

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

**JULY 13, 2007**

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:03 p.m., Friday, July 13, 2007 at the regular meeting place of the Board, 7300 Short Road, Soda Springs, California.

**ROLL CALL:**

The Directors in attendance at the Sierra Lakes Board Room were Wade Freedle, Gene Bowles, Martin Bern, Ulrich Luscher, and Bill Oudegeest. Staff members present were Sue Duerksen, for Bill Quesnel, Judy Sieczkowski, Mary Hall, and Dianna Smith. Smith noted only thirty-five (35) guests had signed the guest sign-in sheet, but there were more than thirty-five guests (35) present. Kirk Syme and Mike Livak were present for Royal Gorge, LLC.

**APPROVAL OF AGENDA:**

The Agenda for the July 13, 2007 meeting was presented to the Board for approval. Freedle requested to move items V.E. – SLPOA’s Request to Enlarge Building on Lot 1, V.A. – Royal Gorge, LLC’s Request for Lake Dredging Information, V.B. – Royal Gorge, LLC’s Request for Water, V.C. – Reimbursement Agreement with Royal Gorge for Lake Studies, and V.D. – Development of a Program for Assessment of the Lakes in terms of Providing Domestic Water Supplies to item I.D. Luscher requested to add item III.C. - Authorization to Purchase Replacement Pump for SPS #1.

A motion was made by Luscher and seconded by Oudegeest to approve the July 13, 2007 Agenda, as amended. Ayes: Freedle, Bowles, Bern, Luscher and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**PUBLIC FORUM:**

Luscher commended operators Jeffrey Stransky and Jerrold Dahlen for passing their respective treatment exams.

**CONSENT ITEMS CALENDAR:**

A motion was made by Luscher and seconded by Bern to approve the Consent Items which included the May 11, 2007 Minutes, the May and June 2007 Check Registers, and new vendor State of California Air Resources Board. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**NEW BUSINESS:**

**SLPOA’s Request to Enlarge Building on Lot 1.**

Mr. Ed Bubnis, representative for Serene Lakes Property Owners Association, presented their plans to expand the existing building on Lot 1 to include a handicapped bathroom and to increase the storage capacity of the building.

Luscher moved and Bern seconded to accept the plans to expand the building on Lot 1 and for Sieczkowski to prepare and send a letter of acceptance to SLPOA. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

### **Royal Gorge, LLC's Request for Water.**

Royal Gorge's Letter dated May 17, 2007 was presented to the Board for review and consideration. Freedle stated the District had large acreage within its boundaries that it is legally required and obligated to provide service to once the County agrees on a development plan. Freedle reported that since Royal Gorge had requested service for over 500 connections, the request falls under Senate Bill 610; wherein, the District must perform a comprehensive analysis of the water supply in the District. Freedle informed the Board that under SB610, whenever a proposed subdivision had more than 500 connections, the service District must analyze the resources to supply that subdivision. Within these guidelines there must be a single dry year analysis within the last twenty years. The District felt this year is dry enough to substantiate for that single dry year. SB610 also mandates a review of multiple dry years. The District will be required to perform a comprehensive water supply analysis of the surface water, ground water, how much water is presently allocated, how much would be needed for the next twenty years, as well as the particular threats of losing our water rights. One of the provisions in SB610 states that there would not be negative impacts to the present level of service to the current community receiving water.

The District would present the SB610 Letter to Placer County, which is a long term analysis. The District has been working on the studies necessary to fulfill the requirements of the SB610. Freedle reported on all tasks undertaken to collect the required data. He stated the District had hired very capable and competent counsel to guide the District through this process.

Freedle reported the other requirement to the planning evaluation is Senate Bill 221, which requires the District to ensure that it is able to grant water to the development without negatively impacting its existing customers. SB221 requires a written certification from the District to the County that states the District had prepared an Urban Water Management Plan, and as a result of that plan the District believed it would be able to provide a certain amount of water for the development. It is a definitive statement based on upon a well researched and well planned urban management plan.

There were many public comments on the subject. There was public concern regarding the data collected by Royal Gorge's consultants. Guest Mr. Pattison was very concerned that the consultants hired by Royal Gorge would be objective and not biased by conflicts of interest. Freedle reported the District and its consultants were providing oversight and quality control over Royal Gorge's evaluations and studies to ensure the data collected were accurate.

Guest Mr. Hoelter addressed the fact that his property and neighbors on Island Way had flooded in prior years. Hoelter stated he was very much against the idea of raising the dam to increase lake storage. Bern encouraged the public to submit comments to the District at the appropriate time in this process.

Guest Carole Raisbeck was concerned if the District was neutral as to their request for water. Freedle explained that since the District will be the Lead Agency it is responsible for the studies. Royal Gorge requests to proceed with a study and the District environmental engineer Jones & Stokes would oversee that study. The District's responsibility is to be completely objective in this process.

Guest Bernard Pech was concerned about the occupancy rate in residences now and what the occupancy rate would be in the future due to retirees moving their primary residences to the District. Freedle reported those figures are what we actually use now and a figure that Placer County needs for the development. Freedle stated Placer County would probably assume 100% capacity in the model.

Freedle stated the District needed to set policy levels in regard to how much water should be kept in the lake at all times, the utilization of the wells, etc. The District had hired the very competent hydrological firm Jones & Stokes. The Board reassured the public that District consultant Jones & Stokes was doing most of the data collection, or over seeing the data collected, and that Royal Gorge was paying for all the work done pertaining to their project.

#### **Royal Gorge, LLC's Request for Lake Dredging Information.**

Royal Gorge's Letter dated June 8, 2007 regarding Records Inspection and the District's Letter dated June 12, 2007 regarding Inspection of Lake Dredging Records were presented to the Board for review. Bern stated that District records state that in the past the District had removed plant material from the lake and that nothing had ever been done of the magnitude Royal Gorge, LLC is proposing.

There was public concern regarding the federally protected migratory waterfowl and the effect dredging of the lake would have. Freedle stated the Department of Fish and Game was involved in this process and that this concern would be addressed. Guest Bernard Pech was concerned that if Royal Gorge dredged the lakes there would be a muddy bathtub rim when the lakes were drawn down and that was not how Royal Gorge portrayed it to the public. Guest Carole Raisbeck was emotionally concerned about her property and other lakefront properties if Royal Gorge dredged the lakes or raised the dam. Mr. Livak stated Placer County required Royal Gorge to evaluate various percentages of occupancy rates for their proposal, which included 100% occupancy.

#### **Reimbursement Agreement with Royal Gorge for Lake Studies.**

The July 13, 2007 Technical Studies Underway Concerning SLCWD Water Service for Royal Gorge, LLC Project was presented to the Board for review and consideration. The Board discussed the projects and how the District Board and consultants were providing quality assurance and quality control over the tasks listed.

A motion was made by Bowles and seconded by Luscher to authorize the Legal Committee to proceed with all data collection efforts where Royal Gorge, LLC is paying for the task and the District is comfortable it had an adequate oversight of the tasks. Ayes: Freedle, Bowles, Bern, and Oudegeest. Noes: None. Absent: None. Abstention: Luscher. The motion passed.

**Development of a Program for Assessment of the Lakes in terms of Providing Domestic Water Supplies.**

This matter was continued until Royal Gorge, LLC provides specific water needs to the District.

**OPERATIONS:**

**Operations Report from Bill Quesnel/Acumen Engineering.**

Sue Duerksen, being present for Bill Quesnel, presented Quesnel's June 1, 2007 Operations and Maintenance Report for May 2007 and his June 29, 2007 Operations and Maintenance Report for June 2007 to the Board. Duerksen reported there were four capital improvement projects that have been placed out to bid, which included seven of the 2007/08 capital improvement budget items. The pre-bid meeting was set for July 18<sup>th</sup>, 2007 at 10:00 a.m. and the bid opening was set for July 30<sup>th</sup>, 2007 at 1:00 p.m.

**Water Line Leak June 4, 2007 Soda Springs Road and Sierra Road.**

Quesnel's June 4, 2007 e-mail regarding Broken Water Main was presented to the Board for review. Stransky's July 13, 2007 Memorandum regarding Broken Water Main was presented to the Board for review. A sample of the pipe was distributed for the Board to see. The Board directed Quesnel to follow-up with JDH Corrosion Consultants concerning the condition of the water main pipe.

**Authorize Purchase of Replacement Pump at SPS #1.**

Quesnel's June 1, 2007 Operations & Maintenance Report was presented to the Board. Quesnel recommended the Board authorize purchase of a replacement pump for the #1 sewer export station.

A motion was made by Luscher and seconded by Bowles to authorize Quesnel to proceed with the acquisition of a replacement pump for sewage export station #1, for an amount not to exceed \$10,500.00. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**OLD BUSINESS:**

**President's Report.**

The June 5, 2007 and July 5, 2007 President's Report was presented to and reviewed by the Board.

**Construction-in-Progress.**

The July 13, 2007 Construction-in-Progress Logs were presented to and reviewed by the Board. Smith noted that Royal Gorge, LLC received a final sign off on their building at 1121 Lake Drive.

**Request for Extension – Wickstrom.**

Kent Wickstrom's Letter requesting an extension to obtain his building permit for 8202 Palisade Road was presented to the Board for review and consideration.

A motion was made by Oudegeest and seconded by Luscher to grant Wickstrom a ninety day extension (now due by October 23, 2007) to obtain his building permit. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously. The Board directed Smith to send notice to Wickstrom that the Board granted a ninety-day extension to obtain a building permit.

**NEW BUSINESS:**

**Petition to Placer County to Conduct District Hydrology Study.**

Freedle reported that Placer County Water Agency (PCWA) had suggested the District would be in a much better position if it were the Lead Agency in regard to Royal Gorge's proposed development. Attorney Tony Rossmann had also recommended this to the District. Freedle stated Rossmann was preparing a letter to Placer County Planning requesting the District be appointed as the Lead Agency. Bern reported Placer County had not decided who would be the Lead Agency, but was leaning toward appointing Camp Dresser & McKee (CDM), who is Royal Gorge's consultant.

The Board concurred Freedle and Attorney Rossmann would contact Crystal Jacobson with Placer County and present the District's position and request that they appoint the District as the Lead Agency in evaluating Royal Gorge's development proposal.

A motion was made by Oudegeest and seconded by Bern for Freedle to prepare and send a letter to Royal Gorge notifying them the District would charge back costs for District staff and consulting fees associated with the Royal Gorge development. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**Initiate Data Collection for District Hydrology Study per Protocol Developed by Jones & Stokes.**

The July 5, 2007 Cost Estimate for Sierra Lakes County Water District Technical Studies prepared by Jones & Stokes was presented to the Board for review and approval. The cost estimate was prepared to define all of the necessary tasks needed to meet the requirement for a complete hydrology study. The Board concurred to adopt the Cost Estimate for SLCWD Technical Studies dated 7/5/07. The technical studies include an

evaluation of historic water use and availability, water quality sampling, bathymetric survey, cultural survey, biological survey, fisheries survey, recreational assessment, geotechnical/dredging assessment, benchmark survey, evaluate raising the dam, and test groundwater wells.

**Proposal from Reising Concepts (SLAMS).**

The June 29, 2007 Proposal from Reising Concepts for the Update to the Serene Lakes Asset Management System (SLAMS) Application and Quesnel's June 29, 2007 Memorandum regarding Contract with Reising Concepts for Modification of SLAMS were presented to the Board for review and consideration.

A motion was made by Luscher and seconded by Bowles to authorize the Board President to enter into a contract with Reising Concepts to perform upgrades to the software and Users Manual of the SLAMS system, not to exceed \$3,600.00. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**Board Mixer with Donner Summit Public Utility District.**

Freedle reported he and Tom Skjelstad with Donner Summit Public Utility District had agreed at the last mixer it would be a good idea to have the Boards get together in regard to the matters of the summit. The Board concurred August 11, 2007 and September 15, 2007 are acceptable days for the District Board to attend the mixer. The Board directed Smith to contact Skjelstad in regard to potential mixer dates.

**ADMINISTRATION:**

**May 11, 2007 Meeting Follow-up and June 2007 Action Items List.**

The May 11, 2007 Meeting Follow-up and the June, 2007 Action Items List were presented to and reviewed by the Board. The following was noted:

- Staff had monitored the turbidity level at the lake intake area. The Board requested this matter be on next Agenda.
- A 20 yard dumpster was provided for SLPOA's Summit Clean-Up Day.
- Bern contacted Attorney Rossmann to negotiate a contract.
- Sieczkowski drafted the revisions to the employee handbook to reflect the 9/80 work schedule change for the operations staff.
- Sieczkowski prepared the final 2007/08 Operating and Capital Projects Budgets for the Board to approve.

**Revision to Employee Handbook – O&M Work Schedule Change.**

The Draft Addendum to Employee Handbook revised June 8, 2007 was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Bowles to accept the revision to the employee handbook, as amended. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**Resolution No. 2007-779 Establishing Appropriations Limitation for Fiscal Year 2007/08.**

Resolution No. 2007-779 Establishing Appropriations Limitation for Fiscal Year 2007/08 was presented to the Board for review and adoption.

A motion was made by Luscher and seconded by Oudegeest to adopt Resolution No. 2007-779. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. By roll call vote. The motion passed unanimously.

**Resolution No. 2007-780 Appointing Time and Place for Public Hearing.**

Resolution No. 2007-780 Appointing Time and Place for Public Hearing was presented to the Board for review and adoption.

A motion was made by Luscher and seconded by Oudegeest to adopt Resolution No. 2007-780. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. By roll call vote. The motion passed unanimously.

**Approval of Operations and Capital Improvement Projects Budgets for Fiscal Year 2007/08.**

The proposed Operations and Capital Improvement Project Budgets for fiscal year 2007/08 were presented to the Board for review and approval.

A motion was made by Oudegeest and seconded by Luscher to approve the proposed Budgets. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**Initial Report on Potential Service Fee Increase.**

Luscher's May 28, 2007 E-Mail regarding Rate Increase Documentation was presented to the Board for review.

A motion was made by Bern and seconded by Luscher to approve the Notice of Public Hearing on Proposed Sewer & Water Service Rate Increase of \$240.00 for both full and base charges, as amended. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously. The Board directed Siczkowski to prepare and mail the notice of public hearing.

**Request CalPERS to Evaluate OPEB Actuarial Valuation.**

The September 13, 2006 Letter from CalPERS regarding Participant Data Extract to Satisfy GASB No. 45 Requirements was presented to the Board for review and consideration. Freedle reported GASB45 contains a mandated requirement to obtain estimated costs for post employment benefits, other than pension employment benefits.

The Board concurred the District shall request CalPERS to extract the data needed to perform an actuarial valuation of other post employment benefits. The Board directed Smith to forward the GASB45 Data Extraction Request to CalPERS.

**FINANCE:**

**DISBURSEMENTS REQUIRING BOARD APPROVAL:**

**Acumen Engineering Company.**

The June 1, 2007 Invoice #6 in the amount of \$7,396.87 and the July 1, 2007 Invoice #7 in the about of \$12,910.52 from Acumen Engineering Company were presented to the Board for review and approval.

The Board directed Quesnel to provide separate accounting on his monthly invoices for work completed on Royal Gorge matters for possible recovery from Royal Gorge.

**Ellison, Schneider & Harris, LLP.**

Ellison, Schneider & Harris, LLP's invoices for April and May 2007 legal services in the total amount of \$4,115.60 were presented to the Board for review and approval.

**Jones & Stokes.**

Jones & Stokes invoices for April and May 2007 consulting services in the total amount of \$9,512.50 were presented to the Board for review and approval. The Board directed Smith to keep an accumulative account of the monies spent on each task per the original quote dated January 31, 2007 from Jones & Stokes.

**Law Offices of Belzer & Carr.**

The July 3, 2007 invoice in the amount of \$328.03 from the Law Offices of Belzer & Carr was presented to the Board for review and approval.

A motion was made by Oudegeest and seconded by Luscher to approve payment of the above listed disbursements requiring Board approval. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

A motion was made by Oudegeest and seconded by Bern to remove the appropriation limit from Ellison, Schneider & Harris consultants. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

The Board directed Smith to prepare and maintain a reconciliation of all District contracts versus the contract amounts, and all cost responsibility agreements with Royal Gorge.

**Operating Expense Budget-to-Actual (Monthly and Year-to-Date).**

The May and June 2007 Monthly and Year-to-Date Operating Expense Budget-to-Actual Reports were presented to and reviewed by the Board.

**Capital Projects Budget-to-Actual.**

The May and June 2007 Capital Projects Budget was presented to and reviewed by the Board.

**Cash Flow Projection Summary and Breakdown.**

The June 5, 2007 and July 12, 2007 Cash Flow Projection Summary and Breakdown were presented to and reviewed by the Board.

A motion was made by Luscher and seconded by Oudegeest to move the meeting into Closed Session at the hour of 9:30 p.m. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

**CLOSED SESSION:**

**Real Estate Negotiations** – (California Government Code Section 54956.8)

Property: Parcel No. 069-020-068-000  
Agency Negotiator: Wade Freedle  
Negotiating Parties: SLCWD & Royal Gorge, LLC  
Under Negotiation: Price & Terms of Payment

**Water Service Requests.**

**Consideration to Retain Water Rights Attorney Rossmann.**

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

**OPEN SESSION.**

A motion was made by Bowles and seconded by Luscher to move the meeting into Open Session at the hour of 10:07 p.m. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

Freedle reported the following action was taken in closed session:

**Real Estate Negotiations.**

A motion was made by Bowles and seconded by Oudegeest to authorize the appraisal firm of Johnson Perkins to assess the value of the lake bottom parcel for an amount not to exceed \$10,000.00. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

The Board concurred Freedle would prepare and send a letter to Attorney Steve Belzer advising that the Board approved Johnson-Perkins 6/22/07 proposal to prepare a complete summary appraisal of the lake bottom, Serena Creek and Ice Lakes dam for an amount not to exceed \$10,000.00 along with an initial retainer check in the amount of \$5,000.00.

**Consideration to Retain Water Rights Attorney Rossmann.**

A motion was made by Oudegeest and seconded by Bowles to retain the legal services of Anthony Rossmann. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

The Board directed Sieczkowski to prepare and send a letter to Attorney Antonio Rossmann advising that the Board wishes to retain his legal services.

Freedle turned the floor over the Sieczkowski to report on the Personnel matter.

**Personnel.**

Sieczkowski addressed the Board in regard to her planned move to Odgen, Utah and her request to work part-time. The Board concurred Freedle and Sieczkowski would develop a list of her job duties and evaluate which tasks she could retain, which could be transferred to Smith and provide to Board as soon as possible.

**ADJOURNMENT:**

A motion was made by Luscher and seconded by Bowles to adjourn the meeting at 10:17 p.m. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None. The motion passed unanimously.

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Administrative Assistant II

**APPROVED BY:**

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President