

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

Date: Friday April 10, 2020 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

The meeting was teleconferenced as provided by Governor Newsom’s Executive Order N-25-20 (“Executive Order”), declared on March 12, 2020. The Executive Order temporarily granted state and local agencies certain powers to aid in the implementation of social distancing measures recommended by state and local public health officials that suspended certain Brown Act requirements.

I. Open Meeting:

Roll Call: Directors in attendance at the Sierra Lakes Boardroom were:

Director Michael Lindquist

Directors in attendance by teleconference:

Director Dick Simpson
Director Karen Heald
Director Dan Stockton
Director Bob McCormick

Staff members present: Anna Nickerson, Financial Consultant

Staff present by phone: Paul Schultz, General Manager
Jeffrey Mitchell, District Counsel

Guests present: None

Minute Recorder: Anna Nickerson, Financial Consultant

II. Public Forum: An opportunity for members of the public to address the Board on items that were not on the agenda. There were no members of the public present.

III. Approve Agenda: The agenda was presented to the Board for approval.

A motion was made by Director Simpson and seconded by Director McCormick to approve the agenda. The motion passed by a unanimous rollcall vote: Directors McCormick, Stockton, Simpson, Heald and Lindquist.

IV. Public Comments: An opportunity for the Board to consider comments received from the public after the agenda was posted, regarding items on the agenda. Mrs. Nickerson reported that there were no comments received after the agenda was posted.

V. **Operations:** Mr. Schultz's operations report was presented to the Board for consideration and possible action. Mr. Schultz summarized the following:

- There were no violations at Donner Summit PUD's plant in March 2020.
- Like the District, Donner Summit PUD was also on limited staff and remote managerial duties. They were also down one operator so Mr. Schultz would be offering the services of the District's operator that holds the required certification, to help on the weeks that the District's operator was scheduled for remote on-call duties.
- The District's offices are temporarily closed to the public, except for emergencies.
- Final comments on the Fertilizer Best Management Practices information was expected by the end of the month.
- Work continued with both the State and vendor for the well #1 improvements but the work was delayed due to snow. Mr. Schultz anticipated the work would continue later in the spring after the snow melts.
- The District's Hazardous Material Plan was completed. There was one violation; the cover of a 55 gallon drum was not secured, but that has been corrected. There were also a couple administration deficiencies that were being corrected.
- Work was started on the State Electronic Annual Report for the Division of Drinking Water but completion of the report had been set aside for now due to an extension of the due date to August 1, 2020. However, the report was expected to be completed before the extended due date.
- The Water Use Information Report was completed and submitted to the State and the District Generator Use Reports were completed and submitted to Placer County Air Pollution Control.
- There were no sanitary sewer overflows for the month of March 2020.
- Improvements to the District's SCADA system continued. Ken Morgan from Great Basin Controls would begin configuration in April and the new system would be installed during the filter vessel improvement project.
- Ken Morgan, who was also working on the Parshall Flume RTU, found that the radio wasn't working and the electronic eye that measures the flows going to Donner Summit PUD, needed to be realigned. Mr. Schutz anticipated that Mr. Morgan would be able to complete the work on the RTU after the SCADA system was installed.
- Mr. Krebill did a great job on the drywall & paint repairs done at SPS #3.
- Loprest was scheduled to start on April 20, 2020. An adequate social distancing plan was formulated and personal protective equipment was verified.
- Water consumption was down significantly, averaging about 60,000 gallons/day in March.

Director Heald asked who was reviewing the Fertilizer Best Practices Management plan. Mr. Schultz said the two original authors from UNR, John Cobourn and Heidi Kratsch, along with William Thauvette. He was still waiting for Ms. Kratsch's comments.

Director Simpson asked when Mr. Schultz expected to complete the Electronic Annual Report, even though the due date was extended to August 1, 2020. Mr. Schultz said May at the latest.

Director Simpson asked what the expected completion date was for the RTU. Mr. Schultz said the radio needed to be repaired and the ultrasonic eye needed to be recalibrated. Currently the manhole was under ten feet of snow. If after a week to ten days the snow wasn't melted enough, staff would use the backhoe to remove the snow.

Director Simpson asked about the repairs at SPS #3. He said he didn't remember hearing about the needed repairs. Mr. Schultz said the repairs were needed due to snow damage and a leaky roof. He said there was also a sink that needed to be moved so the work was done all at once. He said it was a good snowy day project and supported the need to work separately.

Director Simpson said the difference between water usage and sewer flows were running about 9,000 gallons/day and that numbers didn't reflect water usage being "way down". Mr. Schultz said significantly decreased water usage started at the beginning of April.

VI. The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the March 13, 2020 Regular Meeting; March 2020 Check Register; financial reports for the month ending March 31, 2020; and Disbursements for Board Approval. Director Simpson said he had a number of questions about the financial reports. His questions were actually preparatory to developing next year's budget.

A motion was made by Director Simpson and seconded by Director Heald to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote: Directors Stockton, Simpson, McCormick, Heald and Lindquist.

Director Simpson asked:

- Page 12: A check on the check register from Mr. Krebill. Mrs. Nickerson explained that it was an entry for the water/sewer fees deducted from Mr. Krebill's paychecks.
- Page 15: Account 8020 – said he thought it was a couple thousand dollars a month but the account was showing \$60,000. Mrs. Nickerson said that was the interest the District was earning on the Placer County Treasurer's fund and the LAIF investments.
- Page 15: Account 9028 – Telephone expense was already at 98%. Mrs. Nickerson said, after the budget was approved last year, AT&T doubled the rate. Although she had made attempts to get the rate reduced, she was unable. Mr. Simpson said we would need to raise telephone expenses in the budget for next year.
- Page 15: 9044-03 – Merchant Fees: He asked if those fees were for automatic billing and related expenses and that it was at 106%. Mrs. Nickerson referred to a spreadsheet she provided to Director Simpson in March showing that the bank fees for accepting online payments were going to be more than anticipated. The increased cost was due to more customers taking advantage of credit card payments.
- Page 15: 9700-01 – Waste Water Export Service: He asked if that was the kick-back from Donner Summit PUD because the District was using less sewer processing than anticipated. Mrs. Nickerson said that was correct.
- Project expenses were only at 15% and asked if that was because other things were being done. Mr. Schultz said as soon as the filter replacement project was complete, the costs will be increasing.

Director Simpson said he knew staff was working on the budget but asked if a remote meeting should be scheduled. Mr. Schultz said he was working on the project schedule and anticipated a meeting would be scheduled soon. Mrs. Nickerson would schedule a Budget Committee conference call when the materials were ready.

VII. New Business:

A. The Board discussed the process for collecting delinquent accounts in consideration of the shut-off requirement changes due to the COVID-19 pandemic. Mrs. Nickerson said she was at the point where the consistently late accounts were assessed late fees and should be given a 30 Day Notice of Disconnection. However, she knew she couldn't disconnect service due to Governor Newsome's order so she asked for direction from the Board as to how to proceed with those accounts. Mr. Mitchell said he could look at the Governor's letter to see if there were requirements for homeowner's to prove non-payment was due to COVID19 and language could be added to the notice. Mrs. Nickerson then said she had received two payments without the late fees and asked if she should accept the payments and collect the late fees at a later date or follow the ordinance that required that she reject the payments because they don't include the late fee. Director Lindquist asked if the District was required by statute to charge late fees or could the late fees be waived on a temporary basis. Mr. Mitchell said the District was required by ordinance to charge late fees. He also said the Governor's order only pertained to shut-offs and not late fees. Director Simpson said the Board had received previous requests for late fee waivers that were denied and didn't think the Governor had taken action until after the end of the grace period that ended March 15th. Director Simpson recommended that the checks be returned for the late fees. The Directors agreed that the checks should be returned but would revisit the issue of late fees when the fourth quarterly payments become due. Mr. Mitchell would send language to be added to the 30 Day Notice stating that service would not be discontinued until the Governor's order was lifted.

B. The Board discussed a plan for holding a Public Hearing for Revisions to Ordinance 18.01 Chapter 1 as prescribed by California State Senate Bill 998. Mrs. Nickerson said the need for the public hearing was the result of the new legislation requiring translation of shut-off procedures including required posts on the District's website. Mr. Mitchell said the District would be required to translate the shut-off procedures into four or five different languages. He also said the update to the ordinance would bring the District into alignment with the new legislation. Mr. Mitchell said he didn't think the statute was referenced in the ordinance in answer to Director McCormick's question. Mr. Mitchell said, based on his records, an Ordinance amending 18.01 would be drafted referencing the sections of the District's Code that were being updated and would include reference to the statute. The public hearing would be noticed to be held in conjunction with the May Board Meeting.

C. A request to increase additional costs for website programming of the District's "Auto Pay" feature was presented to the Board for consideration and possible action. Mrs. Nickerson said Robert Bousquet of New Leaders was very good about splitting the \$4,000.00 of excess cost for programming the autopay feature. Director Simpson said he understood the issue related to folding in late fees with autopay and that there shouldn't be a problem with late fees associated with accounts on autopay. Mrs. Nickerson said automatically adding late fees to quarterly payments was a separate issue from the autopay feature. Prior to the change, a customer would have to schedule separate payments for the quarterly payment and the late fee. For the most part, customers were not scheduling the separate payment for the late fee causing a collection issue. Director Heald said she

felt Mrs. Nickerson had done everything she could to help with the costs and felt the fees should be approved.

A motion was made by Director Heald and seconded by Director McCormick to approve the additional fees. The motion passed by a unanimous rollcall vote: Directors McCormick, Simpson, Heald, Stockton and Lindquist.

VIII. Old Business:

A. SLPOA's Lot 1 additional storage was on the agenda for consideration and possible action. Director Simpson said SLPOA discussed the items identified at their March meeting but no action had been taken. The item was postponed until SLPOA resubmits a proposal.

B. Mr. Jenkins' revised proposal for a Dock Permit at 5947 Hemlock Dr. was presented to the Board for consideration and possible action. Mr. Schultz said Mr. Jenkins' architect sent drawings memorializing and clarifying his understanding of ordinance requirements for docks and decided to install a Pier D'Nort. Mr. Schultz recommended that the Board approve the proposed dock. Director Heald confirmed that a Hold Harmless Agreement was received from the owner. She also asked what the final size of the dock was. Mr. Schultz said the proposed dock would be 4 x 24 with a six foot approach. He said he had inspected the property and felt the six foot approach was reasonable because of the shallow shoreline. Director McCormick referenced a walkway that was denied for a property with a similar shoreline issue. Director Heald said she would be happy to take a six foot approach out of the square footage of the dock and wondered if the combined dock and approach really needed to be 24 feet long. She felt it would be an excessive variance. Director Stockton, who lives nearby the property, said he agreed that the dock should not be extended. Director McCormick said he thought there could be some accommodation but that it shouldn't be excessive. Mr. Schultz said he would discuss the Board's concerns with the property owner and report back to the Board in May.

C. An insurance proposal from Alliant for Site Pollution Incident Liability Select Insurance was presented to the Board for consideration and possible action. Mr. Mitchell said responses have been received but he had not had time to review them. Director Heald said she would like to see the answers to his questions A and C before making a decision. Mr. Mitchell said he would send Director Heald ACWA-JPIA's responses. The concern was whether existing infrastructure was covered for when a new event was triggered. The items was carried over to May.

IX. Administration:

A. A list of Follow-up Items from the March 2020 Board meeting was presented to the Board for consideration and possible action.

- Item 1: Pictures/Bios for website – ongoing.
- Item 2: Update District Election process before 2020 election. Mr. Mitchell said he was waiting until after the March election before setting up a meeting.
- Item 3: Contact Placer County Election to determine a point of contact. Mrs. Nickerson said contact with Placer County was needed to understand their concerns.
- Item 4: Mr. Schultz said he had collected all the information to propose an outline of potential issues for the District in the event of a weeklong power outage. Mr. Schultz said he had two pending issues. One was the installation of two receptacles

and the other was to see if Sugar Bowl would allow the District to store diesel fuel in their tank during the summer. The storage would save a lot of time getting fuel.

B. The Status of Action Items remaining as of the April 10, 2020 meeting was presented to the Board for consideration and possible action:

- Item 1: Fertilizer Application: Best Management Practices – Mr. Schultz said he was waiting on final comments. If comments were not received soon, he would finalize the document.
- Item 2: AMR Data Collection and Analysis – Mr. Schultz said the item was scheduled for this summer. The 2020/2021 budget will include installation of all the remaining meters. It would be a good project to support social distancing and would allow collection of zone data that would help with the District's I&I issue.
- Item 3: Policies & Procedures Review – Approximately 50% complete – due August 2020.
- Item 4: Insurance Coverage Review – Mr. Shultz said the item was 99% complete but anticipated it would be completed at the May meeting once Mr. Mitchell had time to review ACWA/JPIA's response.
- Item 5: Ownership of the Dam – Mr. Schultz said it was determined that the Land Trust owned the dam and he was looking at carving out the dam site and making it District property by a boundary adjustment. Director McCormick would continue his research.
- Item 6: Upcoming Meter Rates – Mr. Schultz said he anticipated having a draft of a plan to discuss new rates by the May meeting. Director Lindquist asked about using Microsoft Project for tracking the progress of establishing metered rates. Mr. Schultz said he would use Microsoft Project; both he and the District had a copy of the program.

X. **CLOSED SESSION:** A Closed Session was scheduled pursuant to Government Code Section 54956.9(d)(2). Conference with Legal Counsel to discuss the anticipated litigation, significant exposure to litigation pursuant to paragraph (2) of subdivision (d) Section 54956.9: one potential case – Threat of litigation by George Carmen's email dated 12/2/19 (Section 54956.9(e)(5)).

It was noted that Director Simpson would recuse himself from Closed Session and would not return.

A motion was made by Director Stockton seconded by Director McCormick to move the meeting into closed session. The motion passed by a unanimous rollcall vote: Directors McCormick, Stockton, Heald, Simpson and Lindquist.

Director Simpson stated he was leaving and was removed from the teleconferenced meeting. Members remaining were Directors McCormick, Heald, Stockton and Lindquist. Also remaining were Jeffrey Mitchell and Paul Schultz.

A motion was made by Director Heald seconded by Director McCormick to move the meeting out of closed session. The motion passed by a unanimous rollcall vote: Directors Stockton, Lindquist, Heald and McCormick.

Mr. Mitchell reported out of closed session. He said the Board met in closed session with legal counsel concerning anticipated litigation — specifically litigation by George Carmen in his email from December 2, 2019. No action was taken.

XI. Adjournment

The minutes were approved at the Regular Meeting held on May 8, 2020, as part of the Consent Items Calendar. A motion was made by Director Simpson and seconded by Director Stockton to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote: Directors Stockton, Simpson, Heald, McCormick and Lindquist.