

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

**October 12, 2007**

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:11 p.m., Friday, October 12, 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, Ulrich Luscher, and Bill Oudegeest. Director Bern was present by telephone from 560 Mission Street, 27<sup>th</sup> Floor, San Francisco, California. Director Gene Bowles was not present. Staff members present were Bill Quesnel and Dianna Smith. The guests present were Fran Freedle, Bernard Pech, Cheryl Lebel, Joe and Katie Gray. Mike Livak was present for Royal Gorge, LLC.

**APPROVAL OF AGENDA:**

The Agenda for the October 12, 2007 meeting was presented to the Board for approval. Luscher requested the addition of the 2006/07 Audit Billing and Wastewater Discharge Permit charges from Donner Summit Public Utility District, as Item VII.A.11.

A motion was made by Luscher and seconded by Oudegeest to approve the October 12, 2007 Agenda, as amended. Ayes: Freedle, Luscher, Bern, and Oudegeest. Noes: None. Absent: Bowles. Abstention: None. The motion passed.

**PUBLIC FORUM:**

There was no public comment.

**CONSENT ITEMS CALENDAR:**

Luscher requested removal of the September 7, 2007 Minutes and the September 2007 Check Register from the Consent Items Calendar.

A motion was made by Oudegeest and seconded by Luscher to approve the Consent Items which included the July 13, 2007 Minutes; the September 7, 2007 Minutes, as amended; the September 14, 2007 Minutes; the September 2007 Check Register, as amended; and new vendors: Deals Excavating, JDH Corrosion Consultants, and Suter Construction. Ayes: Freedle, Bern, Luscher, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

**OPERATIONS:**

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

Quesnel's, October 4, 2007 Operations and Maintenance Report for September 2007 was presented to the Board for review. Quesnel reported Sandi Tenney with the Department of Health Services – Redding, toured District facilities this morning to assess the operation. Quesnel reported Tenney had two initial concerns. One concern was that homes which have a hydronic heating system need to have a yearly test performed on the backflow device. Quesnel suggested the District adopt an Ordinance to achieve this requirement. Tenney's other concern was the relative shallow level of the lake water intake pipe. Quesnel reported Tenney became less concerned when he stated that the system was updated a short while ago with new filters, which DHS at that time did not have a problem with, the fact that lake turbidity levels were consistently very low, and that Royal Gorge, LLC owned the lake bottom. Tenney had informed Quesnel there was nothing that needed immediate action.

Oudegeest commented on the excessive leaks staff had dealt with on Cascade and Palisade. Quesnel stated as new houses are being built, the water in those areas is turned off and then back on again. That difference in pressure and little movement could be what is causing the problems. Quesnel stated those two streets seem to have more than their fair share of problems. Freedle stated that area is known to have very aggressive soils. Luscher stated that area had poor installation from the very beginning of the development.

Oudegeest commented on the water flow amounts and the correlation to the possible leak at the underground water tank on Pahatsi. Quesnel reported they were working with JDH Corrosion Consultants on all possible leak locations. JDH was planning to start Task B of their proposal and expected to obtain an 'estimated life expectancy' on the seven test samples.

Quesnel reported he and staff have had many demonstrations of vector trucks and suggested the District purchase a newer truck because of the emissions requirements the District will be up against in the near future. He stated he was also looking into having the garage door adjusted so the truck could fit in the garage. Quesnel reported he had spoken with Tom Skjelstad at Donner Summit Public Utility District and they would be very interested in having the District perform the work to be done and pay the District directly for the use of the truck and operator.

#### **Proposed Contract Award to John Longo Construction.**

Quesnel's October 4, 2007 Memorandum regarding Award of Construction Contract for Project 07-002 was presented to the Board for review and consideration. Quesnel reported he would like to have the air-relief valve boxes and sewer manhole adjustments done before winter starts.

A motion was made by Luscher and seconded by Oudegeest to award Construction Project 07-002 to John Longo Construction for an amount not to exceed \$25,000. Ayes: Freedle, Bern, Luscher, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

#### **Uniforms – Possible Purchase of Coveralls.**

Freedle reported the District currently provides Operations Staff with pants, shirts, jackets and boots. He stated the District should also provide coveralls which are very critical to their everyday clothing, especially in winter. Luscher inquired about the cost. Smith stated Freedle had suggested purchasing the heavy duty fire hose material coveralls, but a cost analysis had been completed. Oudegeest questioned what staff would like. Quesnel reported staff currently use at least two pairs a week, and that it was industry standard to provide coveralls. The Board directed Smith and Quesnel to research what staff would like, the cost, and maintenance for coveralls.

**OLD BUSINESS:**

**President's Report.**

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

**Construction-in-Progress.**

The October 5, 2007 Construction-in-Progress Log was presented to and reviewed by the Board.

**Requests for Extension (Singer).**

The October 4, 2007 Letter from property owner Aaron Singer requesting an extension 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 Singer a ninety (90) day extension to obtain his building permit. Ayes: Freedle, Bern, Luscher, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

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

The October 4, 2007 Technical Studies Log was presented to the Board for review. The Board discussed the various tasks for the lake studies. Luscher questioned the watershed hydrological investigation task. Freedle reported this task was being conducted by Camp, Dresser & McKee for Royal Gorge, LLC and that Jones & Stokes was doing the quality assurance, quality control. The scheduled completion date is November 9, 2007. At that time, there should be a definitive number for the volume of the lake. Quesnel reported the staff gauge had been installed at the dam. Mr. Livak reported CDM had collected data in regard to flow over the weir of the dam during the last six weeks of the past runoff season and is continuing to collect that data with the use of a permanent data collection system, at 15 minute intervals. Freedle noted that essentially all of the costs for these tasks are being paid by Royal Gorge.

Mr. Pech questioned if these studies could be used by Royal Gorge before the District approves the results. Mr. Livak reported that Royal Gorge intended to use the studies as they are being developed for their project proposal. Livak stated Placer

County needs to have all the necessary studies completed and backed with scientific studies, for them to perform the analysis for Royal Gorge's CEQA process. Oudegeest questioned how these studies were to be approved and whether the analysis was appropriate. Freedle reported that when these studies are completed, the District would have a meeting with its consultants to review the studies. The District could also comment during the Environmental Impact Report review period.

Bern questioned the dredging and raising of the dam evaluation tasks. Mr. Livak reported Royal Gorge's consultant was preparing a more detailed scope of work to investigate dredging the lakes, which the District would be consulted on before any studies were conducted. Livak reported this task was not complete and preliminary evaluations of increasing the lake level were being reviewed. Livak stated this information would be included in Royal Gorge's Water Report. Freedle questioned Livak in regard to the information being released to the District before they submit it to Placer County. Livak stated Royal Gorge wanted to release the information to the Public (ie. community, District and Placer County) at the same time. Livak stated some tasks still needed to be completed before they submit their Water Report to Placer County. Bern was concerned that Royal Gorge would submit their water report and the results of these tasks to Placer County implying that the District had been involved and concurred with the information. Livak reported they intend to submit a specific statement in the Water Report that the District had not approved the information. Ms. Gray addressed Livak in regard to releasing the information to the public before they submit it to Placer County. Livak stated they have had a predevelopment meeting with Placer County which is complete. Royal Gorge was now preparing to make available the information that will be used to submit their application in draft form, to the District and the public at the same time as they submit to the County.

Ms. Lebel questioned the Board as to their confidence in District consultants. Freedle reported that Jones & Stokes are the District environmental engineers and had developed the tasks required to be undertaken for Royal Gorge's request for water from the District. Freedle stated that Royal Gorge had added the tasks of dredging the lake and raising the level of the dam after the initial tasks were developed. Freedle would look into the contract with Jones & Stokes and make sure Jones & Stokes was involved in the QA/QC of CDM. Mr. Gray stated that all of the information being developed should be given to the District so that the District could verify the report submitted to the County by Royal Gorge. Bern confirmed as the project goes through the CEQA process, the District would have an opportunity to comment on all aspects of the project that affect it. Royal Gorge would have to inform the District with regard to any impact that the proposals might have on District facilities.

#### **Update on Petition to Placer County to Conduct District Hydrology Study.**

Freedle's October 2, 2007 Letter to Placer County Planning regarding the District's request to perform the water assessment for the Royal Gorge/Foster-Syme project was presented to the Board for review.

#### **District Water Rights.**

Bern stated there was no update on the District water rights matter.

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

Freedle reported the Mixer with Donner Summit Public Utility District had been scheduled for Saturday October 13, 2007 at 2:00 p.m. at Ice Lakes Lodge. The Districts' Board and staff would be attending.

**NEW BUSINESS:**

**September 26, 2007 Letter from Richard and Patricia Dorais re: Proposed Lake Dredging and Dam Raising by Royal Gorge, LLC.**

The September 26, 2007 Letter from Richard and Patricia Dorais regarding Proposed Lake Dredging and Dam Raising by Royal Gorge, LLC was presented to the Board for review and consideration.

The Board concurred Luscher would respond to Mr. and Mrs. Dorais stating the District takes their concerns seriously and the District appreciated homeowners' concerns and comments on the subject.

**Proposed Purchase of a Ricoh CL7200D Color Printer.**

Freedle's October 4, 2007 Memorandum regarding Purchase of a Ricoh CL7200D Color Printer was presented to the Board for review and consideration. Freedle reported the District could use a color printer that printed on larger sized paper (11"x17"). The Operations Department, Administration and the SLAMS program would utilize the printer. Oudegeest questioned how many pages a month the District would use for color printing. Quesnel thought staff would use the color option more as the SLAMS program was further developed. Quesnel thought the larger sized paper would be used frequently. The Board directed staff to research other options of less expensive black and white printer, and a separate inexpensive color printer and an estimate of how much staff would use it.

**Proposed Ethics Policy.**

The Sierra Lakes County Water District Draft Ethics Policy was presented to the Board for review and consideration. Freedle reported this was modified from an example policy provided by the California Special Districts Association.

A motion was made by Oudegeest and seconded by Luscher to adopt the Code of Ethics, as amended. Ayes: Freedle, Bern, Luscher, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

**ADMINISTRATION:**

**September 7, 2007 Meeting Follow-up and September 1, 2007 Action Items List.**

The September 7, 2007 Meeting Follow-up and the September 2007 Action Items List were presented to and reviewed by the Board. The following was noted:

- Quesnel responded to property owner Randolph concerning the construction of the neighboring residence and issues regarding Randolph's property.
- Quesnel contacted Eco:Logic in regard to District engineer Jeff Hauser's move to North Carolina.
- Freedle and Smith reviewed the Meeting audio tapes from the July 13, 2007 Meeting to enhance the Minutes.
- Quesnel researched vector truck options and finance alternatives. and inquired of DSPUD as to potentially renting the truck.
- Smith refunded the water/sewer connection fee to 212 Quincy due to their failure to obtain a building permit for 6514 Spruce Road.
- Quesnel contacted Steve Seville in regard to the bathymetric data and diagram.
- Mary Hall forwarded the Snow Laboratory evaporation formula to Luscher.
- Freedle and Smith sent letters developed by Luscher in response to Mr. Ryan and Mr. Gray regarding their concerns of Royal Gorge dredging the lake and raising the dam.
- Quesnel contacted Placer County regarding the vegetation growth around the culverts under the road at the lake channel to the dam.

Freedle reported that the records retention program had been developed and implemented and could be taken off the Action Items List. Freedle also reported the Ethics Policy had been adopted and could be taken off the Action Items List.

#### **FINANCE:**

#### **DISBURSEMENTS REQUIRING BOARD APPROVAL:**

##### **Acumen Engineering Company.**

The October 1, 2007 Invoice No. 11 in the amount of \$11,097.81 from Acumen Engineering Company was presented to the Board for review and approval.

##### **Custom Electric.**

Custom Electric's October 9, 2007 Invoice No. 5285 in the amount of \$11,829.12 was presented to the Board for review and approval.

##### **Deal's Excavating.**

The October 4, 2007 Invoice No. 662 from Deal's Excavating in the amount of \$40,400.00 was presented to the Board for review and approval.

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

Ellison, Schneider & Harris, LLP's August 31, 2007 Invoice for legal services in the amount of \$9,456.00 was presented to the Board for review and approval.

**JDH Corrosion Consultants, Inc.**

JDH Corrosion Consultants, Inc.'s Invoice 3067 dated September 7, 2007 in the amount of \$20,862.29 was presented to the Board for review and approval.

**Jones & Stokes.**

Jones & Stokes Invoice for September 2007 consulting services in the amount of \$10,474.56 was presented to the Board for review and approval.

**Law Offices of Belzer & Carr.**

The September 7, 2007 and October 2, 2007 Invoices from the Law Offices of Belzer & Carr in the total amount of \$200.00 for their August professional services was presented to the Board for review and approval.

**Mountain Pipeline.**

Mountain Pipeline's Invoice #564 dated October 4, 2007 in the amount of \$16,645, and Invoice #565 dated October 4, 2007 in the amount of \$7,930.80 were presented to the Board for review and approval.

**Rossmann and Moore, LLP.**

The October 2, 2007 Invoice from Rossmann and Moore, LLP in the amount of \$585.00 was presented to the Board for review and approval.

**Suter Construction Company.**

Suter Construction Company's Pay Estimate No. 1 in the amount of \$93,472.00 was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Oudegeest to approve the above disbursements requiring board approval. Ayes: Freedle, Luscher, Bern, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

**Donner Summit Public Utility District.**

Donner Summit Public Utility District's Invoice #15/07 dated October 1, 2007 in the amount of \$39,258.80 for the wastewater discharge permit renewal was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Oudegeest to approve Donner Summit Public Utility District's Invoice #15/07 in the amount of \$39,258.80. Ayes:

Freedle, Luscher, Bern, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

Donner Summit Public Utility District's Invoice #16/07 dated October 1, 2007 in the amount of a credit of (\$36,934.77) for the 2006/07 audit billing was presented to the Board for review approval. Freedle reported the Districts flows were substantially lower over the 2006/07 fiscal year which resulted in the credit due. The Board concurred this credit would be used to reduce the current year monthly allocation to Donner for treatment.

**Operating Expense Budget vs Actual Year-to-Date.**

The 07/08 Operating Expenses Budget vs Actual Year-to-Date was presented to the Board for review.

**Operating Expense Budget vs Actual (September).**

The September 2007 Operating Expense Budget vs Actual Report was presented to and reviewed by the Board.

**Capital Projects Budget-to-Actual (September)**

The September 2007 Capital Projects Budget Comparison Budget-to-Actual was presented to the Board for review.

**Cash Flow Projection Summary and Breakdown.**

The October 9, 2007 Cash Flow Projection Summary and Breakdown were presented to the Board for review.

A motion was made by Oudegeest and seconded by Luscher to move the meeting into Closed Session at 7:58 p.m. Ayes: Freedle, Luscher, Bern and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

**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.**

**OPEN SESSION.**

A motion was made by Luscher and seconded by Freedle to move the meeting into Open Session at the hour of 8:50 p.m. Ayes: Freedle, Luscher, Bern, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed.

Freedle reported no action was taken in closed session.

**ADJOURNMENT:**

A motion was made by Luscher and seconded by Oudegeest to adjourn the meeting at 8:51 p.m. Ayes: Freedle, Luscher, Bern, and Oudegeest. Noes: None. Absent: Bowles. Abstain: None. The motion passed unanimously.

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Administrative Assistant II

**APPROVED BY:**

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President