

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

Date: Friday April 12, 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 Michael Lindquist
Director Dan Stockton
Director Richard Simpson

Directors absent from the meeting:

Director Heald
Director McCormick

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

Staff present by phone: 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 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 vote.

Director Lindquist asked if all three of the Board Members present had to vote yes in order for a motion to pass. Jeffrey Mitchell, District Counsel, said typically a majority of a quorum was required but felt it would be better if a vote was unanimous. Later in the meeting he said a unanimous vote would be required.

Director Simpson said he had a possible conflict of interest issue with the sewer capacity discussion because of his association with the Land Trust. He said he makes donations to the Land Trust, is a docent for the Land Trust and is a member of the Land Trust's Advisory Council. For those reasons, he asked if he should recuse himself from discussions and decisions regarding Land

Trust items. Jeffrey Mitchell said it would most likely fall into the category of a government code section 1090; potential conflict. However, section 1090 provided for non-interest exceptions for non-profits, particularly non-profits that were recognized as tax exempt; he assumed that the Land Trust was a tax exempt non-profit. After Director Simpson confirmed that the Land Trust was a 501(c)(3) organization and that he was not compensated, Mr. Mitchell felt it would be a non-interest so Director Simpson could participate. Director Lindquist added that recusing one's self from a discussion was considered a personal decision and, regardless of what the law might say, it was upon the individual to decide; if the individual felt there was a conflict of interest they could recuse themselves. Director Simpson chose to participate.

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. 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 asked for direction from the Board regarding Placer County's lease that is due to expire in 2020. He asked if the Board intended to renew the lease, extend the lease (allowing the County additional time to make other arrangements), or let them know the District would prefer to have the space. He felt it was appropriate to begin discussions sooner rather than later. Director Simpson asked what types of equipment the District needed to store in the space currently occupied by Placer County. Mr. Quesnel said one of the District's trucks had to be parked outside all winter and, depending on what's going on, the backhoe has to be parked outside. Although the District purchased a storage container to store the emergency generator for the winter, access can be difficult due to snow. He said it would be nice to have a place to work on and store equipment during the winter months.

Director Simpson said he thought a discussion with Placer County should be started sooner rather than later. Director Lindquist asked about land owned by Placer County and the possibility of allowing them to make other arrangements. Mr. Quesnel said Placer County owned a piece of property east of Soda Springs Road, opposite Donner, that was off the road. He doubted Placer County had the money to build. Mr. Quesnel also suggested that Placer County be allowed to build their own garage structure, near the property line on the District's property, that the District might use in the summer months. It was agreed that Mr. Quesnel would start a discussion with Placer County.

Mr. Quesnel also reported that a representative from Badger Meter brought up a drive-by interrogator system and although it talked to some of the older meters, there were still seven meters that would not communicate. He said he believed the issue had to do with snow consolidation; as snow melts the snow gets denser blocking the signal. He said some of the meters that had signal two weeks before were no longer sending data.

VI. Consent Items Calendar:

The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the March 8, 2019 Regular Meetings; the March 2019 Check Register; Disbursements for Board Approval; and financial reports for the month ending March 31, 2019. Director Lindquist asked if anyone wanted to pull anything off the consent calendar.

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

VII. New Business: Mr. Quesnel's memorandum titled "Sewer Capacity Transfer, dated April 3, 2019, was presented to the Board for consideration and possible action. In addition to the memorandum, Mr. Quesnel presented the following documents:

1. Resolution 2019-849: A Resolution of Intention of the Board of Directors of the Sierra Lakes County Water District Directing Staff to Proceed with the Purchase of Excess Sewer Capacity.
2. Resolution 2019-850: A Resolution of Intention of the Board of Directors of the Sierra Lakes County Water District Directing Staff to Proceed with Sale of an Excess Sewer Capacity Unit.
3. Agreement to Purchase Unused Sewer Capacity from Property Owner

Mr. Quesnel said a property owner on Serene Road at Island Way was proposing to build a new home that would include a free standing garage with living space and, according to District Code, that the free standing garage would require a separate connection permit. Since the property was only allocated one assessment for sewer capacity at the time of the Assessment District formation, the property owner would need to obtain a second assessment for sewer capacity before purchasing a connection permit for the garage with living space. Mr. Quesnel said District Code included a provision for transferring sewer assessments, provided there were assessments for sewer capacity available for purchase. He also said, in 2013, the Truckee Donner Land Trust (Land Trust) notified the District that they wanted to sell the seven assessments they had acquired through the purchase of the Royal Gorge properties. In order to facilitate the transfer, three documents were presented. The first document was a resolution that would allow the District to receive the seven assessments from the Land Trust. The second document was resolution that would allow the District to transfer the assessment(s) to another property owner. The final document was a purchase agreement where the Land Trust would relinquish their seven assessments to the District with the understanding that the District was not obligated to pay the Land Trust for the assessment until the assessments were sold. The Board reviewed and approved all three documents as stated above.

A motion was made by Director Simpson and seconded by Director Stockton to approve Resolution 2019-849. The motion passed by a roll call vote: Yes: Directors Lindquist, Stockton and Simpson. Noes: None. Abstentions: None. Absent: Directors Heald and McCormick

A motion was made by Director Simpson and seconded by Director Stockton to approve Resolution 2019-850. The motion passed by a roll call vote: Yes: Directors Lindquist, Stockton and Simpson. Noes: None. Abstentions: None. Absent: Directors Heald and McCormick

A motion was made by Director Simpson and seconded by Director Stockton to approve the Agreement to Purchase Unused Sewer Capacity form Property

Owner. The motion was amended by Director Simpson and seconded by Director Stockton to provide the authority to make non-substantive changes. The motion passed by a roll call vote: Yes: Directors Lindquist, Stockton and Simpson. Noes: None. Abstentions: None. Absent: Directors Heald and McCormick.

VIII. Old Business:

Mr. Quesnel's memorandum titled "SLPOA License Agreement First Amendment", dated April 3, 2019, was presented to the Board for consideration and possible action. Based on the Board's previous discussion, an Amendment to SLPOA's license agreement was drafted and signed by SLPOA's President. Mr. Quesnel asked that the Board authorize the President to sign the amendment ratifying the change to SLPOA's license agreement.

A motion was made by Director Simpson and seconded by Director Stockton authorizing signature of the Amendment by the Board President. The motion passed by a unanimous vote.

IX. CLOSED SESSION:

A motion was made by Director Simpson and seconded by Director Stockton to move the meeting into closed session. The motion passed by unanimous vote.

A motion was made by Director Simpson and seconded by Director Stockton to move the meeting into open session. The motion passed by a unanimous vote.

Mr. Mitchell said no reportable action was taken by the Board.

X. Administration:

A. A list of Follow-up Items from the March 2019, board meeting was presented to the Board for consideration and possible action. Director Simpson asked if Mr. Quesnel was able to get any information from the Central Snow Lab on Facebook. Mr. Quesnel said he had not because he was not a Facebook subscriber. He said he had received a link to the Central Snow Lab from former Director Oudegeest but the link did not work. Director Simpson then asked if the concerns that were presented by Mr. Krebill at a previous meeting were ever submitted in writing. He also asked if the concerns that were included in the minutes should be added to the list of follow-up items so they won't be forgotten. Director Lindquist said he was relying on Mr. Quesnel's judgement since he was at the meeting and had contact with Mr. Krebill. He was leaving it up to Mr. Quesnel to make an initial determination if there were items that needed to come back to the Board for consideration. Director Lindquist suggested that Director Simpson contact Mr. Quesnel regarding any items that he felt were important and had not been addressed. Mr. Quesnel said there were a number of things Mr. Krebill mentioned. One had to do with increasing the treatment capacity of the lake well. Mr. Quesnel said he was researching the cost and functionality of reducing the arsenic level of the well water and that the draft budget, that would be discussed by the Budget Committee prior to the next board meeting, included a line item pending receipt of the cost information. Director Simpson said Mr. Krebill also mention the infilling of the lake and some other good ideas that deserved attention. Mr. Quesnel said the only item he hadn't pursued was the

issue of dredging because of the consequences, State rules and cost. Mr. Quesnel then said he had a long conversation with water treatment engineers about low dissolved oxygen (DO) and the engineers unanimously agreed that low DO was not a problem. He also said there would be additional testing.

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

- Staff was working on a draft card that could be posted next to any T-handle of a stop&drain valve, similar to the water conservation card that had previously been sent to homeowner, and would be inserted with the annual billing.
- Progress was being made on the Office Procedures Manual.
- Currently no work had been done with the information received regarding BMPs.
- A draft of the updated Policies and Procedures was anticipated for discussion at the May meeting but could be delayed until the June meeting.
- Jeff Mitchell had not had time to review the insurance coverage information from Mr. Quesnel but that he had it on his list of things to do.

X. Adjournment

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

The minutes were approved at the Regular Meeting held on May 10, 2019, as part of the Consent Items Calendar. A motion was made by Director Stockton and seconded by Director McCormick to approve the Consent Items Calendar. The motion passed by a roll call vote. Ayes: Directors Lindquist, Stockton, Simpson and McCormick. Noes: none. Abstentions: Director Heald. Absent: none.