

# Minutes

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

NOVEMBER 10, 2006

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 4:35 p.m., Friday, November 10, 2006, at the regular meeting place of the Board, 7300 Short Road, Soda Springs, California.

### **ROLL CALL:**

The Directors present were Wade Freedle, George Garcia, Ulrich Luscher, Blake Tresan, and Martin Bern. Staff members present were Judy Sieczkowski, Michael Overhauser, Jerry Dahlen, and Dianna Smith. The guests present were Gene Bowles, Bill Oudegeest, Bill Quesnel, George Spencer, Cheryl LeBel, Carrie Hoyt, and Mike Livak for Royal Gorge, LLC.

### **APPROVAL OF AGENDA:**

The Agenda for the November 10, 2006, meeting was presented to the Board for approval.

A motion was made by Luscher and seconded by Garcia to approve the November 10, 2006, Agenda, as presented. Ayes: Freedle, Luscher, Garcia, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

### **PUBLIC FORUM:**

Director Garcia congratulated the potential winners of the recent election for Board of Directors: Gene Bowles, Bill Oudegeest, and Ulrich Luscher.

### **CONSENT ITEMS CALENDAR:**

#### **October, 2006, Check Register.**

The October, 2006, Check Register was presented to and reviewed by the Board.

#### **Minutes of October 13, 2006, Meeting.**

The Minutes of the October 13, 2006, meeting were presented to the Board for review and approval.

A motion was made by Luscher and seconded by Garcia to approve the Minutes of the October 13, 2006, meeting, as amended. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

### **OPERATIONS:**

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

The November 6, 2006, Operations and Maintenance Review was presented to the Board for review. Freedle stated this was an excellent summary of where the District stands and that it would be the basis for developing a program for the Operations Department.

#### **Update on I&I Repairs.**

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Overhauser reported on the 2006 I&I repairs made. He stated the sag in the sewer main on Lake Drive between Hemlock and Castle had been replaced. The sag was reportedly due to a service lateral pulling on the main.

The Board directed staff to make sure the dates on the Maintenance and Operations Report coincide with calendar month dates, and requested that the report be included in the Board packets mailed a week prior to the meeting.

**Review Wastewater Flow & Strength Data.**

The November 6, 2006, Wastewater Flow & Strength Report was presented to and reviewed by the Board. Freedle noted that the strength was very high on September 3, 2006, Labor Day weekend. Tresan stated the District was not notified that the wastewater treatment plant had a problem during that timeframe.

**Responses to Department of Health Services' 2005, Annual Inspection Letter and June 6, 2006, Follow-up E-mail.**

Overhauser reported he was still working on the responses to the annual inspection report for the State. He stated he had been in contact with Mike Tolin with the Department of Health Services, who stated some of the items on the original check list did not apply to the District. Overhauser informed the Board he and Tolin were going to meet soon and go over the State requirements to obtain a new check list for the District. Overhauser stated he would ask Tolin to review the District's historical water lab testing results to see if some of the testing could be considered unnecessary and eliminated.

**Update on Installation of Oil Trap in North Parking Lot.**

Freedle reported the oil trap was completely installed and paved over. Overhauser stated there was one small issue that Kelly with Placer County Department of Public Works would address next week. The Board commended the County on the great job they did.

**Update on Upgrade to Control Systems for #2SPS, #3SPS and #4SPS.**

The Contract between the District and Sierra Control Systems, Inc. to upgrade the controls systems for lift stations #2, #3 and #4 was presented to the Board for review. Overhauser stated he would be contacting Sierra Control Systems, Inc. to inquire whether they could recommend an electrician to install the supplemental electrical work required on this project. This matter was continued to the next Board meeting.

**ADMINISTRATION:**

**Approval of New Vendors.**

The purchase orders for D&S Sales and Ron Stuke were presented to the Board for review.

A motion was made by Luscher and seconded by Tresan to approve D&S Sales and Ron Stuke as new vendors for the District. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

**DISBURSEMENTS REQUIRING BOARD APPROVAL:**

**DSPUD 2004/05 Audit Billing.**

Donner Summit Public Utility District's July 19, 2006, letter regarding Sierra Lakes CWD Cost Allocation for Fiscal Year End 2004/05, was presented to the Board for review and approval. Freedle reported he had reviewed the material provided by DSPUD and noted that the backup was incomplete. Freedle stated he sent a letter to DSPUD requesting the additional backup. This matter was continued to the next Board meeting.

A motion was made by Luscher to approve payment of \$20,000.00 toward the 2004/05 Audit Billing. There was no second to this motion. The motion failed.

**A Garden Gecko**

The October 22, 2006, Invoice from A Garden Gecko in the amount of \$1,442.47 was presented to the Board for review. Freedle noted they recommend willows be planted at the edge of the homeowner's property next to the culvert next year. Freedle stated he was preparing the backup and a letter requesting payment for the firehouse/water tank landscaping to Placer County.

**Eco:Logic's 10/10/06 Progress Bill No. 15 for #3SPS.**

Eco:Logic Consulting Engineers October 10, 2006, Progress Bill No. 15 for Sewer Pump Station No. 3 Reconstruction in the amount of \$1,829.25 was presented to the Board for review and approval.

A motion was made by Tresan and seconded by Luscher to approve payment of Eco:Logic's Progress Bill No. 15 in the amount of \$1,829.25. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

**Harvey's Excavating & Hauling, Inc's Invoice #Lid 1 for New Lid @ #2SPS.**

The September 15, 2006, Invoice #Lid-1 from Harvey's Excavating & Hauling, Inc. for the installation of the new lid at the #2 sewage pump station, in the amount of \$14,970.00 was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Tresan to approve payment in the amount of \$14,970.00 to Harvey's Excavating & Hauling, Inc. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

**DSPUD's AccuWeb Invoice #03/06.**

The October 10, 2006, Invoice #03/06 from Donner Summit Public Utility District in the amount of \$308,851.33 was presented to the Board for review and approval. Freedle stated he and Tresan had reviewed the detailed backup and confirmed the amount due.

A motion was made by Luscher and seconded by Bern to approve payment of DSPUD's Invoice #03/06 in the amount of \$308,851.33. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

**DSPUD's AccuWeb Invoice #04/06.**

The October 10, 2006, Invoice #04/06 from Donner Summit Public Utility District in the amount of \$159,414.59 was presented to the Board for review and approval. Freedle stated he and Tresan had reviewed the detailed backup and confirmed the amount due.

A motion was made by Luscher and seconded by Bern to approve payment of DSPUD's Invoice #04/06 in the amount of \$159,414.59. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

**President's Report.**

The November 2, 2006, President's Report was presented to and reviewed by the Board.

**October 13, 2006, Meeting Follow-up, and November, 2006, Action Items List.**

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The October 13, 2006, Meeting Follow-up and the November, 2006, Action Items List were presented to and reviewed by the Board. The following was noted:

- The contract between the District and Sierra Control Systems, Inc. for the upgrade to the control systems for sewer pump stations #2, #3, and #4 was entered into.
- The contract between the District and the Law Firm of Ellison, Schneider & Harris, LLP was entered into.
- The contract between the District and Acumen Engineering/Bill Quesnel was entered into.
- Freedle and Bern had met with Royal Gorge, LLC and agreed to provide them with a graphic of the lake bottom parcel the District was interested in acquiring.
- The District replied to the invitation from Donner Summit Area Association to participate in the discussions concerning the future of the Donner Summit area.

### **Operating Budget-to-Actual, Capital Projects Budget-to-Actual, 2006/07 Debt Service (Quarterly).**

The October, 2006, Operating Budget-to-Actual Report, the October, 2006, Capital Projects Comparison Budget to Actual, and the 2006/07 Debt Service Quarterly Report – September, 2006, were presented to and reviewed by the Board.

### **Cash Flow Projection Summary and Breakdown.**

The November 1, 2006, Cash Flow Projection Summary and Breakdown were presented to and reviewed by the Board.

### **Approval of June 30, 2006, MD&A Report for 2005/06 Audit.**

The draft Management Discussion and Analysis June 30, 2006, was presented to the Board for review and approval.

A motion was made by Luscher and seconded by Garcia to approve the Management Discussion and Analysis June 30, 2006, as amended. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

### **Property Owners' Construction-in-Progress Logs.**

The November 3, 2006, Construction-in-Progress Logs were presented to and reviewed by the Board.

### **Request for Extension – 212 Quincy, LLC.**

The October 27, 2006, request for a second extension of time to obtain a building permit received from 212 Quincy, LLC, First Virtual Properties, was presented to the Board for review and consideration. Bern confirmed with staff that this property was given a continuance in August and was notified that further continuances were strongly discouraged. Bern stated the District had a responsibility to the property owners who are ready to build and to make sure owners are diligent at building and not sitting on and speculating in connection permits.

A motion was made by Bern and seconded by Garcia to deny 212 Quincy, LLC's request for a second extension. Ayes: Freedle, Garcia, Tresan, and Bern. Noes: Luscher. Absent: None. Abstention: None.

### **Request for Extension – Brett Osborn.**

The November 9, 2006, request for a second extension of time to obtain a building permit received from Brett Osborn was presented to the Board for review and consideration. Bern confirmed with staff that this property was given a

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continuance in August and was notified that further continuances would be strongly discouraged. The Board noted that this property had been on the connection waiting list since early 2005, and should have moved easily through the process.

A motion was made by Garcia and seconded by Bern to deny Brett Osborn's request for a second extension.

Ayes: Freedle, Garcia, Tresan, and Bern. Noes: Luscher. Absent: None. Abstention: None.

A motion was made by Bern and seconded by Garcia directing staff to prepare and send letters to 212 Quincy, LLC, and Brett Osborn informing them that the Board had denied their requests for an additional extension of time, had revoked their water/sewer permits, and to refund their connection fees. The Board directed staff to notify the next two property owners on the waiting list that a connection would be available in April, 2007. Ayes: Freedle, Garcia, Tresan, and Bern. Noes: None. Absent: None. Abstention: Luscher.

Freedle noted that one property owner, Etheredge at 3124 Westshore Drive, had not submitted his plans to the Serene Lakes Property Owners Association Architectural Review, which is a requirement by the District to obtain a water/sewer connection permit. Freedle reported this property owner had proposed to build deck footings in the drainage ditch on his property. Freedle stated that the District should allow SLPOA the opportunity to approve/review building plans before the District approves a water/sewer connection permit.

The Board concurred Freedle would prepare and send a letter to Etheredge requesting he submit a copy of the building plans to SLPOA in order for the District to approve and issue a water/sewer connection permit. Bern would take a physical look at this property and report back to the Board. This matter was continued to the next Board meeting.

Freedle's November 8, 2006, Memorandum regarding Planned Capacity Expansion at the DSPUD Wastewater Treatment Plant was presented to the Board for review. Freedle noted that pursuant to Section 24 of the Interim Service Agreement with DSPUD dated April 26, 2003, an engineering study was needed to analyze the actual capacity of the plant prior to an expansion project. Garcia stressed the District must ask for the final capacity figure of the upgraded wastewater treatment plant before the District participates in expansion of the plant. The Board concurred and directed Luscher and Bern to prepare and send a letter to DSPUD advising them the District would like to pursue the contractual requirements for plant expansion outlined in the April 26, 2003, Interim Service Agreement Sections 7.0, and 24.0.

### **OLD BUSINESS:**

#### **Status of Water Tank & Firehouse Landscaping.**

Freedle reported the landscaping was complete for this year and that contractor A Garden Gecko recommended that willows be planted next summer on the property owner's side of the culvert. Freedle reported he was gathering the backup to prepare and send a letter to Placer County requesting payment for the landscaping project.

#### **Update on SLCWD's Petition to State for Water Rights Permit Extension.**

Bern reported the contract had been entered into between the District and the Law Firm of Ellison, Schneider & Harris, LLP. He stated that Attorney Schneider had telephoned and spoken with the Division of Water Rights clerk in charge of the District's water rights application at the State Water Resources Control Board. Schneider informed the clerk that the District would be going through the CEQA process, and that he would be kept apprised of the District's progress. Bern stated the law firm would look into retaining a firm that specializes in environmental consulting and should have a recommendation by the next board meeting.

#### **Update on Acquisition of Lake Bottom.**

Freedle's October 31, 2006, E-mail regarding the teleconference meeting with Kirk Syme, Todd Foster, Mike Livak, Martin Bern and Wade Freedle – Negotiations for Lake Bottom Acquisition, was presented to the Board for review. Bern stated he had a copy of the Grant Deed for the lake bottom parcel to provide to Foster/Syme. Guest Livak, with Royal Gorge, LLC. addressed the Board and stated Foster/Syme had requested a graphic of the property in addition to the available legal description. Tresan

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stated he would be able to provide a graphic of the parcel by using his AutoCad software and the Placer County database. The Board concurred Tresan and Bern would provide a graphic to Foster/Syme and would solicit proposals from three raw land/wet land appraisers for the Board to review at the next Board meeting.

**NEW BUSINESS:**

**Solicitation of Limnologist Dr. Alexander J. Horne, PHD.**

Bern reported this matter would be addressed as part of the recommendations of Attorney Schneider and the environmental consulting firm that will be retained by the District on its water rights application. This firm would advise the Board as to what studies would need to be performed as well as who would need to be hired to perform those studies. The Board concurred not to engage Dr. Horne at this time.

**Mixer with DSPUD Scheduled for November 11, 2006.**

The Board discussed the mixer with Donner Summit Public Utility District scheduled for November 11, 2006. Freedle suggested the District host the mixer and pay for the luncheon. The Board concurred that both Districts should share equally for payment of the luncheon.

**Review Accounting Requirements for Bank of the West Loan.**

Freedle's November 6, 2006, Memorandum regarding Accounting for Bank of the West Loan was presented to and reviewed by the Board. Freedle explained accounting requirements for tax exempt issues are extremely stringent and if the IRS audited the District and found it had created an arbitrage situation, there could be very severe penalties applied. The Board directed staff to implement the accounting procedures set forth in Freedle's memorandum.

**CLOSED SESSION:**

Personnel – (California Government Code Section 54957)

A motion was made by Luscher and seconded by Garcia to move the meeting into closed session at the hour of 8:40 p.m. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

**OPEN SESSION:**

A motion was made by Luscher and seconded by Tresan to move the meeting into open session at the hour of 10:15 p.m. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

Freedle reported the Board had approved the contract with Acumen Engineering Company/Bill Quesnel, and had approved the hiring of Jerrold Dahlen as a permanent employee, Operator I, Step III, effective November 16, 2006.

**ADJOURNMENT:**

A motion was made by Luscher and seconded by Tresan to adjourn the meeting at 10:17 p.m. Ayes: Freedle, Garcia, Luscher, Tresan, and Bern. Noes: None. Absent: None. Abstention: None.

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Administrative Specialist II

**APPROVED BY:**

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President