

APPROVED 11/17/08

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

October 10, 2008

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:06 p.m., Friday, October 10, 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, 27th Floor, San Francisco, California. Staff members Bill Quesnel and Dianna Smith were present. The guests present were Tom Burns, Kathy Neuburger, Fran Freedle, Linda Waddle, and Amber Waddle. Mike Livak was present for Royal Gorge, LLC.

PUBLIC FORUM:

Mr. Mike Livak addressed the Board and informed the District that Mr. David Achey has replaced Neil Arasmuss as General Manager of Royal Gorge, LLC for their ski area, Rainbow Lodge and Ice Lakes Lodge.

A motion was made by Luscher and seconded by Bowles to amend the Agenda to add Lake Inflow Monitoring and Release, to Agenda Item V.E.2. The motion passed unanimously by the following five to zero vote: Ayes: Freedle, Bowles, Bern, Luscher and Oudegeest. Noes: None. Absent: None. Abstention: None.

CONSENT ITEMS CALENDAR:

The Consent Items Calendar was presented to the Board for review and approval. Bern requested the Minutes of September 12, 2008 be removed as he had comments on them, and Luscher requested the September 2008 Check Register be removed as he had questions regarding some of the checks. Smith was directed to amend the Minutes of September 12, 2008 and to send copies of the recent DSPUD invoices to Luscher.

A motion was made by Luscher and seconded by Oudegeest to approve the Consent Items Calendar which included: the Minutes of September 12, 2008, as amended and the September 2008 Check Register, with copies of the recent DSPUD invoices sent to Luscher. 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 September 2008 Operations and Maintenance Report dated October 2, 2008 was presented to and reviewed by the Board. The Board concurred that the draft

letter requesting property owners additional information be included in the service billings to be mailed next week. The Board directed Quesnel to summarize the construction projects in regard to the money saved, thanking the property owners for their cooperation, and forward the letter to Oudegeest for posting on the web site. Mr. Tom Burns commended Petersen Construction on the outstanding job they did on the water main replacement project.

Progress Report on 2008 Construction Projects.

The 2008 Construction Project Update – September 23, 2008 was presented to and reviewed by the Board. There was discussion regarding the abandonment of the sewer main replacement on Lake Drive due to unstable soil conditions, and possible solutions to the situation.

OLD BUSINESS:

President's Report.

Freedle's October 6, 2008 President's Report for September was presented to and reviewed by the Board. The Board concurred Freedle would prepare a draft policy in regard to managing District property in regard to people disturbing trees and the like for the next board meeting.

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

Biological Resources Assessment for the +/- 87-Acre Serene Lakes Study Area.

The September 3, 2008 Biological Resources Assessment for the +/- 87-Acre Serene Lakes Study Area was presented to and reviewed by the Board. Livak stated that per the contract, Jones & Stokes would peer review this study and a meeting would be scheduled to review the data.

Eminent Domain – Status Update.

The September 29, 2008 e-mail from Wade Freedle regarding Meeting with Stacey Sheston on 9/29 re: Eminent Domain Proceedings was presented to and reviewed by the Board. Freedle informed the Board that the follow-up schedule was modified as to Steve Johnson and the appraisal being pushed back to November 1, 2008. Livak addressed the Board to reiterate Royal Gorge's continued willingness to work with the District to help it acquire any rights it feels they need.

Notice of Violation, DSPUD, Central Valley WRCB.

The September 15, 2008 letter from California Regional Water Quality Control Board Central Valley Region regarding Discharger Permit Summary and Infeasibility Report Request for National Pollutant Discharge Elimination System (NPDES) Permit (NPDES No. CA0077828); Donner Summit Public Utilities District Wastewater Treatment Plant, Nevada County was presented to and reviewed by the Board. Freedle

reported that Tom Skjelstad had said the State Board was in the process of completing an Administrative Draft of Donner's license renewal sometime this month. The significance of this action is that during the period of the algae problem and the State's evaluation of it, Donner's permit renewal had been put on hold. It has now been released from hold status and when it is issued will have a thirty (30) day public input period before it is scheduled for approval by the Legislative Board. The Board discussed the need to have a peer review engineer for DSPUD's sewer expansion project. The Board directed Freedle to request the District be included in the distribution list of the SWRCB's correspondence with DSPUD.

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

Water Right Complaint Against SLCWD (LJV: 262.0 (31-39-01)) and Issues Raised by the State Water Resources Control Board.

The September 23, 2008 letter from Andrew M. Hitching of Somach Simmons & Dunn regarding Water Right Complaint Against SLCWD (LJV:262.0 (31-39-01)) and Issues Raised by the State Water Resources Control Board were presented to and reviewed by the Board. Freedle reported that the inspection was completed and follow-up information on how the District is operating was given to the State. Freedle and Quesnel stated the State has all the information they need to complete their report and felt the complaint has been resolved. Freedle was not sure if the State Board interpreted the original permit the way the District had when it was originally applied for. Since then, there has appears to have been a reinterpretation of the regulations governing the permit, in regard to the question of direct diversion.

Lake Inflow Monitoring and Release.

The September 12, 2008 memorandum from Bill Quesnel regarding Lake Inflow Monitoring and Release was presented to and reviewed by the Board. Quesnel informed the Board that he had provided the State with all the information they requested. When the procedure is approved by the State Water Resources Control Board it will be incorporated into the District Code.

A motion was made by Luscher and seconded by Bowles to direct staff to annually implement the previously approved Inflow Monitoring and Release Program and report the results to the Board of Directors no later than November 1 of each year unless the permit conditions are revised by the Department of Water Resources. 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:

There was no new business.

ADMINISTRATION:

September 12, 2008 Meeting Follow-Up.

The Follow-up from the September 12, 2008 Board meeting was presented to the Board for review. The following was noted:

- Quesnel is developing a permanent residence list to notify in case of emergency.
- Quesnel modified the emergency response plan to include a request that the District could request that the reverse 911 system be enacted, for review at the October meeting.
- Freedle revised the Cash Flow Forecast and e-mailed it to the Board.

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 September Professional Services Dated 10/1/2008	\$10,178.20
Deal's Excavating and Trucking #08-003 – Fire Hydrant Replacement Dated 9/19/2008	\$40,976.35
Ellison, Schneider & Harris LLP August Legal Services Dated 8/31/2008	\$6,680.70
Hansen Bros. Enterprises #08-002 – Sewer Mainline Replacement Dated 10/2/2008	\$80,924.75
Holdrege & Kull 8/1/08 – 9/30/08 Professional Services Dated 10/3/2008	\$20,396.96
ICF Jones & Stokes 7/28/08 to 8/31/08 Dated 9/12/08	\$1,306.67
Petersen Construction Progress Billing #2 Dated 9/30/08	\$336,625.64

Vanderwood Enterprises	<u>\$3,500.00</u>
September Professional Services	
Dated 10/2/08	
Total	\$500,589.27

A motion was made by Luscher and seconded by Bowles to approve the above disbursements requiring Board approval in the amount of \$500,589.27. 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 September 2008.

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

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

The 2008/09 Capital Projects Budget as of September 30, 2008 was presented to and reviewed by the Board.

The September, 2008 Cash Flow Forecast was presented to and reviewed by the Board.

ADJOURNMENT:

A motion was made by Bowles and seconded by Oudegeest to adjourn the meeting at 6:43 p.m. 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.

Administrative Specialist II

APPROVED BY:

President