest that, they would be pleased to review it. They do not believe this is the question at hand, nor does their legal comment letter suggest that they are trying to usurp existing rate payers' rights.

ORDINANCE REVIEW AND ADOPTION:

Ordinance No. 2008-82 Concerning Water Service Priorities, Water Supply Availability, and Deficiency Management Policy and Water Service Conditions of Annexation.

Ordinance No. 2008-787 Concerning the Management of Serene Lakes for Water Supply Management, Aesthetic, Ecological and Recreational Purposes.

Freedle reported that these were continued from last month's Board meeting and since there had been no further updated information in regard to these Ordinances, they would be continued to the next Board meeting.

Mr. Tom Burns addressed the Board in regard to the proposed Ordinances. He stated he is a property owner of undeveloped lots in the District, and was concerned about the first come, first served basis in the Ordinances. That policy would lend to rapid development as opposed to measured over time. He would think that anybody, in any category should have equal rights, and he wondered why a time priority was attached to that. He asked to Board to consider this aspect in connection with the Ordinances. Freedle stated the Ordinances were being reviewed by the Districts Attorneys in view of comments made at last months meeting. Burns requested his comments be forwarded to the Attorneys for consideration. Bowles questioned Burns in that the first come, first served policy has always been the District's method of issuing connection permits and if Burns was saying that should not be the policy. Bowles clarified that Burns is suggesting to let all the current lot owners build out and if that should tax the water supply of the District, then the whole District would be on water rations. Bowles questioned Burns about his perspective on the scenario of Royal Gorge building a thousand units and the District incorporated that in. Burns stated that if Royal Gorge were to build additional units, it would have been evaluated that there would be ample water before that happens. Therefore, those new lots would have equal priority on the additional water which was appropriated through the additional water for the new development. He was talking about categories, not about different annexation of property somewhere else in the County. Equal category should mean equal treatment.

Luscher stated there were two potential issues. The first one is who was allowed to connect. The Board believed the District must have priorities. The second issue was once they are connected, and then there is a water shortage. The idea there is that everyone would be treated equally. Burns stated that in the initial development of 1,080 lots, there was deemed to be ample water supply for all of us. Everybody had an equal right to apply for that water. Why someone builds September 1st, as opposed to not building yet, he felt there should be a differentiation between two people in the same category, if inside whatever boundary line that might be, they all become equal. Oudegeest asked if that was what the Ordinance says, that the first priority is all the lots that exist and they could hook up? Burns stated it read that the first priority was all the lots currently connected. If the District is saying that every existing lot has an automatic right to obtain water, he did not have a problem with it. Bern stated he did not think the District could say that. He questioned what would happen if the District's water supply disappeared somehow, or if it was drastically reduced. He thought the District could not prejudice whether there would be a moratorium situation, or if the District would be in a situation to connect subdivided lots; but, if there was not ample water, until water was actually provided; he did not know if the District had an answer to that question. Burns stated all the existing permits provide more than ample water for all the existing lots. Bern questioned what Burns meant by permits. Burns stated the water rights that the District has. Bern stated that was a water right; a right to take the water assuming the

water is there. What if the water was not there? Burns stated then the District would be in a moratorium situation and that all lots should be treated equally. Bern questioned Burns if the District should turn off all the water to all the homes that already exist. Burns stated the District should prorate everyone equally. Bern questioned if the District would allow new construction when there isn't enough water to provide for the houses that exist. He thought that would be an interesting question. Burns stated it was worth pursuing and the District should be able to find similar precedents that have been used before. He realized the District has used a moratorium for sewer in the past, but never for water. Water is inherent in the land that is here, all within the development, and therefore all the existing lot owners should be considered equal. Burns asked if the Attorneys could look at this particular point and to address it at the next Board meeting. Burns questioned if a first come, first served basis was fundamentally appropriate. Freedle stated he would convey Burns' request to the District's Attorney Peter Kiel.

CONSENT ITEMS CALENDAR:

Minutes of January 11, 2008 and February 16, 2008, Meetings.

Freedle reported the Minutes of February 16, 2008 were going to be continued until the next Board meeting and would not be reviewed. Luscher requested removal of the January 11, 2008 Minutes from the consent items calendar. The Board discussed the format of the Minutes and agreed to keep the same level of detail in the Minutes and suggested Smith attend a Recording Secretary training session.

A motion was made by Bowles and seconded by Luscher to approve the remainder of the items on the consent items calendar which included the January 11, 2008 Minutes, as amended; the February 2008 Check Register; and new vendors: A.R.I. Flow Control Accessories, Ltd.; Duke's Sales & Service, Inc.; Hose & Fittings, Inc.; and Global Water. Ayes: Freedle, Bowles, Luscher, Bern, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

OPERATIONS:

Operations Report from Bill Quesnel.

Quesnel's February 2008 Operations and Maintenance Report dated March 4, 2008 was presented to the Board for review. Bowles noted he was surprised to see there could be as much as 25,000 gallons a day leak out of modest leaks in the underground water storage tank. Quesnel stated there could be a leak anywhere in the system. He stated staff monitors water use between 2:00am and 4:00am and noted the system is losing approximately 1,000 gallons an hour. Bowles wondered if staff had excavated around the tank to find any leaks. Quesnel stated they could not get a tractor up in there. He would have to find a crawler of some sort. He stated that they think originally the tank had one pipe in and out and in the early 1980's the State required additional chlorine contact time. A second dedicated fill line was put in up the hill and a hole was bored in the other side of the tank so that the water would come in, flow through the tank and go out the other side. According to retired operators and staff there was some leakage there at some time, which had been repaired. Without getting divers in the tank, we don't know. Luscher questioned how close to the tank the water samples were taken that tested

positive for residual chlorine. Quesnel stated they took samples half way between the tank and Pahatsi Road. Luscher suggested they test very close to the tank wall. Luscher noted the District has had this leak for many years and suggested the leak be taken care of in fall if it was not possible to do the work in spring.

Quesnel's March 14, 2008 Memorandum regarding Meeting with Truckee Donner Public Utility District was presented to the Board for review. Quesnel stated he, Freedle and Bowles met with Mr. Neil Kaufman, engineer with Truckee Donner Public Utility District (TDPUD), to discuss the reasons for the failure of the Donner Lake Water System and the work done by TDPUD to bring the system into compliance with California Department of Health requirements. Bowles stated one thing that struck him was the reality that the Donner Lake water system had water mains made out of welded steel. They did not have asbestos concrete mains like this District's. Their system failed due to general corrosion and deterioration of the mains themselves. He said the District could not draw many analogies with the comparison to their system. TDPUD is doing a laterals replacement program in Glenshire where they have asbestos concrete mains. They determined those mains are in relatively good shape and they will replace the laterals now and later replace the mains when necessary. On the other hand, they have had problems in the past where they replaced the laterals one year and then had to go back in and replace the mains three to five years later. If this District could somehow determine the life of the mains and the Board decides it wanted to start replacing the laterals, it should figure out the acceptable delay between replacing the laterals, and having to come back again and replace the mains. If that number is less than some arbitrary number such as seven years, the District should replace both the first time. Luscher stated five years was considered to be too short. Freedle stated it was not a matter of time; it was a matter of money. The important cost is the cost of repairing the roads. Freedle reported Kaufman had told him the District would probably be in for higher replacement costs because the District was in Placer County. Freedle stated before the District could even begin to get a grip on replacement, he suggested CalTrans retiree Mr. Joe Hannon give the District a read on the condition of the roads and road repair costs. The Board concurred Freedle would contact Joe Hannon to have him give the District some recommendations on road replacement.

Quesnel's March 14, 2008 Memorandum regarding Ice Boring Results was presented to the Board for review. Quesnel reported that in the shallow parts of the lakes, the depth of the ice was very consistent. The upper level of free water was very similar in the channel between the two lakes and near the outlet at Serene Road. The top of the ice is very consistent on both lakes. The level of the free water, just upstream of the culverts under Serene Road, is than the bottom elevation of the culverts. That tells him that the water flowing over the dam right now is not coming from the lakes. The water is flowing over the dam approximately one-half inch deep. Luscher stated there might be seepage from below the culvert level, or there might be water layers in the ice that flow water. The same applies to the flows in the narrows. Luscher stated the level to which the water level rose in the boreholes was the same in both lakes, which means that they are hydraulically connected. Quesnel has not been able to drill downstream of the culverts – the ice is not safe. Bowles suggested it has been warm recently, so the lakes might respond differently after thawing a warm week or two compared to a cold snap. Luscher suggested if there is a temporary blockage, it might be relieved if the weather warms up. Quesnel stated he thinks they did see a blockage a few weeks ago when in

Lake Serena, the SCADA indicated a water level of 10.3' or 10.4'. We know when there is no ice and the water is at the spillway elevation, the SACADA reads 9.4', or almost a foot lower. Then one day they saw a big drop where it went down to about 9.4' or 9.2', which happened over a one-day period. One theory was that whatever the blockage was in the narrows went away and then the water levels in the lakes equalized. Livak confirmed Quesnel's calculations. Quesnel stated he would continue to monitor and gather more data, as long as it is safe to do so.

JDH Corrosion Engineers Phase II Report.

Quesnel's March 6, 2008 Memorandum regarding Water System Corrosion Study Phase II Report, and the March 4, 2008 Asbestos-Cement Pipe Integrity Evaluation Report Phase II prepared by JDH, were presented to the Board for review. Quesnel stated there has been a limited amount of study completed on A/C pipe. It is difficult to relate the pipe's longevity to structural acceptance tests. In JDH's opinion the pipes in the District could last a lot longer. One example was a study completed in Canada. They could complete a study wherein they structurally test the sample pipes to see if the values still meet the minimum requirements of the American Water Works Association (AWWA) when the pipes were constructed. This would allow the District to understand the relationship between the present status of the pipes compared to the minimum structural requirements when they were placed. Freedle was concerned about the deterioration of the inside of the A/C pipe and the leakage of asbestos particles into the drinking water. He was also concerned that at some point the State Water Board could mandate that any chemicals put in drinking water must be approved by them. The District would be in desperate trouble and the mains would have to be immediately replaced as there would be a chance that asbestos was in the water supply. Luscher suggested the Board discuss that when it occurs.

Freedle stated the first issue is when the District has to replace the galvanized laterals. There needs to be a complete analysis with cost figures. Until the numbers are produced, the discussion of the A/C pipe is a waste of time. If the cost of the pavement replacement overrides the cost of the A/C pipe replacement, there is no argument. Oudegeest stated JDH's report states the pipes will last another thirty to forty years. Freedle stated the most appropriate study was the Canadian study which stated the A/C pipe has a life between thirty-seven and sixty-two years, with the average being fifty years. Some of the District's A/C pipe has been in the ground for over forty-two years. Oudegeest stated JDH's report states that the laterals were not in good shape and needed to be replaced.

Bowles suggested replacing the laterals every fifty feet would be a lot less intrusive on the roads than going up the middle of the road and digging a whole ditch. Freedle stated the old mains would be abandoned and a new main would be put on the side of the road. Freedle stated the next step was to meet with Mr. Joe Hannon, who is a former CalTrans employee, to lay out the geometry of how the roads would be torn up. Oudegeest stated the District needed to decide what the work would be before you could decide how to fix the roads. If you follow Bowles suggestion we would be ripping up the road differently than when replacing the mains. Freedle stated part of what needed to be determined is the cost consequence of tearing up the roads. One scenario might be \$10.00 per square foot another would be \$50.00 per square foot. Quesnel stated the key

will be what permit conditions Placer County imposes on us. Oudegeest stated the laterals have to be replaced and the question was how much more it would cost over patching the roads to repaving the roads to a good smooth finish, and then replace the mains later. Bowles stated there should be prospective scenarios presented showing the cost analysis. The Board concurred Quesnel would identify the streets, come up with scenarios, meet with Placer County regarding the road repairs and report back to the Board. Oudegeest stated Quesnel should approach Placer County in a manner to leverage the District favorably for road repair funds from them.

On-Call Contracts with Sierra Controls and Custom Electric.

Quesnel's March 5, 2008 Memorandum regarding Approval of On-Call Construction Contracts with Sierra Controls and Custom Electric, Quesnel's March 12, 2008 E-Mail, were presented to the Board for review and consideration. Quesnel reported the purpose of the on-call contract was to satisfy the District's insurance carrier's requirement to have a certificate of insurance and endorsement on file before any work was to be initiated by a contractor. Quesnel reported that Custom Electric after second thought decided not to accept the offer. Quesnel is requesting the Board to contract with Sierra Controls, Inc. and he would continue to find a qualified electrical firm to contract with.

A motion was made Oudegeest and seconded by Luscher to authorize Quesnel to enter into an on-call contract with Sierra Controls, Inc. Ayes: Freedle, Bowles, Luscher, Bern, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

OLD BUSINESS:

President's Report.

Freedle's March 6, 2008 Presidents Report for March was presented to the Board for review.

Update on Reimbursement Agreement with Royal Gorge, LLC for Hydrology Studies.

The March 10, 2008 Memorandum from CDM regarding Jones & Stokes Serene Lakes Recreational Assessment was presented to the Board for review. Luscher stated CDM had made some good comments on this report in their letter.

Status Update.

Freedle reported on the status of the studies. There are ongoing discussions between Jones & Stokes and CDM about the scopes of the studies.

The Letter from Rick Adams regarding the Royal Gorge Development was presented to the Board for review. Freedle stated absent any specific items or recommendations the District could not respond to their allegations. The Board

concluded there would not be a response to this letter and in the future they should be placed in the information part of the meeting materials.

Status of the Re-Billing Process to Royal Gorge.

The February 29, 2008 Invoice No. 08-1 to Royal Gorge, LLC for District Costs for Technical Studies in the amount of \$28,013.06 was presented to the Board for review. Livak reported he received the invoice on March 10th and had authorized immediate payment of \$22,000 but had questions in regard to billings on two invoices. He is requesting to meet with staff and Jones & Stokes to clarify the billings. Freedle stated he would meet with Livak to review the remainder of the billings.

Draft SLCWD Water System Master Plan Outline.

Freedle reported he and Quesnel have discussed the development of a District Water System Master Plan, which would be in the nature of an overall Ordinance for District operations. It would be much more than an ordinance because it will cover equipment and water supply. When it is completed it will be a guiding principle for District operations and the District's forecast for the future. They are currently working on incorporating the effects of the ice study upon the water supply study currently being done. There is no consideration in the present water supply study for the effect of ice on water supply availability. This will also satisfy the requirements of developing the SB610 letter and a SB221 determination. While we are not required to develop an Urban Water Management plan, we are utilizing most of the principles in that legislation to develop our plan.

Construction-in-Progress.

The March 7, 2008 construction-in-progress logs were presented to the Board for review.

Request for Continuance – Singer.

The March 7, 2008 Letter from Mr. Aaron Singer regarding a request for continuance to obtain his building permit was presented to the Board for review and approval.

A motion was made by Oudegeest and seconded by Luscher to approve Singer's request for a 90-day continuance to obtain his building permit. Ayes: Freedle, Bowles, Luscher, Bern, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

NEW BUSINESS:

March 6, 2008 Letter from Royal Gorge, LLC Re: SLDSCA Study.

The March 6, 2008 Letter from Royal Gorge, LLC regarding SLDSCA Study; the March 11, 2008 Letter from Linda Waddle regarding Royal Gorge Letter of March 6, 2008; and the March 14, 2008 Letter from Karen Heald, were presented to the Board for

review and consideration. Ms. Karen Heald stated the Serene Lakes/Donner Summit Conservation Association (SLDSCA) was not affiliated with the Save Donner Summit organization and had published information taken directly from Royal Gorge's published data. She stated she would work with Mike Livak to correct any inaccuracies in their brochure and publish a different one. Their organization was supporting a grant to obtain scientific and technical studies on the summits water sources. Livak reported he was thankful to have Heald offer to correct the information in their brochure. He stated the documents speak for themselves and Royal Gorge was concerned that SLDSCA appeared to be biased towards Royal Gorge. Livak stated they were not objecting to the scientific research of the study; their concern was they did not think it was appropriate for the District to associate itself with a group that has an apparent anti-development bias. Being a collaborator with a group who publish a flyer with 'Save Donner Summit' on it and advocating to stop Foster & Syme was not appropriate. The District had a duty to serve prospective customers within its service area. Royal Gorge is one such customer who is paying costs for certain studies for their proposed development. There is a difference between the SLDSCA study and the joint studies being performed by Royal Gorge and the District. Royal Gorge is paying for these studies and the District has the opportunity to peer review these studies and to provide input on the scope of work and so forth. The District does not have that opportunity with the SLDSCA study. It is the District's duty to serve prospective customers; it is not the District's duty to support anti-development organizations. Livak believed there were non-profit, community foundations and the like that would be appropriate for the support of the study. It might be appropriate for SLDSCA to not take an overly anti-development stance as they have in this document.

Oudegeest stated the question was whether the District was a supporter of the study, not if it was a collaborator with the group. The Board reviewed Resolution No. 2008-784 Approving the Application for Grant Funds for a Donner Summit Region Water Projects Study and adopted it on February 12, 2008. Freedle reported the Resolution supported the study. The District was not committing to certifying the results. Bern stated the resolution does not read that the District was supporting SLDSCA, but states the fact that SLDSCA was a 501c-3 organization. The District was not contributing any money but was supporting a group to obtain money from some other source for the purpose of conducting scientific research. Livak stated the Resolution reads that the District was familiar with, understands and adopts the assurances in the application for funding. One of the assurances in the application for funding reads 'collaborators include Sierra Lakes County Water District'. Linda Waddle reported the application had not been fully written at the time and the quote was from a one-page proposal. Livak stated there has been a misunderstanding between SLDSCA believing the District has confirmed its status of a collaborator and the District doesn't feel that is the case and he suggested that input be given to SLDSCA before the application is submitted. Heald stated she thought Livak had read the one-page proposal which was in preparation for the application for the grant. Some of the terms were not appropriate and probably were not going to be present in the application. She stated the District was endorsing the study. Bern stated the District was endorsing the application to obtain money to perform the study, not endorsing the study because it has not been completed yet.

The Board concurred the District would advise SLDSCA that it did not want to be designated as a collaborator. It was the Board's understanding that the Resolution's

second bullet read that SLDSCA was a 501c-3 corporation and understands the assurances and certification requirements in the application.

Proposed Mileage Rate Reimbursement.

Freedle's March 14, 2008 Memorandum regarding Reference Material for Review of the Mileage Reimbursement Rate for District Travel was presented to the Board for review. Luscher understood that for any mileage rate above the Federal rate the claimant would be liable for taxes on the excess. Freedle stated the IRS set the rate for companies that take a tax deduction for mileage on their employees. The District has complete latitude to adopt its own rate. Bern stated he trusted that Freedle's calculations and understanding were valid, but Bern stated he did not desire to be reimbursed above the Federal rate because he did not know the hidden tax issues exist and did not feel comfortable raising it \$.15 cents a mile. Luscher and Oudegeest agreed with Bern.

A motion was made by Bowles to increase the District's mileage reimbursement rate to \$.63 a mile. The motion failed due to lack of a second.

Contract for Services with Judy Vanderwood.

Freedle's March 14, 2008 Memorandum regarding Referenced Data for Possible Contract with Judy Vanderwood was presented to the Board for review and consideration. Freedle reported Vanderwood would be helping the District with specific assistance in regard to the transition from her work to the Serene Lakes Office, such as the conversion of the Q&A database program to QuickBooks and Access, year-end procedures, and the 2008 election. Luscher questioned if there was an estimate of the number of hours needed for her assistance. Freedle stated he would oversee the tasks and the accumulated hours.

The Board took a ten minute break and Martin Bern hung up.

A motion was made by Luscher and seconded by Oudegeest to engage Vanderwood at \$50.00 per hour for consulting services not to exceed 400 hours, subject to Freedle requesting additional services. Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstain: None. The motion passed.

PCWA Grant Application.

The February 25, 2008 Letter from PCWA regarding Placer County Water Agency – 2008 Financial Assistance Program was presented to the Board for review and consideration.

The Board concurred Freedle would write a proposal for water study of the lakes for an amount of \$10,000.00.

Proposed Resolution No. 2008-85 Regarding Volunteer Personnel Workers' Compensation Insurance.

Proposed Resolution No. 2008-85 Regarding Volunteer Personnel Workers' Compensation Insurance, and the February 28, 2008 Letter from ACWA/JPIA regarding Risk Transfer Training and Liability, Property, and Workers' Compensation Risk Assessment were presented to the Board for review and consideration. Freedle reported the proposed Resolution was a binder on the District's workers' compensation insurance for any person working as a volunteer for the District.

A motion was made by Luscher and seconded by Oudegeest to adopt Resolution No. 2008-85. Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstain: None. The motion passed.

Potential District Liability for Damage Claims.

Freedle reported there is a potential liability for the District regarding employees bringing their dogs to work. ACWA/JPIA informed the District that they frown on the matter and would not advise the District because if any one was damaged or bitten by an animal, JPIA would not cover it. It would be the District's liability. Freedle stated he would like to see a strong definitive statement prohibiting employees from bringing their dogs to work.

Director Bern returned to the meeting. Bern suggested the District inform employees that the insurance carrier will not cover any liability in regard to personal pets on District premises.

The Board concurred Freedle would prepare a policy covering the subject.

ADMINISTRATION:

February 2008 Action Items List.

The February 2008 Action Items List was presented to the Board for review.

Director Gene Bowles left the meeting at 7:28 p.m.

Revised Billing Procedures for Water and Sewer Service Charges.

Freedle's March 14, 2008 Memorandum regarding Billing Procedures for Water and Sewer Service was presented to the Board for review and consideration. Freedle reported the District currently has a two tier billing system wherein base charges are \$1,020.00 and full service charges are \$1,570.00. Freedle stated he felt that water and sewer services were available as soon as the person signs for and pays their connection fees. Bern stated he felt there is no difference between someone who has reserved a permit and has not built and someone who has built but does not come up to use the service. Either way, they have a permit that could not be taken away and they should pay the full amount. Luscher thought this would take a hearing to change the District's Ordinance.

A motion was made by Oudegeest and seconded by Luscher to proceed with the proper noticing and amendments to Ordinances and the District Code in regard to sewer

and water service charges. Ayes: Freedle, Luscher, Bern and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

Director Martin Bern left the meeting at 7:35 p.m.

FINANCE:

Disbursements Requiring Board Approval.

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

Acumen Engineering 3/1/08 for February Professional Services	\$6,900.00
ACWA/JPIA – Property Program Renewal 2/27/2008	\$3,832.00
Jones & Stokes 3/4/08 – SLCWD Water Supply Review	\$11,653.33
3/4/08 – SLCWD Adoption of Ordinances	\$4,750.00
Mountain Pipeline 3/6/2008	\$4,125.00
Rossmann and Moore, LLP 3/4/2008 for February Legal Services	<u>\$4,043.00</u>
Total	\$35,303.33

A motion was made by Luscher and seconded by Oudegeest to approve the disbursements requiring Board approval in the total sum of \$35,303.33. Ayes: Freedle, Luscher, and Oudegeest. Noes: None. Absent: Bern and Bowles. Abstain: None. The motion passed.

Financial Reports February.

Freedle's March 6, 2008 Memorandum regarding February Budget vs Actual Monthly and Year-to-Date Operating Costs was presented to the Board for review.

Operating Expenses Budget vs Actual (Month).

The Operating Expense Budget-to-Actual for February, 2008 was presented to the Board for review.

Operating Expenses Budget vs Actual (Year-to-Date).

The Operating Expense Budget-to-Actual for July 2007 through February 2008 was presented to the Board for review.

Capital Expenditure Budget vs Actual (Year-to-Date).

The Capital Expenditure Budget vs Actual for July 2007 through February 2008 was presented to the Board for review. Freedle noted the money set aside for the wastewater treatment plant expansion was not used yet which made the year-to-date figures better.

Cash Flow Forecast.

The March 14, 2008 Cash Flow Forecast Summary was presented to the Board for review. Freedle noted the District should be in fair financial shape until the next year's billing cycle. The cash flow showed income without Placer County property tax income.

Cash Management Procedures.

Freedle reported on January 10th 2008 the Legislature had declared a financial emergency. Staff has transferred all but \$5,000.00 out of LAIF into the District's Demand checking account to invest in Treasury Bills.

Investment Fund Policy: T-Bill Purchasing Procedures; Resolution No. 2008-86 Adopting the 2008 Investment Policy.

Freedle's March 5, 2008 Memorandum regarding U.S. Treasury Securities Investment Account; the Resolution for Security Transactions; the Certificate of Incumbency of Officers; the New Account Request; and Proposed Resolution No. 2008-86 – Adopting the 2008 Investment Policy were presented to the Board for review and approval. Freedle reported the District should invest excess funds in the checking account in U.S. Treasuries. Luscher noted the District's Investment Policy states the investment vehicle must be safe, liquid, and achieve a return on the investment. Freedle stated this is not at risk as the transactions are not touched by human hands. The fund would be set up so that every Director would be able to initiate transfers – buying and selling in this account. He would think that he and Bowles (the Administrative Committee) would be authorizers and Smith would keep a log of the transfers for the auditor.

A motion was made by Oudegeest and seconded by Luscher to adopt Resolution No. 2008-86, as presented. The motion passed by the following roll call vote: Ayes: Freedle, Luscher, and Oudegeest. Noes: None. Absent: Bern and Bowles. Abstain: None.

A motion was made by Oudegeest and seconded by Luscher to adopt the proposed Investment Fund Policy and to apply for the U.S. Treasury Securities Investments through Legacy Treasury Direct. The motion passed by the following roll call vote: Ayes: Freedle, Luscher, and Oudegeest. Noes: None. Absent: Bern and Bowles. Abstain: None.

CLOSED SESSION:

Public Employee Performance Evaluations – All Categories (California Government Code Section 54957).

A motion was made by Luscher and seconded by Oudegeest to move the meeting into Closed Session at the hour of 8:37 p.m. Ayes: Freedle, Luscher, and Oudegeest. Noes: None. Absent: Bern and Bowles. Abstain: None. The motion passed.

OPEN SESSION:

A motion was made by Luscher and seconded by Oudegeest to move the meeting into Open Session at the hour of 8:56 p.m. Ayes: Freedle, Luscher, and Oudegeest. Noes: None. Absent: Bern and Bowles. Abstain: None. The motion passed.

Freedle reported no reportable action was taken in Closed Session.

ADJOURNMENT:

A motion was made by Luscher and seconded by Oudegeest to adjourn the meeting at 8:58 p.m. Ayes: Freedle, Luscher, and Oudegeest. Noes: None. Absent: Bern and Bowles. Abstain: None. The motion passed.

Administrative Assistant II

APPROVED BY:

President