

ADOPTED 1/9/2009

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

December 12, 2008

The Board of Directors of Sierra Lakes County Water District met in regular session at the hour of 5:00 p.m., Friday, December 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 not present. Staff members Bill Quesnel and Dianna Smith were present. The guests present were Noel Charonat and Fran Freedle.

PUBLIC FORUM:

Guest Mr. Noel Charonat addressed the Board in regard to the Federal Grant monies which might be made available for infrastructure and suggested the District and DSPUD look into obtaining some of it. Freedle reported that the District has been reviewing various bond issues that California has passed over the past fifteen years. The District never made the cut due to being mostly a second-home community and having a high level of income. Freedle noted that the District would continue reviewing everything that it might be eligible for.

CONSENT ITEMS CALENDAR:

The Consent Items Calendar was presented to the Board for review and approval. Oudegeest requested the November 2008 Minutes be removed from the consent calendar to be reviewed by the Board.

A motion was made by Bowles and seconded by Luscher to approve the Consent Items Calendar which included: the Minutes of November 14, 2008, as amended, and the November 2008 Check Register. The motion passed on the following unanimous vote of four to zero: Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

OPERATIONS:

Operations Report from Bill Quesnel.

Quesnel's November 2008 Operations and Maintenance Report dated December 2, 2008 was presented to and reviewed by the Board. Quesnel reported there were errors happening in the wastewater parshall flume located on Pahatsi. The level of the center was off about of an inch and the signal amperage was not operating correctly. Sierra Controls will be up to correct the SCADA system. Quesnel stated that he had informed Tom Skjelstad at Donner Summit Public Utility District. Once the correct figures are calculated the District should go back to Donner for a credit on total flows. The Board

concurrent Quesnel would look into obtaining a peer review engineer to enable the District to monitor specific projects at Donner Summit Public Utility District.

At the request of Guest Charonat, the Board agreed to address Agenda item VI.B. 11/26/2008 California Regional Water Quality Control Board Central Valley Region – Administrative Civil Liability Complaint R5-2008-0626, Donner Summit Public Utility District, Nevada County, at this point in the Agenda.

NEW BUSINESS:

11/26/08 California Regional Water Quality Control Board – Central Valley Region Administrative Civil Liability Complaint R5-2008-0626, Donner Summit Public Utility District, Nevada County.

The 11/26/2008 California Regional Water Quality Control Board - Central Valley Region – Administrative Civil Liability Complaint R5-2008-0626, Donner Summit Public Utility District, Nevada County was presented to the Board for review and consideration. Qudegeest questioned if the District was responsible for the portion of the fine that is a discretionary penalty imposed on Donner. Guest Noel Charonat questioned why the District would be held liable if it was operation error on the DSPUD side. Luscher stated that if there was a clear ‘goof’ on the part of DSPUD the District would not be liable. If the plant just cannot do the job, the District would be liable. Freedle stated that a decision could not be made until DSPUD presented the District with our allocation. At that time the service agreement would be reviewed and a decision would be made based upon merits of that particular event. The Board directed Quesnel to look into proposals for a consulting engineer and report back in January. Quesnel reported that DSPUD was going to enter into settlement discussions with the CRWQCB by requesting that the hearing on the matter be delayed by submitting a letter describing the issues including proposals for compliance.

The Board requested that another letter be sent to the CRWQCB requesting that the District be put on their mailing list regarding DSPUD matters. The Board directed Freedle to get in contact with the South Yuba River Citizen’s League to make a presentation at the January Board meeting. The Board directed Quesnel to contact Wendy Wyels at the CRWQCB in regard to their concerns over this complaint and the penalty fine.

OPERATIONS:

Draft Management Guidelines for District Owned Greenbelt Properties.

Quesnel’s December 2, 2008 Memorandum regarding Management Guidelines for District Owned Greenbelt Properties and Draft Guidelines were presented to the Board for consideration. The Board directed Quesnel to e-mail the draft guidelines to the Board for their revisions.

Possible Professional Services Agreement with Andregg Geomatics.

Quesnel's December 3, 2008 Memorandum regarding Professional Services Agreement with Andregg Geomatics Topographic Mapping for 2009 Water System Plans was presented to the Board for consideration.

A motion was made by Luscher and seconded by Bowles to authorize the Operations Manager to execute a Professional Services contract with Andregg Geomatics of Auburn, California in an amount not to exceed \$10,000 for the preparation of topographic mapping necessary for the completion of the 2009 and 2010 Water System Improvement Plans. The motion passed on the following unanimous vote of four to zero: Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

OLD BUSINESS:

President's Report.

Freedle reported Donner has verified that the District has a \$39,000.00 credit for the last fiscal year allocation of sewer flow volume. He also stated that he and Bill Quesnel had provided Bank of the West with the back up support material they requested for the District's line of credit.

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

Freedle stated there was no update to report.

Status Update on Eminent Domain.

Freedle reported he had forwarded to Attorney Stacey Sheston the District's request for her to prepare a profile of alternative documentation for a simple deed to achieve the District purposes for management of the lake bottom parcel.

12/2/08 E-Mail from Kathryn Gray re: Letter to SLCWD Board re: Eminent Domain

The 12/2/08 E-Mail from Kathryn Gray re: Letter to SLCWD Board re: Eminent Domain was presented to the Board for review and consideration. Bowles stated that as a homeowner these issues are logical and persuasive, but some have doubtful value in terms of something the District could use as a justification to move forward on the eminent domain process. Likewise, the District cannot incorporate some of the issues into the eminent domain process since they are speculative and lack legal foundation.

Eminent Domain History in Sierra Lakes Letter to Board dated 12/8/2008.

The Eminent Domain History in Sierra Lakes Letter to Board dated 12/8/2008 from Wade Freedle was presented to the Board for review. Bowles stated the District would be better off owning the lake bottom for management purposes, rather than the property potentially changing hands over and over as in the past.

Construction-in-Progress Request for Continuance – Morton.

The December 1, 2008 Letter from RC 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 Bowles to grant Morton a 90-day continuance to obtain his building permit. The motion passed on the following unanimous vote of four to zero: Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

NEW BUSINESS:

E-Mail from Property Owner Kavanaugh re: Water Meters.

The E-Mail from Property Owner Kavanaugh re: Water Meters was presented to the Board for review and consideration. The Board discussed the fact that between 97% and 98% of the costs to operate the District are probably fixed costs and would not change by billing on a metered rate. Oudegeest stated the District needed to publish the facts which would help the customers understand the service fees. Guest Charonat stated some of the complaining second home owners are actually renting their homes; or when they do come to visit, they have more people staying there than full-time residences. Freedle reported that the District needed to calculate the total operating cost with meters, which would probably be about 105% to 110% of the total current cost.

The Board concurred Luscher and Quesnel would draft something for Board approval at the next Board meeting.

Quesnel's 12/3/08 Memorandum re: Water Meters.

Quesnel's 12/3/08 Memorandum re: Water Meters was presented to the Board for review and consideration. Freedle reported that the District was not legally mandated to be metered until 2025. Quesnel stated the District was not legally required to charge by volumetric use until 2025. Oudegeest suggested the District present pro-active publicity on the subject letting the homeowners know the facts.

11/28/08 Letter from Al Le Bel re: Voter Designation Forms.

The 11/28/08 Letter from Al Le Bel re: Voter Designation Forms was presented to the Board for review and consideration. The 12/12/08 Letter from Judy Vanderwood responding to Le Bel was presented to the Board for review and consideration. There was discussion regarding the letters. Luscher stated that the Board never discussed a second mailing and that a second mailing was not conducted by the District. Oudegeest reported that there was a mailing from property owner Ken Hall. The Board concurred Freedle and Vanderwood would send the response letter to Le Bel.

ADMINISTRATION:

November 14, 2008 Meeting Follow-Up.

The Follow-up from the November 14, 2008 Board meeting was presented to the Board for review. The following was noted:

- Freedle sent rate increase information to property owner Mr. Terrence Tuggy.
- Quesnel verified that backwash gallons were included in the total gallons used on the sewer and treated water total report.
- Freedle sent a letter to Placer County Planning in support of encroachment easement for Block F, Lots 39 and 9, Ice Lakes II
- Freedle sent a response letter to property owner Atkinson in regard to their sewer/water service bill and the fact that they have a connection permit even though they have not started to build.
- Bern sent a letter to property owner Davis regarding topping trees on District property and sent a copy to M.S. Gray.
- Freedle and Bern started to research the lease agreement with SLPOA in regard to placing political signage on Lot.
- Smith changed the Holiday dinner time at Ice Lakes Lodge from 6:30p.m. to 7:00p.m.
- Smith e-mailed ethics training information to Martin, Ulrich, and Wade.
- Freedle sent a letter responding to property owner Robbins in regard to their sewer/water service bill and the fact that they have a connection permit even though they have not been able to fully use their service.
- Freedle followed-up regarding review of CDM Biological Assessment.
- Freedle sent a letter to Laura Levallee regarding measure and release policy.
- Freedle developed the history file of Districts eminent domain actions to-date for Board review.

December 2008 Action Items List.

The December 2008 Action Items List was presented to and reviewed by the Board. Luscher reported he had completed the course for ethic's training.

FINANCE:

Disbursements Requiring Board Approval.

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

Acumen Engineering	\$9,037.50
November Professional Services	
Dated 12/1/2008	
Arnett & Associates, Inc.	\$1,096.00
Professional Services	
Dated 11/30/2008	
California Special Districts Association	\$1,573.00
2009 Membership Dues	
Petersen Construction	\$1,240.00
Retention Manholes	
Dated 10/31/2008	
Petersen Construction	\$28,794.75
Final Retention Watermains/Laterals	
Dated 11/25/2008	
Vanderwood Enterprises	<u>\$950.00</u>
November Professional Services	
Dated 12/8/2008	
Total	\$42,691.25

A motion was made by Luscher and seconded by Bowles to approve the above disbursements requiring Board approval in the amount of \$42,691.25. The motion passed unanimously on the following vote of four to zero. Ayes: Freedle, Bowles, Luscher and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

Financial Reports November 2008.

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

The Operating Expense Budget-to-Actual July 2008 through November 2008 was presented to and reviewed by the Board. Bowles reported the total column and variance columns need to be corrected. Smith stated she would verify each cell and make the appropriate edits to the report.

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

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

CLOSED SESSION:

A motion was made by Luscher and seconded by Bowles to move the meeting into closed session at the hour of 6:33 p.m. The motion passed unanimously on the following vote of four to zero. Ayes: Freedle, Bowles, Luscher and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

OPEN SESSION:

A motion was made by Luscher and seconded by Bowles to move the meeting into open session at the hour of 6:50 p.m. The motion passed unanimously on the following vote of four to zero. Ayes: Freedle, Bowles, Luscher and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

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 6:54 p.m. The motion passed unanimously on the following vote of four to zero. Ayes: Freedle, Bowles, Luscher, and Oudegeest. Noes: None. Absent: Bern. Abstention: None.

Administrative Specialist II

APPROVED BY:

President