

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

**September 11, 2009  
Regular Meeting**

5:02 – 8:35 p.m.

7305 Short Road, Serene Lakes, California.

**I. Roll Call:**

Directors in attendance at the Sierra Lakes Board Room were:

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

Director Martin Bern was present via telephone from 560 Mission St, 27<sup>th</sup> floor, San Francisco, California

Staff members present:        Mr. Bill Quesnel and Mrs. Anna Nickerson

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

Minute Recorder:        Mrs. Anna Nickerson

**II. Public Forum** There were no public comments.

**III. Consent Items Calendar**

The Consent Items Calendar was presented to the Board for review and approval. The consent items included the “August 14, 2009 Meeting Minutes”, the “August 2009 Check Register” and a list of four new vendors; Downtown Ford, Heavy Equipment, Shaffer Paving and Water Works Engineers.

Director Bern asked that the August 14, 2009 Meeting Minutes, page 1, Item II Public Forum, be corrected to read “Director Freedle stated that there would be no action taken at the meeting that would impact the District’s Water Rights.”

**A motion was made by Director Luscher and seconded by Director Bowles “to**

**accept the consent items as amended.”** The motion passed on a unanimous vote.

#### **IV. Operations**

##### **A. Operations Report from Bill Quesnel:**

Mr. Quesnel’s “Operations Report” was presented to and reviewed by the Board. Mr. Quesnel discussed the “regulatory issues” noted in paragraph 4 regarding the 14.9 micrograms/liter arsenic level found in the well. He clarified that although the State limit was now 10 micrograms/liter, recently down from 50, the current arsenic level found in the well was no higher than it was two years ago when the well was tested. He added that the well was tested to determine that it was still in operating order and what would need to be done if something happened to the lake source.

Mr. Quesnel then discussed daily water and sewer flows. He said Director Luscher had noticed the drop in the amount of water used by Ice Lakes Lodge. The “Operator’s Report”, page 30, reported that Ice Lake Lodge used 112,000 gallons in August 2008 and 92,800 gallons in July 2009, but that it only used 12,100 gallons in August 2009. Mr. Quesnel had sent Ice Lakes Lodge an e-mail asking if there were any significant changes in occupancy. The response did not adequately answer Mr. Quesnel’s questions so a test of Ice Lakes Lodge’s meter was scheduled for the next week to make sure the meter was still in working order.

Director Bowles continued the conversation regarding daily water and sewer flows noting that SLCWD’s wastewater flow percentage was still higher than DSPUD’s even though the I&I season was over. It was further noted that DSPUD’s sewer flow number was much lower than SLCWD’s even though their treated water flow number was much higher. Further review showed that SLCWD’s sewer flow numbers remained consistent but that DSPUD’s numbers reflected a significant change. Mr. Quesnel stated he had sent an e-mail to Jim King at DSPUD regarding these items and that he was waiting for a response.

Director Bern asked if water was still being released. Mr. Quesnel reported that the District was still releasing water but not as often or as much because the inflow to the lake had dropped to about .05 cubic foot/second. As of Sept. 11, 2009, 27.5 acre feet had flowed into the lake and 26 acre feet had been released. It was agreed that the inflows and outflows would be balanced by Oct 1, 2009.

Director Bowles commented regarding the current construction project in which water mainlines and laterals were being replaced. He said Lund Construction was a really good company, that the workers were friendly and easy to work with, and that both Lund Construction and Jeff Krebill were doing a very professional job. Mr. Quesnel agreed with Director Bowles that Lund Construction was very easy to work with and that Jeff Krebill was doing a very good job.

B. Property Management Guidelines:

Mr. Quesnel's draft "Management Guidelines for District Owned Property" was presented to the Board for review and discussion. Also presented was a version containing suggestions made by Director Luscher, which was handed out a just prior to the meeting. Mr. Quesnel explained that the Management Guidelines presented was the unfinished version from December 2009, with additional language regarding boat access and boat storage. Director Luscher noted his addition of an opening sentence that read "These guidelines apply to all District-owned parcels except Lot 1, which is managed by the Serene Lakes Property Owner's Association (SLPOA) under a contract with the District." Director Luscher felt it was important to note that the Guidelines did not apply to Lot 1. Director Freedle added that there was a question about needing to manage the entire perimeter of the lake for water quality purposes. Director Oudegeest added that he felt the guidelines needed to be more developed in regards to the two objectives of forest health and fire prevention. The Guidelines talked about reducing fire hazard but didn't say what the District would do. Director Oudegeest also felt the guidelines should outline the consequences if someone violated the guidelines. Director Freedle stated that until the District could develop the ability to assess fines, the only consequence available would be to file a civil suit for damages if someone was "caught in the act". Director Oudegeest continued stating that it would be a good example to residents if the District were to clean-up its property with regards to forest health and fire prevention. The discussion continued as to what the District should and shouldn't do in regards to forest health and fire prevention as an example to the Serene Lakes residents to encourage homeowners to do the same. It was agreed that the current citizens committee, consisting of Mickey Gray, Director Bowles and Mr. Quesnel, with the addition of Mrs. Raisbeck, would develop a plan for lot clean-up by evaluating the District's lots, possibly choosing one lot, marking the lot using colored flags and having the Board members review the plan prior to the next meeting.

No decision was made on the Management Guidelines. It was agreed that suggestions would be forwarded to Bill Quesnel to be incorporated into the document and a new draft presented at the next meeting.

Director Freedle proposed a letter to SLPOA regarding SLCWD's fire preparedness. Director Bern questioned the District's authority to respond to fires. Director Luscher's stated that the District should cooperate with SLPOA and that a letter was not needed. He also said he had volunteered to be on SLPOA's Fire Prevention Committee. Director Bern agreed with Director Luscher that the District should let SLPOA be the lead; the District would support them.

C. Sanitary Sewer Management Plan, Chapter 7, O&M Program:

Mr. Quesnel presented a draft "Sanitary Sewer Management Plan" for the Board's review. He stated the draft was missing several pieces but that it was meant to be a starting point. Director Luscher said he would review the document and get back to him.

## V. Old Business

### A. President's Report:

A "President's Report" was presented to the Board. Director Freedle reported that a lot was learned on a recent trip to the Colfax plant. He talked about what was learned about new plants, types of plants and the various problems that could arise. He also stated that a trip to the Truckee sewer plant was planned for the following Wednesday.

Director Bowles shared a couple observations he made during the visit to the Colfax plant. First he reported he was amazed by the huge amount of open storage Colfax had for untreated water; over 60 million gallons of storage. The second thing was that Colfax metered the influent going into the plant in an effort to keep a steady even flow through the treatment plant, which this District does not do. He further noted that the Colfax plant had automated controls, real time testing and the ability to turn aeration blowers on and off, which again this plant does not have.

### B. Update on Water Rights Permit:

Director Freedle explained that as part of the process of submitting the petition for extension and direct diversion, the District was advised by both its attorneys and Water Rights engineers to contract with a company experienced in the field of Mitigated Negative Declarations. Three bids were considered by the Board; ESA Water at approx. \$42,000, Stevens Consulting at approx. \$36,000 and PBS&J which was somewhere in between. Director Bern proposed that the Board have Mr. Quesnel evaluate the contractors and have a subcommittee make the decision of who to contract with. After some discussion, the Board agreed to have Mr. Quesnel evaluate the three contractors as to timelines, costs, and ability.

**A motion was made by Director Bern and seconded by Director Bowles "to have the Board authorize and expenditure up to \$45,000, to be decided by Bill Quesnel and the subcommittee, to hire and Environmental Consultant to do the draft environmental document to be presented later to the Board."** The motion failed on a roll-call vote: Ayes Bowles and Bern. Noes: Luscher and Oudegeest. Abstention: Freedle

Discussion continued on how to proceed with the selection of a contractor to prepare the draft environmental document. Many options were explored including having a special meeting the following Friday. Director Bern suggested that the Board agree to use the low bidder, Stevens Consulting. Director Bern asked if Mr. Quesnel was comfortable with Stevens Consulting after his interview of the company. Mr. Quesnel stated that he was comfortable. He also said the contractor had been with Jones & Stokes for 16 years, was currently working on four projects with Wagner & Bonsignore, the District's Water Rights Engineers, had

worked on a project for the DWR's Central Valley Peripheral Canal issue, and had experience with the topic of growth inducing impacts. Overall, Mr. Quesnel felt that this contractor had all the qualities needed to get the CEQA process started. Mr. Quesnel would verify that the Stevens Consulting will be able to complete the document within a specific time schedule before contracting with them.

**A motion was made by Director Luscher and seconded by Director Bowles “to engage Stevens Consulting to do the draft environmental document, provided the contractor satisfies Mr. Quesnel in terms of schedule, not to exceed \$37,000.”** The motion passed on a roll-call vote: Ayes Freedle, Luscher, Oudegeest, Bowles and Bern. Noes: None. Abstention: None.

C. Wastewater Treatment Plant Upgrade Joint District Committee Report:

1. Director Bowles was asked to share his ideas in regards to a “Proposed Facilities Test at DSPUD”. Director Bowles stated that during the return trip from the Colfax plant, he had a discussion with Tom Skjelstad, General Manager of DSPUD, and Mr. Quesnel regarding DSPUD's current ACCUWEB system and the system's potential. Director Bowles didn't think the system's true potential was known because the system had been continuously subjected to significant changes in flow. He suggested one tank be used as a demonstration unit, metering flows to maintain a constant flow level during the month, while the second tank be used to handle weekly variations. He believed that by reaching equilibrium in the first tank an understanding of how much flow the tank could really handle, while meeting ammonia and nitrate requirements, would be gained. Mr. Quesnel said by the end of the conversation, DSPUD was receptive to the idea. He believed that after the current anoxic zone modifications, scheduled for September, were complete, DSPUD would attempt the proposed test. Director Bowles went on to talk about the concept of heating influent during the cold periods, which had been discussed in the past. He and Mr. Quesnel presented their rough calculation of the costs associated with heating the influent to raise the temperature by 5 degrees for a period of three months. The result was about \$300/day for propane; assuming 100% efficiency in terms of heat transfer. For that cost, an experiment could possibly be conducted this winter to determine the effects of heat on influent. The proposed experiment will be discussed with DSPUD. Finally, Director Bowles noted that the Colfax plant subsequently added automatic DO (Dissolved Oxygen) and Flow Control, for about \$30,000, because the plant operator felt the controls were essential.

2. Colfax Wastewater Treatment Plant Tour was discussed earlier during the President's report.

D. Report on Topped Trees by Mr. Davis on District Property – Serene Road:

1. A report written by Noel Charonnat regarding the “Serene Road Tree Cutting Survey” was presented to the Board for informational purposes. Mr. Quesnel reported that the

boats had been removed, more rocks had been placed to reduce access to the space, and some signs reading “Please Stay Off, Sensitive Vegetation” had been posted. He further reported that there was a wide difference of opinion among the residents as to what was done and what should be done in terms of the restoration of the area. Director Bowles said he too talked with many of the homeowners and heard the same varying opinions of what should or should not be done with the area. Some said do nothing, some said spread wild flows and other wanted to see new trees planted.

Present at the meeting was Mr. Ferrier, the forester who proposed and carried out the “Tree Cutting/Clearing” project of the Serene Road space. Mrs. Raisbeck asked that he be allowed to comment on some of the suggestions made regarding the space. Mr. Ferrier said that because there is less vegetation in the area, the remaining vegetation will benefit from the water, nutrients and sunlight available. He believed the District should wait until after Spring before proceeding with a restoration plan; see how the area responds first. He thinks the area may be able to fill out and grow up on its own. He also said it may take 2-5 years before a significant change is seen, give it time. Mr. Ferrier agreed that the area looks thin now and that there were a few trees he wished he could have saved but he felt those few trees would have died from exposure; they were not in good health. He explained how he determined which trees to keep and which to remove. If a tree didn’t have enough branches down below to turn up and become a new top, he removed the tree. Director Luscher asked if he was surprised by the negative reaction to the project. Mr. Ferrier responded, “not exactly”. He said his approach was to keep the area as natural as possible; not to landscape the area.

## **VI. New Business**

A. The Board discussed the community concern regarding the “Dirt Bank along South Soda Springs Road and Lake Water Quality”. Mr. Quesnel reported that he had e-mailed his contact at Placer County Public Works to find out what Placer County’s intentions were in regards to the dirt bank. He stated in the e-mail that in addition to drainage problems there were some issues with erosion control and sediment discharge. He further stated in the e-mail that he didn’t think the dirt bank was in accordance with Placer County’s own grading ordinance. Mr. Quesnel’s contact from Placer County Public Works agreed with his concerns and forwarded the e-mail to Auburn Office. Mr. Quesnel will share Auburn’s response when it is received.

B. Director Freedle reported that in regards to the “Update on Talks with Royal Gorge re: Lake Bottom Parcel Ownership and Granting Rights to SLCWD”, he had spoke with Kirk Symes and was told that Royal Gorge was looking for Mr. Livak’s replacement but that for the time being Nadine Evans would be the contact person. Mr. Syme also stated that their attorney had requested the District’s “Project Description” for the Water Rights extension/petition but hadn’t received one yet. Director Freedle told him the “Project Description” was not complete but would be forwarded when it was. It was agreed that Director Freedle would contact Mr. Syme and set up a meeting to discuss the issue.

C. The “ACWA Region 3 Election for the 2010-2011 Term” was discussed.

**A motion was made by Director Luscher and seconded by Director Bern “in response to the Regency Board Ballot that we concur with the Regency Nominating Committee’s recommended slate below, including the nomination of Mr. Frink.”** The motion passed on a unanimous vote.

D. Director Freedle asked if anyone was interested in being nominated for “ACWA’s Committee for the 2010-2011 Term”, there was no interest.

E. Director Luscher asked if there were any volunteers for the “2010 CSDA Committee Participation”, there was no interest in CSDA Committees.

## **VII. Administration**

A. The “August 14, 2009 Meeting Follow-up” was presented to the Board for review, Director Freedle reported that items 1,3 and 4 were complete; items 2 and 5 would be carried over. Some research had been done on item 5, obtaining Police Authority, but that the research would continue.

B. The “August 2009 Action Items List” was presented to the Board for review. Director Freedle reported that some progress was made on the issue of the “Topped Trees Across from the Davis Property” and reminded Director Bowles that he had until December 31, 2009, to complete his Ethics Training.

## **VIII. Finance**

A. The “Disbursements Requiring Board Approval” was presented to the Board for review and approval. **A motion was made by Director Oudegeest and seconded by Director Luscher to “approve the disbursement amended to include Robert Johnson’s bill for the audit.”** The motion passed on a unanimous vote.

B. The following “Financial Reports” for August 2009 were presented to the Board for review.

1. Operating Expenses Budget vs Actual (Month and Year-to-Date)
2. Capital Expenses Budget vs Actual (Year-to-Date)
3. Cash Flow Forecast – One Year
4. Cash Flow Forecast – Three Year

Director Freedle commented that he thought the Legal Budget for the current Fiscal Year was low based on the activity in the first two months. Director Luscher stated that he had asked Mrs. Nickerson about the consulting fees and had discovered he forgot about Mary

Hall's bill which was included in "Professional Fees – Operations". Finally, Project Costs were discussed and it was determined that although the costs appear to be over budget at this time, the Annual Budget was not exceeded.

Director Oudegeest asked about the District's need to join the California Community Loan Securitization Program, which was included with the "Information" items. The topic was continued with the review of the Cash Flow Forecasts. Subsequent to the reports included in the packet, the District learned that it would receive its Property Tax Revenue with an 8% reduction; Property Tax Revenues were previously taken out of the forecasts due to uncertainty. Mr. Quesnel explained that according to what he had been told, by joining the California Community Loan Securitization Program the District would be able to borrow the amount of the 8% reduction by forgoing the 3% interest it would earn by waiting for the revenues. Director Bern asked about how the District's decision whether to participate or not would affect the Bank of the West Loan. Director Luscher stated that if the District did not participate, service rates would have to be increased.

C. The Board reviewed the "Financial Statements and Independent Auditor's Report for Year Ended 6/30/2009". Director Oudegeest commented that the audit report contained some of the same statements from before. Director Freedle discussed the comment made regarding the District's lack of a Purchase Order System. Also discussed was the future requirement to accrue for unfunded retirement benefits. Mr. Quesnel said he and Mrs. Nickerson would work together to implement more controls over purchasing and no action was taken regarding the requirement to accrue unfunded retirement benefits at this time.

D. The Board discussed the need for a draw on the Bank of the West Line of Credit. Director Freedle stated that within a couple of months, the District would be below a good operating ratio and proposed a \$1.4 mil draw. He also said that the current interest rate was below 3%, about 2.9%. The issue was discussed and consensus was reached to initiate a \$1.4 mil draw.

## **IX. Closed Session:**

**A motion was made by Director Bowles and seconded by Director Luscher "to move the meeting into closed session" to discuss "Personnel - All Employees (California Government Code Section 54957)" at 7:55 p.m.** The motion passed on a unanimous vote.

## **Open Session:**

**A motion was made by Director Bowles and seconded by Director Luscher "to move the meeting into Open Session" at 8:25 p.m.** The motion passed on a unanimous vote.

Director Freedle reported that "the Board gave direction to staff."

There was discussion about the need for a Special Meeting regarding the “Project Description” should additional Board decision be needed. No Special Meeting was set.

**X. Adjournment**

**A motion was made by Director Luscher and seconded by Director Bowles “to adjourn the meeting” at 8:35 p.m.** The motion passed on a unanimous vote.

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Financial Consultant

**APPROVED BY:**

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President

**Next Regular Meeting**  
October 9, 2009, at  
5:00p.m.