

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

Date: Friday May 8, 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 Karen Heald

Directors in attendance by teleconference:

Director Dick Simpson
Director Dan Stockton
Director Bob McCormick
Director Michael Lindquist

Staff members present: Anna Nickerson, Financial Consultant

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

Guests present: Tom Burns

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.

Mr. Burns asked that Item VI. Operations be moved up the agenda to be discussed prior to the Public Hearing.

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 as modified, moving the Operations Report ahead of the Public Hearing. The motion passed by a unanimous rollcall vote: Directors McCormick, Simpson, Heald, Stockton 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.

VI. Operations: (Discussed prior to Item V. Public Hearing) Mr. Schultz's operations report was presented to the Board for consideration and possible action. Mr. Schultz summarized the following:

- Although there were only a couple of events that took place in the District in April, the month was very eventful.
- There were no violations at Donner Summit PUD's plant in April 2020.
- Donner Summit PUD continued on their Covid-19 schedule with limited staff and remote managerial duties. He also said he extended Sierra Lakes' Covid-19 schedule to May 20th to take it to the end of the Governor's declaration. He said all the utilities operators chipped in even when they were on remote status and Pat Baird was a huge help during the filter replacement project, opting out of his remote status to be onsite to help with the project.
- Comments were received from two of the three reviewers of the Fertilizer Best Management Practices (BMP) paper. He was still waiting for comments from Heidi Kratsch. However, Mr. Cobourn suggested that erosion be considered as a contributing or controlling factor rather than nutrients. Mr. Schultz and Mr. Cobourn planned to meet with researchers from Tahoe Environmental Research Center to discuss phosphorus and nitrate/nitrogen results, which the District already had, to determine if the lakes were nitrogen or phosphorus limited. Erosion contribution would also be discussed.
- Advances in the planning, design and regulatory components of the Well 01 improvements continued. A student from Santa Barbara expressed interest in helping with the project for school credits. A meeting with the student would be scheduled within the next week or so.
- The Electronic Annual Report to the State Division of Drinking Water was nearly complete for submission by the end of the month.
- The SCADA system install was progressing. Mr. Morgan said was installing the software and licenses on the new machine and would be migrating the old graphics.
- Installation of the Parshall Flume RTU was completed and working. The new radio that had been installed was defective so a new radio had to be installed. Since about April 16, 2020, more reliable, up to date, communication was being received from the RTU unit. The information was also in line with Donner Summit PUD's readings. An ultrasonic meter would be installed after the snow melts and a receptacle would be installed to allow generator power in the event of a power outage lasting more than ten days.
- The filter replacement project started on April 20th and went very well. During the project, the well was used eight days in April and one day in May. He felt there was enough annual well use available in case the well needed to be used before the installation of the arsenic removal process.
- The filter replacement project was completed and in full operation as of May 8, 2020. The vessels were anchored to the floor with oversized anchor bolts to keep the filters from shifting and/or breaking pipes in the event of an earthquake.

- Water usage was up about 25% in April over March due to an increased number of homeowners coming up to their cabins.

Director Simpson asked if the District had lent Donner Summit PUD a utility operator. He said Mr. Schultz had reported at the April meeting that it was a possibility but didn't see anything in the Operations Report. Mr. Schultz said there had been no request for mutual aid from Donner Summit PUD.

Director Simpson asked if Mr. Schultz no longer anticipated sending the Fertilizer BMP with the billing since it wasn't going to be ready in time. Mr. Schultz said he would probably not be sending the information with the billing unless they find the lakes were phosphorus limited.

Director Simpson asked about the sewer flow numbers. He said the numbers included looked surprisingly clean and uniform but only in the second half of the month and wondered if Mr. Schultz was settling in with the new reporting system. He also said the average sewer flow was low compared to the water usage figures. Mr. Schultz said he too was surprised but the numbers were confirmed by Donner Summit PUD's meter as well.

Director Lindquist asked if Mr. Burns had any questions. Mr. Burns said he wanted to congratulate Mr. Schultz and the staff for use of the time provided by the Covid-19 problems to ease the effects of the filter replacement project on the community.

Director Stockton asked Mr. Schultz to remind him about the nutrient limits; when nitrogen was limiting and when phosphorus was limiting. Mr. Schultz said in some places the ratio was 16:1 but on the Summit the ratio was 6:1. He also said very few lakes on the summit were nitrogen limiting because the lakes were loaded with nitrogen and that it would only take a small amount of phosphorus to cause algae growth.

V. Public Hearing: A Public Hearing was held for the Board to consider a draft Ordinance 20-01 to approve amendments to the District's Code. Changes affecting Chapter 1, Division IV – Billing and Collections and Chapter 1, Division V – Discontinuance of Water and Sewer Service. Mr. Mitchell said there were some minor modifications based on board comments.

Director Lindquist opened the public hearing at 6:24 pm.

Mr. Mitchell asked if there were any questions from the Board. Director Simpson said he carried on a correspondence with Olivia Clark, who did most of the editing. He said the edits revolved around paragraph 2 of Section 4.01 regarding fees, interest or penalty interest but had given up on whether there was a better way to write it. He then said he had a question about paragraph 4 that had been inserted that read "where a customer demonstrates the household income was less than 200% of the poverty level and so forth". He said "customer was defined as anyone who gets services from the District" and was wondering whether that should be modified to say "where a *residential* customer demonstrates..." because businesses and other customers won't have a household income. Director Heald said she didn't think it was a problems because if someone was living at Royal Gorge as a resident, Royal Gorge would have the account not the tenant. Director Lindquist asked Jeff Mitchell if the language was directly from the changes required by the legislation. Mr. Mitchell said he couldn't say it was word for word but it was definitely required by the new legislation, that the legislation stated "customer" and that the whole legislation was about

residential customers. He didn't know if the legislature felt they needed to make that distinction. Director Heald said if the term "customer" was used, then the customer would have the burden of showing that they meet the standard and it wouldn't matter if it was a business because they wouldn't be able to show the same burden. Mr. Mitchell noted that there were other places in the revisions where just the term "customer" was used so a change to "residential customer" would have to be applied to the whole document. Director Simpson said he had done a check and the other sections where it appeared had headings that reflected "residential discontinuation of service". He said it was clear in the subheadings that it was a residential customer but the section in question was about billing period and payments of bills with nothing in the heading that mentions residential. Mr. Mitchell said he did not feel strongly about it as long as it didn't create some unintended confusion. Director Lindquist said he was supportive of the current language. He was always concerned about unintended consequences and believed the current language was clear. Director McCormick said the ordinance referenced the Senate Bill regarding residential and didn't see how a business would meet a household standard so he didn't think a change was necessary.

Director Lindquist asked Mr. Burns, as a member of the public, if he had any comments. He said he did not have any questions but hoped that everyone paid their bills.

Director Lindquist closed the public hearing at 6:30 pm.

A motion was made by Director Simpson and seconded by Director McCormick to approve the changes outlined in Ordinance 20-01. The motion passed by a unanimous rollcall vote: Directors McCormick, Stockton, Simpson, Heald and Lindquist.

Director Simpson asked how the District would translate the changes into the multiple languages required. Mr. Mitchell said the requirement was that the notice on the website and notices provided to individuals had to be translated. He would have to look into the requirements and a translation company would have to be located. Director Lindquist asked Mr. Mitchell and Mr. Schultz to complete the required translations.

VII. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the April 10, 2020 Regular Meeting; April 2020 Check Register; financial reports for the month ending April 30, 2020; and Disbursements for Board Approval. Mr. Burns was asked if he had any comments. He had none.

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.

VIII. New Business:

A. The Board was presented with a request from Mr. Yee for a waiver of the late fee assessed on the third quarterly payment of the 2019/2020 Water and Sewer Service Fees that were due February 15, 2020. Mrs. Nickerson said even though she explained to Mr. Yee that the Board previously discussed possible requests for waivers and indicated that waivers would not be approved, he asked that his request be presented to the Board. Director Simpson said he didn't see a reason for asking for a waiver so he was not inclined to grant one without further justification. Director McCormick confirmed that the District hadn't issued many waivers. Director Lindquist

said there was a process in place where people could request a waiver, the Board would thoughtfully consider every request but very rarely approved a waiver. Director Simpson said there was one waiver issued a couple years ago but that was because the homeowner was the victim of one of the massive Northern California wildfires and was dealing with a lot of confusion.

A motion was made by Director Simpson and seconded by Director Stockton to reject the request for a waiver due to insufficient justification. The motion passed by a unanimous rollcall vote: Directors Stockton, McCormick, Simpson, Heald, and Lindquist.

B. Draft Resolution 2020-01 – Declaring and Election be Held was presented to the Board for consideration and possible action. Director Simpson asked why the item requiring an all mailed ballot was taken out. Director Heald said Section 30700.6 covered all the issues that relate to the mail in ballots. She said it was easier to use the section reference that covered everything rather than try to detail everything separately. Mr. Mitchell said there was an issue two years ago with the County where a new person took exception to the statement that it would be an “all mailed ballot”. The issue was that there was a set of rules in the election code for an “all mailed ballot” for special districts which was different than what normally happens because there were not enough registered voters in the area to have a polling precinct. In his opinion it was an issue of semantics and chose discretion and agreed not to use the sentence.

A motion was made by Director McCormick and seconded by Director Stockton to approve Resolution 2020-01 as presented. The motion passed by a unanimous rollcall vote: Directors McCormick, Stockton, Simpson, Heald, and Lindquist.

C. The Board was presented with a Draft 2020/2021 Operating and Capital Projects Budgets for consideration and possible action. Mr. Schultz said there were only minor changes to the Operating Budget but noted that Utility Operator Salaries were increased to cover cost of living and other adjustments later in the year. He said gasoline/diesel was also adjusted based on the increased use associated with the power outages that occurred during the current year. He said he didn't increase the chemical expense because the higher costs in the current year were based on timing of the purchases; he expected 2020/2021 costs to be lower. He said he didn't make a lot of changes to the operating budget but did move some projects around because there were a couple projects that might not need to be done.

Mr. Schultz then went through the Operating/Capital Projects detailed schedule. He said most of the projects listed were normal projects but specifically noted that he was postponing the repair to the SPS 3 force main. He said it was a major job and wanted to get a better understanding of the location. He said he was concerned about excavating in the area where the lake came into the creek and was considering either a directional drill or a pipe bursting method in order to protect the lake. He also mention that the SPS 4 project was the last pump station that required operators to get inside to perform maintenance and cleaning and that after the upgrades the operators would no longer have to get inside. The new pump station budget included a new wet well that would replace a current wet well.

Mr. Schultz then said he was postponing the system wide leak detection project until 2021/2020 because he wanted to install all the remaining automatic reading meters. He said installing the remaining meters would not only help him get an understanding of zone flows but it would help identify homes with broken stop-n-drain valves. The meters that have already been

installed have helped staff identify a lot of homes with broken or poorly working stop-n-drain valves. He also said he wanted to get the remaining meters installed so that all on the meters were on the same technology; technology that would be supported for a long time. He also didn't anticipate that the District would benefit from a huge jump in technology by waiting a couple years.

Mr. Schultz said the project schedule included re-coating of tanks, as required by the State; cathodic protection was added to the new vessels so he would like to add cathodic protection to the remaining vessel, the clarifier and the green office tank to increase life expectancy. Included in the budget was \$125,000 for the arsenic treatment system at the well but he believed he could get the cost down below \$90,000. The budget also included three new power receptacles that he considered critical or near critical that would provide generator support in long power outages; one to run the well, one to run the base station and one to run the pump. Finally, he said the budget included the replacement of 2003 Chevy pickup with a ¾ ton or 1 ton diesel truck with the capability of pulling the giant generators.

Director Simpson asked if the District had enough generators for the proposed three receptacles or if generators would be rented. Mr. Schultz said the District did have enough generators and that one of them was a rotating generator that could be used where needed. Mr. Schultz also said there might be a need for one small generator for smaller power needs. Director Heald asked Mr. Schultz if he was considering a switch to propane in the future. He said he was but that all the District's current generators were diesel.

Director Lindquist said the most interesting item in the budget was the installation of water meters. He said he concurred with the Board's direction to move slowly and that the recommendation to install the remaining meters, picking the technology and moving forward, was ambitious. Mr. Schultz said the current technology was working well and there were a lot of advantages to moving ahead with the project. The meters would provide usage information, help locate leaks and would provide a project where the three operators could work separately if there was another Covid-19 wave. Director Stockton said more years of usage data available would help with the rate design and that most models required a minimum of two years of data. Director Lindquist said approving the project was truly approving the technology and a direction that the District would live with for 20 years. He said it was a big financial commitment for the District, that it was a hard decision due to the price tag and that he needed to think about it. Director Simpson said by installing the meters now, the District would have a couple years of readings for the entire District and would not have a sampling issue. Director Lindquist said one of the things that caught his attention was that the discussion included both cellular interrogation and drive by due to the poor cellular coverage in the District. He also said another reason given for installing the meters was to provide the customer with early leak detection but for meters that need drive by interrogation, the data might not be as frequently available. Mr. Schultz said he was purchasing an interrogator from Dell Computers that was as good if not better than the more expensive interrogator provided by Badger Meter and that his intention was to have the interrogator in the truck as the operators were driving around the District working. He also said the operators could drive by the areas with cellular issues as part of their daily duties. Mr. Schultz also said a taller antenna could be installed to help in difficult cell coverage areas. Director Lindquist said his concern was, two years from now when someone becomes anxious about the technology, that there was not another technology that could read everyone better without drive-by interrogation.

Mrs. Nickerson was asked if there was any reason not to approve the budget. She said her only concern was that she had not received budget information from Donner Summit PUD. She said the monthly wastewater treatment fees had not been adjusted and thought the budget could be reduced because the District's contribution rate should be lowered based on last year's flows through the plant.

Director Lindquist said approval of the budget would be postponed until the June meeting.

D. The Board was presented with a Claim for Damages from Erik W. Harz. Mr. Schultz said the claim was the result of a blockage in the street on the District's side. The homeowner originally thought it was his problem but it was later discovered that it was the District's. Director Heald said she was reading that the homeowner wanted \$590.00 for the roto roter service but item 10 listed a lot of other potential damage that still needed to be ascertained. Director Heald said she thought Mr. Harz should be reimbursed for the \$590.00 but that the claim would need to be turned over to the insurance company. Director McCormick said Mr. Harz would need to sign a release and that the claim should not be left open. Mr. Mitchell said the District had 45 days from April 17, 2020, the date of the claim, to reject or accept it. If the Board did nothing, the claim would be deemed rejected. Mr. Mitchell also said Mr. Harz only had six months to file a claim. Director McCormick asked if Mr. Harz should be asked to withdraw the claim and resubmit a complete claim. Director Heald asked if the six months started on the date of the accident, February 16, 2020, or on the date the damage was discovered. She asked if a different statute would be triggered if additional damage wasn't discovered until after the snow melted. Mr. Mitchell said he wasn't sure. Director Lindquist said he wanted to make sure the customer was made whole. Director Heald said she agreed with Director Lindquist that the customer should be made whole but she also agreed with Director McCormick that the District would need to get a release. She proposed that Mr. Schultz contact the customer, have him withdraw the claim and refile when the claim was complete.

Mr. Schultz said he would request ACWA/JPIA draft a response rejection letter to Mr. Harz. Mr. Mitchell asked that he be able to review the letter before sending it to Mr. Harz because it should be more informative than a standard rejection letter.

IX. Old Business:

A. The Board was presented with additional information regarding an insurance policy for site pollution and incident legal liability insurance from Alliant. Mr. Mitchell said information was received regarding the District's current policies that were in place and those that were recommended. He said he reviewed the answers to the questions received from Nidia, the District's ACWA/JPIA representative. He also said he confirmed coverage of District employees and Directors and would make sure the final policy specifically included District employees and Directors. He then said he and Mr. Schultz discussed the schedule of locations that included sewer pump station #3 and the wastewater tank. It was determined that the wastewater tank would be covered by the District's current policy in the event of a sudden catastrophe incident, like an earthquake, and agreed that the risk of a slow leak was very minimal since the wastewater tank was very seldom used.

Mr. Mitchell said he felt comfortable with the review of the policies and the coverage in place for District operations and facilities and posed two questions to the Board. First, how

important was the site pollution incident coverage and second, was the \$5,000,000 policy for the dam coverage adequate. Mr. Schultz said he didn't feel the site pollution coverage was necessary. He said the tank could be visually inspected, there were no known leaks and the tank had been used only once or twice every couple of years. Director Simpson said he would feel better if a structural engineer inspected the tank occasionally. Mr. Schultz said he thought that would be overkill since he was qualified to make that examination. Mr. Schultz also said, if a leak were detected, it could be fixed easily for less than the \$10,000/year. Mr. Mitchell said sudden and accidental liability would be covered under the District's existing liability policy. Mr. Schultz noted that the dam insurance was already purchased for \$5,000,000. He also said he didn't see there being any significant damage to the community should the lake rapidly dewater. And, if a foundation experienced damage due to the lake dewatering, it would be due to an issue with the design of the foundation.

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

X. Administration:

A. A list of Follow-up Items from the April 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 confirmed the item was complete.
- Item 3: Contact Placer County Election to determine a point of contact. The item was complete with the presented resolution.
- Item 4: Mr. Schultz reported he planned to present his plan for extended power outages at the June meeting.
- Item 5: Mrs. Nickerson confirmed that she sent Director Simpson a word version of the proposed Ordinance.
- Item 6: Mr. Mitchell confirmed that he send Director Heald a copy of the responses to the insurance questions.

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 reduced the percent complete to 75% pending his meeting with Tahoe Environmental Research.
- Item 2: AMR Data Collection and Analysis – On going
- Item 3: Policies & Procedures Review – Approximately 50% complete – due August 2020. Mrs. Nickerson said there had been not progress but was aware of the August deadline
- Item 4: Insurance Coverage Review – Complete
- 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 to determine if there were any unknown items recorded against the parcel.
- Item 6: Upcoming Meter Rates –No discussion.

Adjournment A motion was made by Director Simpson and seconded by Director McCormick to adjourn the meeting. The motion passed by a unanimous vote: Director Lindquist, McCormick, Stockton, Simpson and Heald.

The minutes were approved at the Special Meeting held on June 19, 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 Lindquist, Simpson, Heald, Stockton and McCormick.