

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

**AUGUST 10, 2007**

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:05 p.m., Friday, August 10, 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, Ulrich Luscher, and Bill Oudegeest. Director Bern was not present. Staff members present were Bill Quesnel, Judy Sieczkowski, and Dianna Smith. The guests present were John Harvey, Fran Freedle, George Spencer, Tom Burns, Bernard and Joan Pech, Bob Fish, Byron Lee, Amber Waddle, Jan Janku, Kirk Syme and Mike Livak for Royal Gorge, LLC.

**APPROVAL OF AGENDA:**

The Agenda for the August 10, 2007 meeting was presented to the Board for approval. Smith noted Item VI.C. - Water Quote Request from Granite Construction Company was added to the Agenda, after posting, due to Granite's need to have a confirmation from the District before September 5, 2007 in order for Granite to submit their bid on the project.

A motion was made by Luscher and seconded by Bowles to approve the August 10, 2007 Agenda, as amended. Ayes: Freedle, Bowles, Luscher and Oudegeest. Noes: None. Absent: Bern. Abstention: None. The motion passed.

**PUBLIC FORUM:**

Guest Harvey expressed his appreciation to the Board for protecting the District and the very valuable water resource.

**PUBLIC HEARING:**

A motion was made by Luscher and seconded by Bowles to open the Equalization Hearing at the hour of 5:10 p.m. Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstain: None. The motion passed.

Sieczkowski reported notices had been mailed to all property owners informing them of their assessed values. There were no requests for reduced assessment received.

**Resolution No. 2007-781 Equalizing the 2007/08 Assessment Roll.**

Resolution No. 2007-781 Equalizing the 2007/08 Assessment Roll was presented to the Board for review and adoption.

A motion was made by Luscher and seconded by Oudegeest to adopt Resolution No. 2007-781. The motion passed by roll call vote as follows: Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstain: None.

**Resolution No. 2007-782 Determining that Revenues are Inadequate & Fixing 2007/08 Tax Levy.**

Resolution No. 2007-782 Determining that Revenues are Inadequate & Fixing 2007/08 Tax Levy was presented to the Board for review and adoption. Sieczkowski reported this tax levy is required because the District did not have sufficient funds in the General Fund to cover the bonded debt.

The Board concurred the District would call the sewer bonds and pay off that debt on October 1, 2007. The Board directed Sieczkowski and Luscher to prepare a note to the property owners explaining the increase.

A motion was made by Luscher and seconded by Bowles to adopt Resolution No. 2007-782, as amended to show a slight increase in the tax rate to \$.18 per \$100.00 of the assessed land value. The motion passed by roll call vote as follows: Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstain: None.

**Resolution No. 2007-783 Fixing & Approving 2007/08 Debt Service.**

Resolution No. 2007-783 Fixing & Approving 2007/08 Debt Service was presented to the Board for review and adoption.

A motion was made by Luscher and seconded by Oudegeest to adopt Resolution No. 2007-783, as amended. The motion passed by roll call vote as follows: Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstain: None.

**CONSENT ITEMS CALENDAR:**

Luscher requested the July 13, 2007 Minutes be removed from the Consent Items Calendar so the Board could discuss them.

Director Bern joined the meeting at 5:25 p.m.

The Board directed Smith to review the July 13, 2007 meeting audio tapes and revise the draft minutes to include more of the public comments on Royal Gorge matters.

A motion was made by Luscher and seconded by Bowles to approve the remaining Consent Items which included the July 2007 Check Register, and new vendors AT&T Conference Services, Johnson-Perkins & Associates, Inc., Rossmann and Moore, LLP, Sierra Nevada Classifieds, Simonds Machinery Company, and Stevens. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

**OPERATIONS:**

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

Quesnel's August 2, 2007 Operations and Maintenance Report for July 2007 was presented to the Board. Quesnel reported he and Smith had met with John Haaf of Joint Powers Insurance Authority on July 18, 2007 to review District policies and assess risk exposures. The August 2, 2007 Letter from Haaf of ACWA/JPIA regarding ACWA/JPIA Liability, Property and Workers' Compensation Introduction was presented to the Board for review. Quesnel reported Haaf requested the District repair the hatch on the access ladder to the above ground water tank access, to develop an annual training schedule for staff, and for Quesnel and Smith to attend a Risk Transfer class as soon as possible.

Quesnel reported water samples taken by the water pumping plant and the lake intake pipe have been fluctuating in coliform levels. Quesnel reported there has been an occasional swimmer and dogs reported swimming in Lake Serena around the lake intake. Quesnel suggested posting better signs in the vicinity. Bowles suggested large signs be placed at each entrance point that include no dogs in the lake. The Board directed Quesnel to develop and place large no swimming, no dogs, etc. signs in strategic locations around Lake Serena.

Oudegeest questioned the condition of the asbestos cement pipes. Quesnel stated he and Darby Howard of JDH Corrosion believed that in the areas where flowing groundwater is prevalent around the pipes, the water is leaching the cement out of the pipes. Where the pipes were not in flowing groundwater areas, the pipes seemed to be in good condition. Bowles questioned the water treatment practices, and whether the chemical balance was the correct balance to help preserve the pipes. Quesnel stated he was working with JDH Corrosion to see if the chemicals can be modified to help preserve the A/C pipe.

Bern commended Stransky for his proactive approach of reporting conditions to the Board.

**Award Contract Bids – 4 Contracts.**

Quesnel reported there were four bid packages published for capital projects. The low bid for Project 07-001 was from Deals Excavating in the amount of \$64,135.00. Oudegeest suggested that contract 07-001 be for the whole project – Option 1. The low bid for Project 07-003 was from Mountain Pipeline in the amount of \$20,500.00. The low bid for Project 07-004 was from Mountain Pipeline in the amount of \$16,255.00. Quesnel recommended the Board award three of the contracts. Quesnel recommended the Board reject bid 07-002 for the adjustment of the sanitary sewer manhole and water air relief valve which was far above his estimate. Quesnel stated he would adjust his estimate and resubmit that project to bid.

A motion was made by Luscher and seconded by Oudegeest to adopt Quesnel's recommendation to accept contracts for 007-001 Option 1, 07-003 and 07-004. Ayes: Freedle, Bowles, Luscher, Bern and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

**OLD BUSINESS:**

**President's Report.**

The August 2, 2007 President's Report was presented to and reviewed by the Board.

**Construction-in-Progress.**

The August 10, 2007 Construction-in-Progress Logs were presented to and reviewed by the Board.

**Requests for Extensions.**

Freedle reported the District had received ten (10) requests for extensions from property owners to finalize their building permits. Their requests for an extension were presented to the Board for review and consideration.

A motion was made by Oudegeest and seconded by Bowles to grant the ten property owners a ninety-day extension to obtain their building permits. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

The Board directed Smith to send notice to the property owners that the Board granted a ninety-day extension to obtain their building permit.

Bern asked for clarification of the notation on the construction-in-progress log that three property owners who failed to secure a 2007 issuance building permit had asked to be placed on the 'waiting list' once the available water/sewer connections were exhausted. The Board concurred Bern and Smith would prepare and send a letter to those property owners notifying them there is no waiting list and that when and if the Board created a waiting list that a public notice would be sent to all vacant lot owners with procedures to follow at that time.

**Update on Reimbursement Agreement with Royal Gorge for Lake Studies.**

Freedle reported this item concerns the agreements outlined in phase III of Jones & Stokes' original proposal. The original task list did not include an investigation addressing raising the dam. Livak stated they were looking at the ramifications of raising the dam not more than two feet. Jones & Stokes were going to consult with CDM to develop a list of tasks to investigate raising the dam. Steve Seville with Jones & Stokes was going to write up all of the tasks to be undertaken by Jones & Stokes, CDM, Royal Gorge, and the District. Luscher questioned whether the tasks were assigned to CDM or Jones & Stokes. Freedle replied that the tasks were either being completed by CDM and overseen by Jones & Stokes, or Jones & Stokes was writing the scope of work and a third party contractor would be agreed upon by both.

Freedle reported the Reimbursement Agreement between Sierra Lakes County Water District and Royal Gorge, LLC had been executed. Bern reported Jones & Stokes had the bathymetric data and was developing a model. Livak stated Royal Gorge was developing a capacity curve from the bathymetric data showing the volume in the respective layers of the lake. The Board directed staff to obtain the bathymetric topographical map from Seville.

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

Bern reported the District's letter to Placer County requesting that the District conduct the hydrology study had been drafted by Attorney Rossmann and needed to be sent under Freedle's signature. Bern would provide Freedle with the letter for signature. The letter is requesting that the District be assigned the responsibility as the lead agency for the hydrology study. Bern stated that Placer County had not received a formal application from Royal Gorge and that this process was on hold until an application was received.

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

Smith reported she had provided the dates of August 11, 2007 and September 14, 2007 to Skjelstad of Donner Summit Public Utility District and had not heard back from their Board. Luscher directed Smith to remind Skjelstad the District would like to know before the next board meeting.

**NEW BUSINESS:**

**July 19, 2007 Letter from Property Owner Hoelter regarding Raising Level of Dam.**

The July 19, 2007 Letter from James E. Hoelter regarding Royal Gorge, LLC's Request for Water and Lake Dredging Information was presented to the Board for review and consideration. Freedle reported Hoelter was asking the District to take into consideration the lakeside residences and the effects raising the dam would have on their property. Freedle assured the audience that the Board was looking into every aspect of the decisions the District makes in providing any additional domestic water. Bern stated the District would thoroughly evaluate all of the environmental impacts. Oudegeest requested that a list of impacts be developed so that when an actual proposal was received from Royal Gorge, those issues would be addressed. Bowles stated Jones & Stokes were the District's consultants overseeing all of these issues and they were very competent. Livak reported that the contract provides for the scope to be developed by the respective consultants jointly and the parties would confer as to the concept of that scope and that there would be ample opportunity to make sure the scope is comprehensive. Oudegeest stated he had sent a letter responding to Hoelter on behalf of the Board.

**August 7, 2007 Letter from Property Owner Pech regarding Royal Gorge, LLC's Request for Water and Lake Dredging Information.**

The August 7, 2007 Letter from Bernard and Joan Pech regarding Royal Gorge, LLC's Request for Water and Lake Dredging Information was presented to the Board for review and consideration. Pech stated Oudegeest had sent a letter responding to their letter on behalf of the Board.

**Water Quote Request from Granite Construction Company.**

The August 10, 2007 Water Quote Request from Granite Construction Company was presented to the Board for review and consideration.

A motion was made by Bern and seconded by Luscher to direct staff to prepare and send a letter denying Granite Construction Company's request to purchase water from the District. Ayes: Freedle, Bowles, Luscher, Bern, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

**ADMINISTRATION:**

**July 13, 2007 Meeting Follow-up and August 1, 2007 Action Items List.**

The July 13, 2007 Meeting Follow-up and the July 2007 Action Items List were presented to and reviewed by the Board. The following were noted:

- Sieczkowski prepared and sent a letter to SLPOA advising them the District approved their request to expand the building on Lot 1.
- Smith sent notice to Wickstrom advising them the Board approved their request for a ninety-day extension to finalize their building permit.
- Quesnel was informed by JDH Corrosion Consultants the pipe that had broken at Soda Springs Road and Sierra Road was lacking cement due to the underground water table and flow.
- Quesnel ordered the replacement pump for the #1 SPS.
- Smith advised Skjelstad at Donner Summit Public Utility District of available dates for a Board mixer.
- Luscher and Sieczkowski finalized the rate increase justification documents. Sieczkowski prepared and mailed notice of public hearing to property owners.
- Smith forwarded the GASB45 Participant Data Extract Request form to CalPERS.
- Quesnel is providing separate accounting on his monthly bills for all work done on Royal Gorge matters for possible recovery from Royal Gorge.

- Smith prepared and is maintaining a reconciliation of Jones & Stokes' invoices and all cost responsibility agreements with Royal Gorge, as well as the other District contracts.
- Freedle and Sieczkowski had developed a list of Judy's job duties and provided it to the Board.
- Freedle prepared and sent a letter to Steve Belzer advising the Board approved Johnson-Perkins 6/22/07 proposal to prepare a complete summary appraisal of the lake bottom, Serene Creek, and Ice Lakes Dam for an amount not to exceed \$10,000.00.
- Sieczkowski prepared and sent a letter to Attorney Antonio Rossmann advising the Board wished to retain his legal services.
- Director Oudegeest completed the ethics training required every other year as a Director in office.

**FINANCE:**

**DISBURSEMENTS REQUIRING BOARD APPROVAL:**

**Acumen Engineering Company.**

The August 1, 2007 Invoice #9 in the amount of \$8,089.82 from Acumen Engineering Company was presented to the Board for review and approval.

**Donner Summit Public Utility District.**

The Donner Summit Public Utility Districts June 29, 2007 Invoice #14/07 for 2006/07 AccuWeb improvement project in the amount of \$7,177.65 was presented to the Board for review and approval.

**Eco:Logic Engineering.**

The July 13, 2007 Invoice from Eco:Logic Engineering in the amount of \$979.50 was presented to the Board for review and approval. Luscher directed Smith to verify the hourly rate schedule since they have not billed the District since 2006.

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

Ellison, Schneider & Harris, LLP's Invoice June 2007 legal services in the total amount of \$4,377.50 was presented to the Board for review and approval.

**Jones & Stokes.**

Jones & Stokes Invoices for June and July 2007 consulting services in the total amount of \$9,774.92 were presented to the Board for review and approval.

**Rossmann and Moore, LLP.**

The August 1, 2007 Invoice from Rossmann and Moore, LLP in the amount of \$5,271.00 was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Bowles to approve all of the disbursements requiring Board approval, upon Smith verifying the billing rates for Eco:Logic Engineering. Ayes: Freedle, Bowles, Luscher, Bern and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

A motion was made by Luscher and seconded by Bowles to reconsider approval of the Jones & Stokes Invoice for the month of July 2007. Ayes: Freedle, Bowles, Luscher, Bern, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

Luscher reported Jones & Stokes had exceeded their contract amount for Task 1 by \$1,716.63. Bern reported that they have been doing a large amount of work in a short amount of time and he suggested the District request that they justify the overage.

A motion was made by Oudegeest and seconded by Luscher to pay \$10,000 towards the Jones & Stokes July 2007 Invoice and request justification as to the overage. Ayes: Freedle, Bowles, Luscher, Bern, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

The Board directed Bern and Smith to prepare and send a letter to Jones & Stokes requesting justification of the overage billed on Task 1.

**Operating Expense Budget-to-Actual (July).**

The July 2007 Monthly Operating Expense Budget-to-Actual Report was presented to and reviewed by the Board.

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

The July 2007 Capital Projects Budget-to-Actual Report was presented to and reviewed by the Board.

**2007/08 Debt Service Comparison Budget-to-Actual (July 2007).**

The 2007/08 Debt Service Comparison Budget-to-Actual (July 2007) was 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 7:15 p.m. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstain: 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.**

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

**OPEN SESSION.**

A motion was made by Bern and seconded by Bowles to move the meeting into Open Session at the hour of 8:45 p.m. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

Freedle reported no action was taken in closed session:

Freedle reported that the September Board meeting has been rescheduled to Friday, September 7, 2007, at 5:30 p.m. Because the notice to the property owners had announced that a hearing on the rate increase would be held on September 14, a meeting with the hearing as the only agenda item would be held on September 14.

**ADJOURNMENT:**

A motion was made by Luscher and seconded by Bowles to adjourn the meeting at 8:50 p.m. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstain: None. The motion passed unanimously.

---

Administrative Assistant II

**APPROVED BY:**

---

President