

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

Date: Friday August 14, 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 Michael Lindquist
Director Bob McCormick
Director Dan Stockton
Director Dick Simpson

Staff members present: Anna Nickerson, Financial Consultant

Staff present by phone: Paul Schultz P.E. Inc., General Manager
Jeffrey Mitchell, District Counsel

Guests present by phone: Jon Harvey
Tom Burns
Roger Drosd joined during the Action Items discussion

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 comments

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

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

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 there were no comments received.

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 permit violations at Donner Summit PUD last month.
- Donner Summit PUD was still working on a reduced staffing schedule.
- Donner Summit PUD began spray irrigation on the Soda Springs ski hill.
- Face coverings for employees were being upgraded; neck gators and bandanas were no longer acceptable.
- Work was started on the docks/piers inventory. Pictures were being taken and uploaded to Lucity. A status report would be sent to the Board prior to the next Board meeting for review.
- A contractor was caught illegally dumping biomass on District property. A discussion was held with several contractors, the dumping had stopped and the materials were removed.
- Mr. Schultz met with a commercial operator that was conducting activity on the lake that violated the District Ordinance. The activities had since stopped.
- The Public Safety Power Shutoff memorandum was sent out to the Board for review and comments. Comments were received from Director Simpson.
- An item regarding the dam insurance renewal will be placed on the September agenda. Mr. Schultz reported that cost of the policy would be increasing significantly; the deductible was increasing to \$1,000,000 per occurrence. Mr. Schultz questioned the need for the policy since there was little at risk downstream and that the only risk to the District would be if someone sued the District due to rapid dewatering of the shore zone causing foundation damage to a home. But he didn't think that should be a liability to the District, it would be a liability to the homeowner's architect and builder for an inadequately designed foundation. His opinion was that there was only a small amount of exposure. Director Lindquist asked that Mr. Schultz include a table showing the policy cost and deductible.
- Work continued on Well 1. Water samples from Well 1 to determine final filter media design showed an excess of silica in the water. The design would require the addition of calcium chloride to the process and a metering pump that would add about \$1,000 to the project.
- There were no sewer overflows in July.
- The annual report to the State Water Board was completed and submitted electronically.
- New SCADA upgrades were completed and the plant was running on the new system.
- Spring cleaning of all mainlines and the wet well were completed.
- Three leaking fire hydrants will be replaced.
- Repair of manholes and valves boxes will begin later in the month.
- Due to mechanical issues with the Gapvax, it was taken to Vacaville for repairs that were expected to take two weeks.
- The new $\frac{3}{4}$ ton diesel utility truck was purchased. It was expected to be delivered by August 25, 2020, once the aftermarket modification were complete. Modifications included toolboxes, fuel tank, running boards, snow tires and emergency lighting.

- Daily water and sewer flows were up. The higher sewer flows were expected based on the number of people now in the District. However, the water flows were really high. Mr. Schultz said July was the highest water consumption on record for Serene Lakes. Usage was bumping up against the District's ability to produce from the lake. If the usage level was to become permanent, the District might need to increase the size of the lake intake pump, increase the capacity of the existing well or drill a new well. It appeared from available information, the increased usage was not due to leaks.

Director Lindquist suggested that the District reach out to the community to let them know that conservation efforts were needed. He said it might be that people were not aware that they were using more water than normal. He suggested a gentle reminder.

Director Heald said she thought it was a great idea to inform people that a great deal more water was being used and that the District was approaching production capacity. She also said she didn't think it was a transitory situation. She thought more people that used to have second homes were now living in the District and the visitor potential has increased exponentially. She also reminded the Board about the restrictions on outdoor watering that were put in place several years ago due to the drought. She agreed that something needed to be done sooner rather than later.

Director Stockton said he agreed that the Board should not waste any time informing the public of the need to conserve water. He also said that the number of people in the District might just be the new norm. He suggested a concise and firm message.

Mr. Burns asked about the high water use at Lot 1. Mr. Schultz had reported Lot 1 use went from 40,000 gallons to 160,000 gallons. He also said he would be talking to the Lot 1 manager the following week to see if he could determine the cause of the increased water use. Director Simpson said there was a foot washing faucet at Lot 1 that he found running continuously one evening; he had reported the problem to the Lot 1 manager who said he would look at it the next day. Mr. Schultz said he would ask if SLPOA might be willing to install a positive shut-off.

Director Simpson asked what the commercial activity on the lake was. Mr. Schultz said it was kayak tours and lessons for handicapped students.

Director Simpson asked when the intern would be starting. Mr. Schultz said the intern had taken his Latin final exam earlier that day and would be meeting with himself and Mr. Cobourn the following week to review the scope of work. Mr. Schultz said the first phases of the limnology study would include determining the controlling constituent (nitrogen, phosphorus or sediments) and possibly Best Management Practices that could be implemented now.

Director Simpson asked what the plans were for the annual audit. Mrs. Nickerson said the auditors were scheduled for August 31, 2020 and September 1, 2020. Director Simpson said he may come by for a quick summary.

Director Heald asked if all the biomass was picked up. Mr. Schultz said everything was picked up.

Director Heald said it sounded like Mr. Schultz's primary recommendation was not to renew the dam insurance but asked if there were any alternatives to ACWA/JPIA that could be considered. Mr. Schultz said he would do some research.

Director McCormick asked how much of a buffer the well would provide once all the arsenic modifications were complete. Mr. Schultz said it would be a significant if not sufficient buffer. He said the well alone could supply enough water for a normal day; not a peak day or hottest day in the summer, but a normal day. However, the problem with the well was that it doesn't recover fast; it may take a little while to refill.

Jon Harvey suggested that Mr. Schultz look into the re-insurance and secondary insurance markets. It might help reduce the premiums. On the water usage, he said once metering started, water usage would probably self-correct since the current system was based on an "all you can drink" with no incentive to use less water.

VI. Consent Items Calendar: The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the July 10, 2020, Regular Meeting and the July 17, 2020, Special Meeting; July 2020 Check Register; financial reports for the month ending July 31, 2020; and Disbursements for Board Approval. Director Lindquist first asked if there were any comments from the Board regarding the Consent Items Calendar and then asked the members of the public. There were no comments.

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

Director Simpson noted that there was a correction to the minutes that were included in the additional board packet pages provided.

VII. New Business: None

VIII. Old Business: None

IX. Administration:

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

- Item 1: Pictures/Bios for website – ongoing.
- Item 2: Was completed and would be removed. The memo regarding Week Long Power Outages was sent to the Board and comments were received.
- Item 3: Director Simpson said he contacted Placer County about the 2020 District election and provided the information to Director Heald and Mrs. Nickerson. He said filing were now closed. Jon Harvey, Director Heald, and Director Simpson filed so there will be an election and ballots will go out at the beginning of October.

B. The Status of Action Items remaining as of the August 14, 2020 meeting was presented to the Board for consideration and possible action:

- Item 1: Fertilizer Application: This item would be reworded to reflect the development of the new limnology study. Fertilizer was only a small part of what was to be looked at.
- Item 2: AMR Data Collection and Analysis – On going. Mr. Schultz said there were approximately 200 meters currently installed and he was working on installing another 200 to 250 this summer. Director Lindquist said it was a good time to collect water usage information given the number of people currently in the District. Mr. Burns said the Board should be sure that the communication to the community alerted property owners to the fact that there would not be a significant change to their water bills since about 95% of the costs were fixed and only about 5% was variable. Director Lindquist said the Board would be conducting a slow but very transparent process to provide a clear picture. He anticipated property owners would be given water usage information for about a year before the switch to metered rates to give property owners time to understand and modify their water usage. Director Simpson suggested that Mr. Schultz’s plan be followed at the end the summer. Mr. Schultz said the District was well ahead of the State’s deadline for metered rates and that really good information should be available before having to start setting rates. Director Stockton asked if he could have a meter installed at his property. Mr. Schultz said all Board members would be getting meters this summer.
- Item 3: Policies & Procedures Review – Mr. Schultz said Director Simpson had already provided comments and that he planned to provide comments over the next two weeks. He would also follow-up with Director McCormick for his comments before scheduling a meeting to review the Policies and Procedures. Director McCormick said he read Director Simpson’s comments, which were good, and that his own comments would center on the origin of the policies. Director Simpson said he didn’t see a lot of big holes but felt there were a couple policies that needed to be fleshed out.
- Item 4: Ownership of the Dam – Ongoing. Director McCormick said there has been no progress but the discussion was to bring it up in maybe a different process in the future in a closed session. Mr. Schultz asked if he was suggesting taking this issue off the Action Items list and moving it to Closed Session. Director Simpson said he would rather not pull it and asked why it would need to be in closed session. Director McCormick said it would be Closed Session because it was very sensitive and could raise an issue with the Land Trust that might lead to litigation. Mr. Mitchell said an item could be agendaized as a Closed Session item for the purpose of discussing whether or not the circumstances for a Closed Session existed. Director Heald said she felt that, if the Board needed a Closed Session to determine if a Closed Session was needed, it should be on the next agenda. Mr. Mitchell suggested that a discussion be held prior to the next meeting to determine if facts and circumstances existed to warrant a Closed Session. Director McCormick and Mr. Schultz agreed to have a discussion with Mr. Mitchell to determine if the item should be on the next agenda.
- Item 5: Upcoming Meter Rates – Jon Harvey asked if the property owners with meters knew they had meters. He also wanted to know if he had one. Director Lindquist said he wanted to remind everyone that property owners’ privacy was very important to the Board and when collecting and sharing data, the intention was to keep the information anonymous so it cannot be traced back to anyone. Mrs.

Nickerson said property owners do not necessarily know if they have a meter; but they can call the office and she would look up the information.

- Item 6: Clarifying language regarding Dock/Piers – The item would be on the September agenda after Mr. Schultz concludes his docks/piers inventory. Director Heald suggested that the Board appoint a subcommittee to take the information that will be provided by Mr. Schultz at the September meeting, and make recommendations to be discussed in a public forum at a later meeting. Director Simpson suggested the September meeting be a public forum for members of the community to let the Board know what has been working and what hasn't been working.

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

The minutes were approved at the Regular Meeting held on September 11, 2020, as part of the Consent Items Calendar. A motion was made by Director Heald and seconded by Director Simpson to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote: Directors Lindquist, Heald, McCormick, Simpson and Stockton.