

Approved 5/8/09

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

April 10, 2009

5:00 – 9:58 p.m.

7305 Short Road, Serene Lakes, California.

ROLL CALL:

Directors in attendance at the Sierra Lakes Board Room were:

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

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

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

Minute Recorder: Mrs. Dianna Smith

PUBLIC FORUM:

Guest Mr. Jim Biggar addressed the Board regarding the price the District pays for propane, how much the District used, and questioned whether the District puts this service out to bid. There was discussion regarding propane service providers for this area as well as the latest price per gallon.

The Board concurred Mr. Quesnel would look into competitive bids for propane service.

INTRODUCTION OF JIM GESELBRACHT OF WATERWORKS ENGINEERS.

Director Freedle introduced Mr. Jim Geselbracht with Waterworks Engineers. Geselbracht was contracted by the District to perform peer-review of the Donner Summit PUD's daily operation, upgrade and expansion of the plant.

Report on Joint Committee Meeting with Donner re: Sewer Plant Re-Licensing.

Engineer Mr. Jim Geselbracht reported the committee meeting was primarily focused on scoping the conceptual analysis that Eco:Logic was proposing to move forward on. He noted that his initial impression was that Donner is doing a good job running the treatment plant with the conditions they are under. He felt there was not a capacity problem, but a processing problem. There was discussion regarding the different alternatives to solving the problems of the plant and meeting the new permit requirements.

Director Freedle noted there is a five year requirement to meet the new permit specifications. He discussed the options of integrating an upgrade along with the expansion of the plant. Mr. Geselbracht discussed the very wide range of options he thought were possible.

Guest Mr. Joe Gray addressed the Board and recommended the District take priority in fixing the existing plant rather than concentrating on the expansion. He also questioned the responsibility of Brentwood and their contractual obligations to Donner with regard to the AccuWeb upgrade.

The Board concurred Mr. Geselbracht would review Donner's flows for the last twelve (12) months.

PUBLIC HEARING

Director Mr. Freedle opened the meeting for the Public Hearing on proposed Ordinance No.'s 84 and 85.

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 Modifications of the Plumbing System or an Increase in the Building Footprint.

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 Modifications of the Plumbing System or an Increase in the Building Footprint was presented to the Board for review and consideration. Mr. Quesnel reported on the proposed changes which included installation of a water meter box instead of a water meter (which would fail or would need to be upgraded before the District was required by the State to bill its customers according to their water use); and to require the property owner to test their private water service line upon sale of the property or remodel involving modifications of the plumbing system or an increase in the building footprint. Mr. Quesnel reported staff had found during the last water main replacement project that when a water meter box was installed and a water meter was hooked up to a private lateral, many leaks were detected. The property owners were promptly notified and all had fixed their laterals in a timely manner.

A motion was made by Director Luscher and seconded by Director Bowles to “approve Ordinance No. 84 as presented”. The motion passed on the following unanimous roll-call vote: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

Ordinance No. 85 Concerning Billing Cycle for 2009/2010 and for Each Year After.

Ordinance No. 85 Concerning Billing Cycle for 2009/2010 and for Each Year After was presented to the Board for review and consideration. Luscher requested this matter be continued to the next Board meeting in order to make additional modifications to the Ordinance.

A motion was made by Director Bern and seconded by Director Bowles to “table this matter to the next Board meeting for further modification of the Ordinance”. The motion passed on a unanimous vote.

CONSENT ITEMS CALENDAR:

The Consent Items Calendar was presented to the Board for review and approval. Director Oudegeest requested removal of the March 13, 2009 Minutes. It was noted that the Lake Level Management Resolution was taken off the April 10, 2009 Draft Agenda at the request of the District’s attorney who felt it was advisable to wait until the Water Supply Study was completed.

Guest Mr. Livak requested his name be added to the guest lists for the meetings of March and April 2009.

A motion was made by Director Bowles and seconded by Director Bern to “approve the February 2009 Minutes, as presented”. The motion passed on the following four to zero vote: Ayes: Freedle, Bowles, Bern, and Oudegeest. Noes: None. Absent: None. Abstention: Luscher.

A motion was made by Director Oudegeest and seconded by Director Luscher to “approve the March 2009 Minutes, as presented”. The motion passed on a unanimous vote.

A motion was made by Director Oudegeest and seconded by Director Bowles to “approve the March 2009 check register”. The motion passed on a unanimous vote.

OPERATIONS:

Operations Report from Bill Quesnel.

Mr. Quesnel’s March 2009 Operations and Maintenance Report dated April 1, 2009 was presented to and reviewed by the Board. Mr. Quesnel reported that the government stimulus funding would not be funded until late fall, which would be too late for this year’s construction projects. He also reported that the underground infrastructure replacement program was out to bid and ready to proceed on schedule.

Draft Progress Report by Permittee to State Water Resources Control Board – Division of Water Rights.

The District’s Draft Progress Report by Permittee for 2008 was presented to the Board for review and consideration. Mr. Quesnel reported that every year the District is required to report to the Department of Water Resources how much water is used on an annual basis and how it is used. He stated that he suggested the District apply for the water conservation credit which would help the District allocate the amount of water conserved back into our water rights permit whenever we go to license.

The Board directed Mr. Quesnel to send the revised report to the State.

Award of Materials Testing Contract to Holdredge & Kull.

Mr. Quesnel's April 9, 2009 memorandum regarding Award of Materials Testing Contract for 2009 Water System Improvement Project was presented to the Board for review and consideration.

A motion was made by Director Oudegeest and seconded by Director Luscher to “award a time and materials contract for earthwork observation and materials testing services to Holdredge & Kull in an amount not-to-exceed \$48,000; to authorize the Board President to execute the contract and authorize the Operations Manager to approve change orders up to 5% (\$2,400) of the contract price for unanticipated testing and related services”. The motion passed on a unanimous vote.

Approval of Contract Change Order to GLA Morris Construction for Building Improvements.

Mr. Quesnel's April 2, 2009 memorandum regarding Close-out Change Order to GLA Morris Construction was presented to the Board for review and consideration. Mr. Quesnel reported that in September 2008, this contractor was awarded a contract to complete miscellaneous projects at the lake intake station, SPS-3, and the emergency generator support at the filter plant. The purpose of this change order contract was to take care of unforeseen additional costs concerning drywall patching and additional concrete needed to retrofit the propane tanks.

A motion was made by Director Luscher and seconded by Director Bowles to “authorize the Operations Manager to execute Change Order 1 in the amount of \$3,829.00 with GLA Morris Construction; to authorize final payment to GLA Morris Construction in the amount of \$6,379.00; and to authorize the Board President to complete the Notice of Completion”. The motion passed on a unanimous vote.

Director Oudegeest questioned the extra expenditures by the Board that are beyond the planned budget expenses and how these expenditures could be curbed. Director Freedle reported the budget would be reviewed in the next couple months, but that the current budgets were well under projected figures. There was a discussion as to the expenditures which need Board approval.

OLD BUSINESS:

President's Report.

The April 3, 2009 President's Report for April 2009 was presented to the Board for review. Director Freedle reported staff was looking into data file backup options for the District's computer systems. He reported that the Lake Management Resolution has been held off until the Water Supply Study is completed, which is scheduled to be completed by the end of the summer. He also reported that he was asked to meet with a representative of Bank of the West next week to discuss our line of credit.

Update on Water Rights Permit.

Director Freedle reported that there has been no update since the last meeting.

Status of Direct Diversion Petition.

Director Freedle reported that the State official in charge of water within the Natural Resources Department had made a statement to the effect that the process of issuing water rights permits by the State Water Resources Control Board was dysfunctional.

Snow Removal from District Fire Hydrants.

Director Freedle's April 7, 2009 memorandum regarding Snow Removal from around Fire Hydrants – Follow Up from March 13, 2009 Report was presented to the Board for review. There was discussion regarding the problem and the District's options to resolve this problem.

The Board concurred Director Freedle and Director Bern would prepare and send a follow up letter to Truckee Fire Protection District regarding the continuing failure of the Department to remove snow from around our fire hydrants.

NEW BUSINESS:

Proposed Lease Agreement with SLPOA.

Director Freedle reported that SLPOA had requested withdrawal of this from the Agenda.

March 17, 2009 Letter from DSPUD re: Assistance with Costs Necessary to set up Parks & Recreation Service on Donner Summit.

March 17, 2009 Letter from DSPUD regarding Assistance with Costs Necessary to set up Parks & Recreation Service on Donner Summit was presented to the Board for review and consideration. There was discussion regarding the need for the research and the possibility of getting volunteers rather than requesting money to pay for a facilitator. There was discussion regarding the cost and whether the District could donate public funds.

The Board concurred that Director Bern and Mrs. Smith would prepare and send a letter to the Placer County Supervisor for our area requesting discretionary funds to make a contribution on behalf of the District, with a copy of the letter from DSPUD; and to send a letter to DSPUD informing them that the District regrets that it cannot donate public funds to their cause.

Mileage Reimbursement Rate for District Business.

Director Freedle reported the Internal Revenue Service has reduced the reimbursement mileage rate to \$.55 per mile as of January 1, 2009.

A motion was made by Director Luscher and seconded by Director Bern to “set the reimbursement mileage rate at \$.55 per mile from this point forward”. The motion passed on a unanimous vote.

Board of Director Compensation.

Director Freedle reported the Board was eligible for a pay raise. Regulations governing Special Districts allows for a 5% increase every year.

A motion was made by Director Luscher and seconded by Director Bern to “authorize the pay increase”. The motion passed on a unanimous vote.

ADMINISTRATION:

March 13, 2009 Meeting Follow-Up.

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

- Smith obtained and forwarded the information and contacts regarding cold weather/high peak flow wastewater treatment plants obtained by SYRCL to the Board and Quesnel.
- Quesnel sent another occupancy survey to those who did not respond.
- Freedle and Smith prepared a Profit & Loss Report for the April Board meeting.
- Freedle prepared and sent a letter to Truckee Fire regarding snow removal from fire hydrants.
- Freedle applied to PCWA for a grant for ice studies.
- Freedle responded to Bank of the West’s request for backup information on the line of credit.

April 2009 Action Items List.

The April 2009 Action Items List was presented to and reviewed by the Board. There was discussion regarding the property foreclosed upon De Rosa by The Money Brokers and the fact that there are outstanding service fees and bond taxes, and the fact that the water/sewer connection permit has expired. The balance of the fees must be refunded by the District.

The Board concurred to add that the District is waiting for a reply from The Money Brokers to the Action Items List; for Director Bern and Mrs. Smith to prepare and

send a letter to both Mr. De Rosa and The Money Brokers regarding the account history and balance; and to inquire who the money is owed to.

FINANCE:

Disbursements Requiring Board Approval.

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

| | |
|--|-------------------|
| Acumen Engineering March Professional Services Dated 4/1/09 | \$11,385.00 |
| Donner Summit PUD Inv #05/09-John Deere Loader Dated 3/12/09 | \$51,848.46 |
| Ellison, Schneider & Harris, LLP February Legal Services Dated 2/28/09 | \$9,878.72 |
| GLA Morris Construction, Inc. | \$6,379.00 |
| James A. Curtis March Legal Services Dated 3/17/09 | \$616.05 |
| McDonough Holland & Allen PC February Legal Services Dated 3/17/09 | \$650.00 |
| RMS Communications, Inc. | <u>\$1,392.72</u> |
| Total | \$82,149.95 |

There was discussion regarding the invoices from DSPUD for the loader and McDonough Holland & Allen PC for the administrative fee which is being charged to the District. An administrative fee is not authorized by the contract.

The Board concurred Director Freedle and Mr. Quesnel would inquire with DSPUD whether the cost of the loader is already in our monthly payment to them; and if it is not, that we would make our portion of the payment in conjunction with our monthly payments. Director Bern would contact McDonough Holland & Allen PC in regard to the administrative fee which is being charged to the District.

A motion was made by Director Oudegeest and seconded by Director Luscher to “approve the above disbursements requiring Board approval except the

invoices from DSPUD and McDonough Holland & Allen PC”. The motion passed on a unanimous vote.

Financial Reports March 2009.

The Operating Expense Budget-to-Actual for March 2009 was presented to and reviewed by the Board. There was discussion regarding the expenses over budget and those under budget.

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

The 2008/09 Capital Projects Budget as of March 31, 2009 was presented to and reviewed by the Board. Mr. Quesnel reported on the capital projects. He noted that the capital projects to replace the water mainlines and lateral (#9821) and to replace water service laterals (#9822) had been combined.

The March 10, 2009 Cash Flow Forecast was presented to and reviewed by the Board. The Board discussed the possible need for a rate increase next fiscal year.

Profit and Loss Report.

The 2008/09 Profit & Loss Report as of April 7, 2009 was presented to the Board for review. The Board discussed the upgrade of the wastewater treatment plant and the potential for additional capacity as well as expansion for the existing subdivided lots.

CLOSED SESSION:

Prior to the Board going into closed session Guest Mrs. LeBel addressed the Board regarding the negotiating parties not being named in the closed session agenda item on Real Estate Negotiations and that the California Government Code Section 54956.8 is inappropriate for this closed session.

The Board concurred this matter was improperly noticed and would be taken off this Agenda. Director Freedle would research the correct code section for potential litigation.

Personnel – All Employees (California Government Code Section 54957).

A motion was made by Director Oudegeest and seconded by Director Luscher to “move the meeting into Closed Session at the hour of 8:52 p.m.” The motion passed on a unanimous vote.

OPEN SESSION:

A motion was made by Director Luscher and seconded by Director Bowles to “move the meeting into Open Session at the hour of 9:57 p.m.” The motion passed on a unanimous vote.

Director Freedle reported no action was taken in closed session.

ADJOURNMENT:

A motion was made by Director Bowles and seconded by Director Bern to “adjourn the meeting at 9:58 p.m.”. The motion passed on a unanimous vote.

Administrative Specialist II

APPROVED BY:

President