

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

**Date:** Friday June 14, 2019 / **Time:** 6:00 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

**I. Open Meeting:**

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

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

Director Lindquist was absent; Vice President Stockton presided in his absence.

Staff members present:        Bill Quesnel, General Manager  
   Anna Nickerson, Financial Consultant

Staff present by phone:        Jeffrey Mitchell District Counsel

Guests present:                Paul Schultz, Candidate for General Manager

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 Heald and seconded by Director Simpson to approve the agenda.** The motion passed by a unanimous vote.

**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. Quesnel's operations report was presented to the Board for consideration and possible action. Mr. Quesnel said, after his report had been written, he placed a link on the District website to allow the public easy access the air quality monitor that was placed at the District office by Placer County Air Quality Management District. The public will now be able check the air quality in the District before driving up.

Director Heald asked if Mr. Quesnel knew what was causing the aluminum issue at Donner Summit PUD. Mr. Quesnel said DSPUD had been using polymer in its water treatment plant but had stopped because of some processing issues. He said the polymer had some aluminum in it but the reading exceeded the amount of aluminum in the polymer. He also said DSPUD was having some of the same cold water treatment issues that the District was having. DSPUD would continue monitoring the levels of aluminum and if DSPUD received a fine, DSPUD would need to show that the District caused or contributed to the exceeded levels before the District would be billed.

Director Heald commented on the amount of monthly regulatory reporting that was included in Mr. Quesnel's Operations Report. She said she was wondering how long it would take the new General Manager, presumably Paul Schultz, to get a grasp on all the reporting. Mr. Schultz said he was already up to speed on the reporting requirements and that he would need to be sensitive to the District's particular nuances. Mr. Quesnel said there was already a running list of the required sampling and reporting, it was just a matter of meeting the calendar deadlines.

Director Simpson asked about the process for the District being notified of building permits. Mr. Quesnel said the issue started with a change in upper management at Placer County. The new management's position was that districts had no jurisdiction so Placer County would no longer notify the districts of new permit applications. The districts in the area got together to discuss the issue with Placer County and their initial response was to put a note on the permit suggesting that the district involved be contacted. However, contact was not mandatory. With Tahoe City PUD and North Tahoe PUD taking the lead, and the support of all the other districts, a new proposal was submitted to Placer County for consideration. Director Heald confirmed that remodel permits were being caught by Mrs. Nickerson through her process of downloading reports from Placer County's website and reviewing the list of opened permits. Mr. Quesnel said Mrs. Nickerson's review was to determine if new permits were submitted for construction that included additions, new decks or plumbing fixtures that would trigger the need for water and/or sewer lateral testing to insure that nothing was being built over pipes that could result in a footing being put through a pipe.

Director Simpson said he noted that the water and sewer flows were back up to 40% of the total flows going through the treatment plant. Mr. Quesnel said he just got the flows for May 2019 earlier that day that showed the District's flows were at 37%. In May 2018, the District's flows were 40.1%. He said treatment fees were based on the percentage of flows through the plant for a calendar year and that for 2018, the District's flows were at 28%. He also said for the first 11 months of the current *fiscal year*, the District's flows were at 23%. He anticipated that the District's flow could end up being around 24 to 25%.

Director Simpson asked if the culvert that was plugged up on Soda Springs Road was on private or county property. Mr. Quesnel said the culvert was on the County's right-of-way but wasn't sure whether or not the County cleaned driveway culverts.

## **VI. Consent Items Calendar:**

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the May 10, 2019 Regular Meeting and the May 25, 2019 Special Meeting; the May 2019 Check Register; Disbursements for Board Approval; and financial reports for the month ending May 31, 2019. Director Simpson said, because of the complexity of the General Manager Agreement discussion at the May 25, 2019, Special Meeting, he had suggested that Mrs. Nickerson contact Director Heald or Director McCormick about the wording in

the Special Meeting minutes. Director Heald said she felt the minutes accurately reflected the discussion.

**A motion was made by Director Heald and seconded by Director Simpson to approve the Consent Items Calendar.** The motion passed by a unanimous vote.

**VII. New Business:**

A. Mr. Quesnel's memorandum dated June 9, 2019, titled "Lake Intake Extension Conceptual Design", was presented to the Board for consideration and possible action. Mr. Quesnel said the proposal represented the first step for extending the lake intake pipe and getting out of the ice during the winter. The proposal was for pre-design and pre-engineering reports to understand what it would take to extend the intake pipe. He said although it was a lot of money, he felt it was a necessary step to understand the logistics, timing, cost and environmental review requirements needed to move forward with the project and that a diligent review by a highly qualified firm was warranted in order for the Board to make an informed decision. Staff recommended approval of the proposal. Director Simpson asked if Board members would be allowed to sit in on the workshops. Mr. Quesnel said, although the agreement didn't provide for a workshop with Board members, he thought it might be appropriate for the firm to make a presentation to the Board in the fall. Mr. Quesnel also suggested that the Board appoint an Ad Hoc committee to sit in on the discussions.

**A motion was made by Director Simpson and Director McCormick to authorize the agreement be signed by the Board President.** The motion passed by a unanimous vote.

**VIII. Old Business:**

A. Mr. Quesnel's memorandum dated June 4, 2019, titled "Adoption of 2019-2020 Budget", was presented to the Board for consideration and possible action. Mr. Quesnel said staff recommended that the Board approve the 2019/2020 Operating Budget, the proposed cost of living increase for the financial consultant based on the last adjustment in 2016 and the salary grid. Director Simpson said he was glad the budget included the cost of living increase for the financial consultant because he wasn't sure where the discussion had ended during the May Regular Meeting. He also asked about the substitution of a diesel generator for the propane powered generator and wondered whether diesel in freezing conditions would be a problem. Mr. Quesnel said the existing generator was diesel and both the generator and fuel tank were inside so he didn't see a problem with that. He also said, after further consideration, staff felt that replacing the piping on the current double walled diesel tank with double walled pipe, plugging all the holes in the floor with non-shrink grout and installing a pump system in the event of a spill, would be better than installing a propane tank that would be in the way of boat storage and that would require a remote fill due to snow.

Mr. Quesnel said he sent reminder letters that pressure tests of underground tanks were required to be completed by July 1, 2019. He also said he let the above ground tank owners know that someone with a program for replacing tanks and checking furnaces would be coming up to the District within the next week.

**A motion was made by Director Heald and seconded by Director McCormick to adopt the 2019-2020 Budget including the supporting documentation, cost of living increase for the Financial Consultant and Salary Grid.** The motion passed by unanimous vote.

**B.** The revised Professional Services Agreement between Sierra Lakes County Water District and Paul A. Schultz, P.E., was presented to the Board for consideration and possible action. Director Heald noted that the version of the agreement that was received from Mr. Mitchell at 4:30 p.m. that afternoon included one change; Gross Negligence was added to Willful Misconduct on the exclusions as previously discussed. She also said she was comfortable with the revised agreement. Director Simpson agreed.

Mr. Mitchell said, based on his discussions with ACWA/JPIA, the District's insurance was in pretty good shape but there were still a couple things to be discussed; one being cyber insurance.

**A motion was made by Director Heald and seconded by Director McCormick to approve the Professional Services Agreement between the District and Paul Schultz, P.E.** The motion passed by a unanimous vote.

**IX. CLOSED SESSION:** It was determined that Board did not need the Closed Session pursuant to Government Code (§ 54957) – General Manger Appointment.

**X. Administration:**

**A.** A list of Follow-up Items from the May 10, 2019, Board meeting was presented to the Board for consideration and possible action. Mrs. Nickerson said items 3 & 4 were complete and the Election item would not be relevant until the next time an election was required. The next election was expected to take place in 2020. Finally, Mrs. Nickerson asked if any Board members were interested in having their picture on the website to email her the picture and to include a short bio.

**B.** The Status of Action Items remaining as of the June 2019 Board meeting was presented to the Board for consideration and possible action. Mr. Quesnel reported:

- Mrs. Nickerson's Office Procedure Manual was on the table available for review.
- Stop & Drain valve cards and information were sent out with the annual billing and Consumer Confidence Report earlier in the week.
- With Mr. Schultz's appointment, Mr. Quesnel said he would be able to finish up the other projects like fertilizer, Policies & Procedures and Urgent Matter Protocol.
- Mr. Quesnel said the AMR Data Collection and Analysis was started and it was found that a lot of the Stop & Drain valve issues were vacation rentals. He also said Northstar experienced some of the same issues and agreed that a drive by interrogator might be the best answer. It was clarified that the Urgent Matter Protocol pertained to items needing Board review or approval before the next scheduled meeting or after the agenda had been posted.

Director Simpson said he had volunteered to review the Office Procedures Manual but he meant the Policies and Procedures. However, he said he would be he would also read over the Office Procedures Manual at the District office when Mrs. Nickerson was in the office.

**X. Adjournment**

**A motion was made by Director Simpson and seconded by Director Heald to adjourn the meeting.** The motion passed by a unanimous vote.

The minutes were approved at the Regular Meeting held on July 12, 2019, as part of the Consent Items Calendar. A motion was made by Director Stockton and seconded by Director Heald to approve the Consent Items Calendar. The motion passed by a unanimous vote: