

**APPROVED 10/10/08**

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

**September 12, 2008**

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:03 p.m., Friday, September 12, 2008 at the regular meeting place of the Board, 7305 Short Road, Serene Lakes, 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 by telephone from 560 Mission Street, 27<sup>th</sup> Floor, San Francisco, California. Staff members Bill Quesnel and Dianna Smith were present. The guests present were Jeff Stransky, Fran Freedle, Tamara Miller, Robin Burke, Ed Burke, Bernard Pech, Linda Waddle, Al Le Bel, Cheryl Le Bel, Katie Gray, and Joe Gray. Mike Livak was present for Royal Gorge, LLC.

**PUBLIC FORUM:**

There was no public comment.

A motion was made by Luscher and seconded by Bowles to move Agenda Items VI.A.-Presentation by Tom Skjelstad re: Park District Funding; VI.B.-Notice of Violation, DSPUD, Central Valley WQCB; and VI.B.1.-Eco:Logic's Field Survey of Biostimulation in the South Yuba River at and about the DSPUD Effluent Discharge Point, to Agenda Item II.A. The motion passed unanimously by the following five to zero vote: Ayes: Freedle, Bowles, Bern, Luscher and Oudegeest. Noes: None. Absent: None. Abstention: None.

**NEW BUSINESS:**

**Presentation by Tom Skjelstad re: Park District Funding.**

Skjelstad's letter dated September 3, 2008 regarding DSPUD Latent Powers was presented to the Board for review and consideration. Tom Skjelstad addressed the Board and informed the District that there was about \$340,000. in Placer County Park Dedication Fees-Area 16 which if not used within three or four years would be returned to the developer; in this case, Sugar Bowl. Skjelstad stated in order to secure the fees, Donner Summit Public Utility District must first receive authorization to provide park services from Placer County Local Agency Formation Commission. Once these powers are granted to DSPUD, then a committee would be made from all of the Donner Summit community to develop a project that could be presented for approval by LAFCo. The project would be on a reimbursement basis, wherein the expenditures would have to be incurred and then submitted for reimbursement. These funds can only be used for capital costs of a project; not for environmental documents, surveying, or future maintenance of the project. There was discussion regarding this subject.

A motion was made by Oudegeest and seconded by Bowles to authorize the Board President to prepare and send a letter in support of DSPUD to enact their latent powers and take care of recreation. The motion passed unanimously by the following five to zero vote: Ayes: Freedle, Bowles, Bern, Luscher and Oudegeest. Noes: None. Absent: None. Abstention: None.

**Notice of Violation, DSPUD, Central Valley WQCB.**

The August 8, 2008 Notice of Violation, Donner Summit Public Utility District, Nevada County issued by the California Central Valley Water Quality Control Board was presented to the Board for review and consideration. Tom Skjelstad addressed the Board and informed the District that Eco:Logic had responded to the complaint that the algae bloom was a highly unusual event. DSPUD has been discharging into the Yuba for over twenty years and their engineers agreed it was the highest ever seen. Eco:Logic will continue monitoring for algae and felt it is prudent to test earlier in the year and more often. They were waiting to hear back from the State enforcement division. There was discussion in regard to this matter.

**Eco:Logic's Field Survey of Biostimulation in the South Yuba River at and about the DSPUD Effluent Discharge Point.**

Eco:Logic's July 11, 2008 Report regarding Field Survey of Biostimulation in the South Yuba River at and about the Donner Summit Public Utility District Effluent Discharge Point, and Eco:Logic's September 4, 2008 Technical Report – Donner Summit Public Utility District, Nevada County, Notice of Violation Dated 8 August 2008 were presented to the Board for review and consideration. Skjelstad stated the problem was taken very seriously by DSPUD and their engineers. Their thought was that this was truly an unusual event and the District should not have to expend tens of millions of dollars to fix something that may not be a problem. There was discussion in regard to this matter.

**CONSENT ITEMS CALENDAR:**

The Consent Items Calendar was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Bowles to approve the Consent Items Calendar which included: the Minutes of August 8, 2008; the August 2008 Check Register; and new vendors Hobbs Trucking, McDonough Holland & Allen PC, and Petersen Construction. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

**OPERATIONS:**

**Operations Report from Bill Quesnel.**

Quesnel's August 2008 Operations and Maintenance Report dated September 12, 2008 was presented to and reviewed by the Board.

**Progress Report on 2008 Construction Projects.**

The 2008 Construction Project Update – August 29, 2008 was presented to and reviewed by the Board. Quesnel reported the projects were about two weeks ahead of schedule.

**Sanitary Sewer Management Plan:**  
**Fats Oils and Grease Control Program.**  
**Design and Construction Standards.**

Quesnel's September 12, 2008 memorandum regarding Approval of Sewer System Management Plan Section Five: Fats, Oils and Grease (FOG) Control Program and Section Eight: Design and construction Standards was presented to the Board.

A motion was made by Luscher and seconded by Bowles to approve the proposed Sewer System Management Plan sections on Fats, Oils, and Grease (FOG) and Design and Construction Standards. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

A motion was made by Luscher and seconded by Bowles to authorize the Operations Manager to certify to the State Water Resources Control Board that Sections five and eight of the Sierra Lakes County Water District SSMP have been completed. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

**Water System Emergency Disaster Response Plan.**

Quesnel's September 12, 2008 memorandum regarding Review of Water System Emergency/Disaster Response Plan was presented to the Board for review. The Board directed Quesnel to modify the plan and have staff develop a list of permanent residents.

**Construction Contracts.**  
**GLA Morris Construction.**  
**John Longo Construction.**

Quesnel's September 12, 2008 memorandum regarding 2008 Building and Pump Station Repair Projects Award of Contracts was presented to the Board for review and consideration. There was discussion regarding the work to be completed.

A motion was made by Luscher and seconded by Bowles to authorize the Board President to execute a building repair contract with GLA Morris Construction Company of Truckee, California, in the amount of \$14,529 and authorize the Operations Manager to approve change orders up to 10% (\$1,453) of the contract price for unanticipated conditions. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

A motion was made by Luscher and seconded by Bowles to authorize the Board President to execute a pump station repair contract with John Longo Construction Company of Reno, Nevada, in the amount of \$10,000 and authorize the Operations Manager to approve change orders up to 10% (\$1,000) of the contract price for unanticipated conditions. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

**OLD BUSINESS:**

**President's Report.**

Freedle's September 9, 2008 President's Report for September was presented to and reviewed by the Board.

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

The reimbursement agreement with Royal Gorge, LLC for hydrological studies was presented to and reviewed by the Board. Freedle reported that just before the meeting Livak had provided to the District their Biological Resources Assessment for the +/- 87-Acre Serene Lakes Study Area, which will be added to next month's Agenda.

**Serene Lakes Outflow Monitoring Report by CDM.**

Freedle's August 8, 2008 memorandum regarding CDM's Serene Lakes Outflow Monitoring 2007-08 Final Report, and the report itself were presented to and reviewed by the Board. There was discussion in regard to this matter. It was noted that the data needed to be reanalyzed and further measurements taken over the next winter to verify the accuracy of this report. Luscher noted the District's SCADA data should be incorporated into this analysis as well.

**Eminent Domain – Status Update.**

Freedle reported the contract with Stacey Sheston of McDonough Holland & Allen PC for the eminent domain action was signed and executed. Freedle stated Sheston is tentatively scheduled to come up to the District for a general overview later in the month. Freedle had directed Sheston to pursue a Quit Claim Deed rather than a Grant Deed in respect to the lake bottom parcel. Livak addressed the Board in regard to the condition of title having a significant bearing on the value of the property, which should be explored. Livak extended the offer to work with the District to acquire any rights it might need without expending tens or hundreds of thousands of dollars on an eminent domain action that Royal Gorge LLC would resist.

**Report on Attendance at PCWA Board Meeting of 8/28/08.**

Freedle's September 8, 2008 memorandum regarding the Placer County Water Agency meeting at Tahoe City PUD on August 28, 2008 was presented to and reviewed by the Board. Freedle reported the primary subject of the meeting was a review of the

various infrastructure replacement budgets of several of the water districts on the Tahoe shore. Compared to the average condition of their systems, our District was in pretty good shape.

**Reconsideration of Annual Service Fee Payment.**

Freedle reported that having one annual payment would reduce the administrative costs of the District. There was discussion in regard to this matter. Bern would draft clear communication for public relations in regard to the payment plan proposed by the Board.

A motion was made by Luscher and seconded by Oudegeest to change next year's billing to July and give customers the option to pay in two installments in August and February. The motion passed on the following vote of three to two: Ayes: Bowles, Luscher, and Oudegeest. Noes: Bern and Freedle. Absent: None. Abstention: None.

**Construction-in-Progress Request for Continuance – Morton.**

The August 17, 2008 Letter from R.C. Morton requesting a continuance to obtain his building permit was presented to the Board for review and consideration.

A motion was made by Oudegeest and seconded by Luscher to grant Morton a ninety-day (90) extension to obtain his building permit. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

**NEW BUSINESS:**

**State Water Resources Control Board Inspection of District on September 2, 2008.**

Freedle's September 8, 2008 letter regarding Summary and Follow-up for the Meeting with State Water Resources Control Board Complaint Unit on September 2, 2008; the Sierra Lakes County Water District Operational and Facility Data prepared September 2, 2008 were presented to and reviewed by the Board. Freedle reported on the water rights permit and direct diversion. If water is coming into the lakes and we draw water out of the lakes during that time, we are direct diverting. When the water is not coming in and the lakes are static, we are drawing from storage, which is all we are permitted to do. The State representatives suggested the District submit an application for year round direct diversion. According to staff of the State Water Resources Control Board, if the District can prove there is no hydrological connection with the American River between June 14<sup>th</sup> and August 31<sup>st</sup> we can direct divert year round without violation. Another option would be to purchase water from PCWA and they would release water from their Middle Fork project equivalent to what we are diverting.

**Fire Protection Subcommittee Report.**

The August 29, 2008 Fire Protection Subcommittee Fire Protection Progress Report prepared by Bowles and Luscher was presented to and reviewed by the Board.

There was discussion about the strategies and options to protect the property within the District and the watershed. Bowles stated the next step would be to meet with Truckee Fire Protection and review the strategies.

### **Review of Election Procedures.**

Copies of the Water Code Sections 30700-30831 and the October 10, 1991 letter from Attorney James Boyd of Kronick, Moskovitz, Tiedemann & Girard regarding Sierra Lakes County Water District were presented to the Board for review. A Corporation must designate one person to vote for their parcel. A certified copy of the authorization needs to be provided. The issue has come up with connection with the voting rights of Royal Gorge, LLC for the twenty six (26) parcels they own in the District.

A motion was made by Oudegeest and seconded by Bowles to authorize the Legal Committee to engage legal counsel to research the election process for an amount not to exceed \$4,000. The motion passed on the following unanimous vote of five to zero: Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

### **ADMINISTRATION:**

#### **August 8, 2008 Meeting Follow-Up.**

The Follow-up from the August 8, 2008 Board meeting was presented to the Board for review. The following was noted:

- Bowles and Luscher investigated how to improve fire protection in the Serene Lakes subdivision and the surrounding area, in response to Joe Gray's letter.
- Quesnel reported BOD's, etc. on monthly report as before.
- Freedle prepared and sent a response letter to property owner Cedric Collett's letter received 7/21/08 regarding service fees.
- Luscher prepared updated responses to FAQs for SLPOA website concerning the District's fixed costs of operations and relative service charges.
- Smith reviewed July 11, 2008 Minute tapes to verify comments made by Oudegeest.

#### **August 2008 Action Items List.**

The August 2008 Action Items List was presented to and reviewed by the Board.

### **FINANCE:**

#### **Disbursements Requiring Board Approval.**

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

Acumen Engineering August Professional Services Dated 9/1/2008	\$10,796.40
Ellison, Schneider & Harris LLP July Legal Services Dated 7/31/08	\$5,128.60
ICF Jones & Stokes 4/1/08 to 7/27/08 Dated 8/7/08	\$650.00
Petersen Construction Progress Billing #1 Dated 8/30/08	\$148,544.12
Rossmann & Moore LLP August Legal Services Dated 9/5/08	\$741.00
Vanderwood Enterprises August Professional Services Dated 9/5/08	<u>\$2,400.00</u>
Total	\$168,260.12

A motion was made by Luscher and seconded by Oudegeest to approve the above disbursements requiring Board approval in the amount of \$168,260.12. The motion passed unanimously on the following vote of five to zero. Ayes: Freedle, Bowles, Bern, Luscher and Oudegeest. Noes: None. Absent: None. Abstention: None.

**Financial Reports August 2008.**

The Operating Expense Budget-to-Actual for August, 2008 was presented to and reviewed by the Board.

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

The September 2008 Cash Flow Forecast Summary as of August 31, 2008 was presented to and reviewed by the Board. The Board requested Freedle to reconcile the Cash Flow Forecast item for financing.

**ADJOURNMENT:**

A motion was made by Oudegeest and seconded by Bowles to adjourn the meeting at 8:55 p.m. The motion passed unanimously on the following vote of five to

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zero. Ayes: Freedle, Bowles, Bern, Luscher, and Oudegeest. Noes: None. Absent: None. Abstention: None.

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Administrative Specialist II

**APPROVED BY:**

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President