

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

**November 13, 2009  
Regular Meeting**

5:00 – 9:02p.m.  
California

7305 Short Road, Serene Lakes,

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

Guests present were: See attached "Guest List" – Exhibit #1.

Minute Recorder: Mrs. Anna Nickerson

II. Public Forum

The Public Forum discussion began with comments from Director Oudegeest regarding some recent manhole work that was performed by District Engineer Bill Quesnel with District employees. He said that Mr. Quesnel's decision to do the work in-house saved the District thousands of dollars. He also said he was impressed with how efficiently the work was done, on a Saturday. In addition, Mr. Oudegeest got to witness how TV cameras were used to identify leaks in sewer lines and how much the new District trucks have assisted in the work of the District. Director Luscher continued the discussion of Mr. Quesnel's accomplishments with comments regarding a recent ACWA-JPIA inspection. He said the inspector was impressed with how neat and orderly things were and that since the District joined ACWA-JPIA in 2003, there had been no workers compensation, property or liability claims against the District's policy.

Karen Heald of SLPOA asked if the Board would consider moving item "V. Old Business: Proposed Lease Agreement of Lot 1 with Serene Lakes Property

Owners' Association" up on the agenda. The Board agreed. Director Freedle began the discussion with information provided by James Curtis, the District's counsel. In a letter dated 10/15/09, Director Freedle had asked if it were possible for a District to enter into a 99 year lease and if an automatic renewal clause could be crafted. Mr. Curtis' letter responded favorably on both items. Director Bern asked if Director Oudegeest obtained guidance regarding his need to recuse himself from the discussion regarding the Lot 1 lease as discussed at the previous meeting. Director Oudegeest recused himself from both the discussion and the vote.

Ms. Heald provided information obtained from a local realtor as to the marketability of the lease in response to a question raised by Jim Curtis as to whether or not this lease was an arm's length agreement. It was determined that, based on restrictions that the lot was solely for recreational use, residents of Ice Lakes I & II and Serene I & II had a deeded right to the property; and that in view of the costs of insurance, water/sewer fees, and prior improvements made to the lot, the lease had little or no market value. Director Bern felt that the restrictions on the lot clearly showed that the lot was being used for the purpose intended.

**Director Freedle entertained a motion to adopt the lease as written with a provision that an automatic renewal clause will be prepared by SLPOA and approved by our attorney, and the lease will be for 99 years. No motion was made.**

Director Luscher asked that the Board approve the lease as presently written, with an automatic renewal clause added. Director Bowles questioned the proposed 99-year term with an automatic renewal for another 99 years. He thought the previous discussion was for a 50-year term. Director Bern suggested a 50-year term with an automatic renewal of another 49 years, keeping the lease within the suggested 99-year term. He also volunteered to draft the renewal clause during the dinner break to be reviewed later at the meeting. Ms. Heald added that the renewal clause should give both parties the option to terminate the lease after the 50-year term and that written notification of the intent to terminate the lease should be presented to the other party at least one year prior to the automatic renewal date.

**A motion was made by Director Luscher and seconded by Director Bern to "accept the contract with SLPOA as presently written except for a yet-to-be-prepared clause on automatic renewal, which should be approved by the Board later, and with an automatic renewal unless acted upon by either party at least one year before the close of the 50 years for 49 additional years."**

**Director Bowles "moved to table" this issue. The motion was seconded by Director Luscher.** The motion was passed on a unanimous vote. Voting members were Wade Freedle, Ulrich Luscher, Gene Bowles, and Martin Bern. Director Oudegeest was recused from the vote.

After the dinner break, the Board reviewed the “automatic renewal clause” as written by Director Bern:

*Paragraph 2: This lease shall become effective upon execution by both parties.*

*Paragraph 3: The term of the Lease for Lot One shall be for a period of fifty (50) years, commencing on the effective date of the lease. Unless SLPOA or the District provides, in writing, a Notice of Intent Not to Renew the lease, it will automatically, and without further action by either party, renew for an additional term of 49 years. Any Notice of Intent Not to Renew this lease shall be mailed or delivered no earlier than 2 years, and not later than one year, prior to the conclusion of the initial 50-year term.*

**A motion was made by Director Bowles and seconded by Director Luscher to “accept the proposed lease for Lot 1 as amended by Director Bern’s e-mail.”** The motion was passed on a unanimous vote. Voting members were Wade Freedle, Ulrich Luscher, Gene Bowles, and Martin Bern. Director Oudegeest was recused from the vote.

### **III. Consent Items Calendar**

The Consent Items Calendar was presented to the Board for review and approval. The consent items included the October 9, 2009 Meeting Minutes, the October 2009 Check Register and one new vendor, Delta Rubber.

**A motion was made by Director Bowles and seconded by Director Ulrich “to accept the consent items as presented.”** The motion passed on a unanimous vote.

### **IV. Operations**

Mr. Quesnel’s “Operations Report” was presented to the Board for review. His report started with an update on DSPUD’s Anoxic Zone Mixers. He had previously reported that the mixers were expected to arrive at DSPUD in three to four weeks. However, based on a discussion earlier in the day with Tom Skjelstad of DSPUD, the mixers were now expected to arrive the next day and the modifications to the anoxic zone should be up and running by the Thanksgiving Holiday.

Director Oudegeest asked about the Insurance Services Office (ISO) questionnaire which was used by insurance companies when establishing rates for fire protection. Mr. Quesnel reported that he thought the District’s rating would

improve with the improvements made over the last two years; new fire hydrants and increased fire flow capacity. Fire Chief Steve Lieberman added that the areas current rating was a 5, which was great for the overall area, and that to improve to 4 would be a great accomplishment.

Director Bowles asked if Mr. Quesnel had anything to add to his report on the District's I&I problem. Mr. Quesnel said that because I&I increased so quickly after recent heavy rains he didn't think it was ground water flow, he thought it was leaking manholes and a break at the sewage pump station across from the Lodge. With the recent work done on manholes and the break repair at that sewage pump station, he felt there should be improvement in the level of I&I.

The draft "Procurement Policy" was presented to the Board for review and acceptance. Mr. Quesnel summarized the changes made based on the discussion at the last meeting. Director Luscher proposed some additional changes: add an item for surety and bonding to the list of consideration factors on page 3, remove language in paragraph 1 on page 3 regarding open market purchase, add "the lowest" before "bid price" at the end of paragraph 2 on page 3, add "prior" in front of "Board approval" in the middle of the last paragraph on page 5, and change the second word on page one from "foregoing" to "following".

**A motion was made by Director Luscher and seconded by Director Bowles to "accept the Procurement Policy as amended."** The motion passed on a roll-call vote: Ayes: Freedle, Luscher, Oudegeest, Bowles and Bern. Noes: None. Abstention: None.

The draft "Property Management Guidelines" was presented to the Board for review and discussion. Mr. Quesnel reminded everyone that the document was a "guideline" and not an actual "Management Plan". There was discussion regarding the maximum size and width of boats that can be temporarily stored on District property. A couple of changes were agreed upon. On page 1, "To meet this goal the District will undertake the following activities:" the word "will" was changed to "may" and the word "streams" would be added to the list under the first bullet.

**A motion was made by Director Luscher and seconded by Director Bern to "accept the guidelines as amended with the word "may" and the boats will be limited to "single hull sailing boats less than 18 feet in overall length."** The motion passed on a roll-call vote: Ayes: Freedle, Luscher, Bowles and Bern. Noes: Oudegeest. Abstention: None

Ken Hall asked if agenda item "C. Response to SLPOA's Letter re: Defensible Space" under "VI. New Business" could be moved up the Agenda as it related to the previous topic. The Board agreed. Director Freedle summarized the letter as a request to apply the management techniques of clearing to all District properties to contribute to the safety and welfare of the community. Mr. Hall agreed with Director Freedle's summary and added that it was understood that the District

may not be able to get to all the properties immediately but he hoped that the clean-up could start with some of the more visible lots to set an example for the rest of the community. Anne Chadwick added that the Tahoe-Truckee Fire District was willing to assist the District, free of charge, and free prison labor was available through the Department of Corrections. Mr. Hall stated that the Community Fire Committee intended to have an aggressive fire defense education effort beginning next spring and continuing through the summer, which was why it was requesting the District to begin work on some of its properties. Mr. Hall asked that the District identify three or four lots to be cleared in the spring. Director Luscher offered to outline a plan by the next meeting. The Community Fire Committee offered to provide signs to be posted on the completed lots to bring attention to the work that was done.

1. A letter dated 10/15/09 from the District to Attorney Jim Curtis regarding "Possible Adoption of Police Powers for the SLCWD" was presented to the Board for review and possible action. Director Freedle reported that Mr. Curtis confirmed the District's authority to set up authorization for implementation of Police Authority. A resolution could be passed and then implemented when there was a need. Noel Charonnat asked about utilizing the local Sherriff, possibly funding the Sherriff to give the District more coverage. Director Freedle explained that funding the Sherriff had previously been attempted but had failed. Director Bern asked if the intent was to have the authorization in place, to be used in case of need. Director Freedle confirmed that was the intent.

**A motion was made by Director Bern and seconded by Director Luscher to "move forward with getting an authorization in place for the District to exercise police powers."** The motion passed on a unanimous vote.

Mr. Quesnel presented a "Professional Services Agreement with Eco:Logic for Programming Upgrades to Water Treatment Facilities" to the Board for consideration and possible action. The upgrades consisted of programming the SCADA system in order to utilize the fully-automatic operation of the water intake and treatment plant.

**A motion was made by Director Oudegeest and seconded by Director Bern to "approve Mr. Quesnel's request."** The motion passed on a unanimous vote.

## **V. Old Business**

Director Freedle's "President's Report" was presented to the Board for review. Director Freedle talked about the recent discovery that past due utility bills were wiped out in a foreclosure. Director Freedle reported that Mr. Curtis confirmed that the District's position could be improved with the filing of a lien against the property. Director Freedle said he would follow up with Mr. Curtis on what our options were, can we turn service off, and can the Bank be billed.

Mr. Quesnel's notes on the "Wastewater Treatment Plant Upgrade Joint District Committee Meeting of 10/29/09" was presented to the Board for Review. Director Freedle reported that Tom Skjelstad of DSPUD said he anticipated that a decision as to the type of plant and the technology to be used should still happen in January 2010. Director Bowles asked about the proposed tests of the current plant. There was some discussion about what was to be expected. Director Freedle explained that ECO:Logic's preliminary report on plant alternatives would be issued in January. Mr. Quesnel addressed Director Bowles and Director Oudegeest's question about what happened with the proposed tests of the current plant. According to Mr. Quesnel, both Jim King of DSPUD and Jim Geselbracht, the District's peer review consultant, agreed that the tests would not be practical and could result in out-of-spec discharge. However, data would be collected through the winter, which would include the anoxic zone modifications, and compared with earlier data to gain a clearer picture of the plant's needs. Director Bowles asked that before the Joint Wastewater Committee makes a decision, ECO:Logic's preliminary report should be presented to the SLCWD Board for review and input.

The result of the discussion regarding the "Update on Water Rights Permit" was that Director Freedle would follow up on the State Water Board's expectations in regard to the District's pending water rights application and would provide a status report at the December meeting.

The result of the "Legal Committee Report on Setting Meeting with Royal Gorge re: Alternatives to Eminent Domain" was that Director Freedle would make a stronger effort to get a meeting set.

The "Proposed Lease Agreement of Lot 1 with Serene Lakes Property Owners' Association" was presented and discussed earlier in the meeting.

1. The letter dated 10/15/09, from Attorney Jim Curtis "re: Contract for Lease of District Property between the District and Serene Lakes Property Association" was discussed earlier in the meeting.

## **VI. New Business**

A. The "NWRA California Caucus Ballots" was presented to the Board for review and possible action. Director Luscher suggested that the District vote for Bill George, Lawrence M. Libeu, Larry L. Russel, David Breninger and E.G. "Jerry" Gladbach.

**A motion was made by Director Oudegeest and seconded by Director Luscher to "accept Director Luscher's recommendations".** The motion passed on unanimous vote.

B. "Board Direction on Foreclosed Properties and Past Due Accounts"

was decided during the “President’s Report”. The foreclosed properties identified at the meeting were:

8287 Muir Ct (Beatty/Aurora Loan Services)  
3031 Soda Springs Rd (Morris/Washington Mutual)  
7217 Palisade Rd (De Rosa/The Money Brokers)  
5572 Hemlock Dr (Strange/Coldwell Banker)

C. A response to SLPOA Letter re: Defensible Space was discussed earlier in the meeting.

D. A letter dated October 30, 2009 from Property Owner Irene Wong regarding her “request for Waiver of Late Fee” was presented to the Board for consideration. The Board concurred to reinforce current policy and to notify Ms. Wong that a waiver would not be granted.

E. A letter dated November 8, 2009 from “Property Owner Glen Jarvis of 4082 Bales Road” and an e-mail dated November 10, 2009, from “Potential Buyer – Von Bothmer of 4082 Bales Road” were presented to the Board for consideration. After a lengthy discussion regarding property lines and easements, it was determined that the District’s pump station property was separated from the lot in question by a strip of greenbelt. Director Bern suggested that Mr. Jarvis be told that, although residents have a right to access the property adjacent to their lot since it was greenbelt, the District did not authorize boat storage in the area and that it would cooperate with the homeowners’ attempt to stop boat storage on their lot. Director Bern agreed to call Mr. Jarvis. Director Freedle agreed to send a response to Von Bothmer that the District would be communicating with Mr. Jarvis. Director Luscher added that the District’s pump station property would be a good candidate for the District’s “Property Management Guideline” work proposed for the coming spring.

F. The “Boats left on Bales Road Pump House Lot as of 11/9/09” was discussed under Item E including the suggestion that the Bales Road Pump Station Lot be considered for the Property Management Program.

G. A “Resolution Authorizing Board President to Make Personnel Decisions” was continued.

## **VII. Administration**

A. The “October 9, 2009 Meeting Follow-up” was reviewed by the Board. Items 1 & 2 would be carried over to the next meeting. Mr. Quesnel reported that Placer County had responded to Item 5 by trimming back the berm, covering it with jute netting, installing erosion control devices in the flow line and putting up delineators to protect the embankment from snow plows. In his opinion, Placer County had done a good job.

B. The “October 2009 Action Items List” was reviewed by the Board. It was determined that Director Bowles completed his ethics training and that the item could be removed from the list. It was noted that the Water/Sewer Fee Projection was about 80% complete. Director Bowles added that a recent review of the Bank of the West loan agreement revealed that the term of the loan was only 20 years and not 25 years as previously thought, which would have an impact on future Water/Sewer Fees. Director Luscher asked what cost assumptions were made in regard to the wastewater plant upgrade/expansion. Director Bowles stated that until more definitive information was available, the assumption was that the balance of the Bank of the West loan would cover the upgrade costs. Any other assumption would have to wait until ECO:Logic’s report was received.

C. A “Construction-in-Progress Request for Continuance” from William Chapman was presented to the Board for approval. The Board noted that a six month extension was appropriate in this case since the standard 90-day extension would only extend the permit to the middle of winter.

**A motion was made by Director Bowles and seconded by Director Luscher to “give Mr. Chapman an extension of six months.”** The motion passed on a unanimous vote.

D. The “EDU Reconciliation with District Parcels” was presented to the Board for review. Director Luscher commented that he thought the information was good.

## **VIII. Finance**

A. The list of “Disbursements Requiring Board Approval” was reviewed by the Board. It was noted that DSPUD’s \$10,474.86 invoice was reduced by approximately \$770.00 for items that pertained exclusively to DSPUD.

**A motion was made by Director Oudegeest and seconded by Director Bowles to “approve the disbursements as amended.”** The motion passed on a unanimous vote.

B. The following “Financial Reports for October 2009” were presented to and reviewed by the Board. .

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

Mr. Quesnel reported that the “Capital Expense Budget vs Actual” reflects

committed costs which include unpaid retention

**IX. Closed Session:**

**A motion was made by Director Luscher and seconded by Director Bowles to move the meeting into closed session.”** The motion passed on a unanimous vote.

**Personnel - All Employees** (California Government Code Section 54957)

**A motion was made by Director Luscher and seconded by Director Oudegeest to “move the meeting into open session.”** The motion passed on a unanimous vote.

Director Freedle reported that no action was taken.

The final item discussed was the annual Christmas Dinner. It was agreed that a Christmas Lunch would be planned for December 11, 2009, the afternoon of the next regular scheduled meeting, and that lunch would be catered by Maria of The Donner Summit Lodge, if available.

**X. Adjournment**

**A motion was made by Director Bowles and seconded by Director Luscher “to adjourn the meeting” at 9:02 p.m.** The motion passed on a unanimous vote.

The next regular meeting was set for December 11, 2009 at 5:00p.m.

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Financial Consultant

**APPROVED BY:**

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President