

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

**Date:** Friday November 13, 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:       Roger Drosd  
Jon Harvey

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. Drosd said he was interested in the discussion about the lake sedimentation and vegetation. Director Lindquist said the topic would be discussed as part of the Operations Report.

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

**A motion was made by Director Stockton and seconded by Director McCormick 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 that no comments were 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 reported the following:

- The lake limnology study was under development. A draft scope of work was received from Sam Steuart and Dr. Chandra and was currently under review by Mr. Schultz. It was anticipated that the group would meet at least once if not twice in November with a presentation of the draft scope in December or January.
- Of thirty-six docks surveyed during his annual inventory in August, five need either repair or replacement.
- In October he met with representative of the California Rural Water Association (CRWA) to talk about substitute operators in the event the District gets hit by COVID. He found that CRWA had a program consisting of mostly retired water and wastewater operators that could be deployed if needed.
- The District received a letter of appreciation from the Donner Summit Association for the loan of a rented compactor to pack soil around their new trailhead.
- The front doors of the administration building will be replaced. The doors are warped and unrepairable. A repair was attempted but didn't hold up.
- The Lake Intake Study had been completed in January but was put on hold partly due to COVID and partly because Mr. Schultz wasn't sure the very expensive extension of the intake was necessary. He felt the outcome of the limnology study and the ability to use Well 1 to supplement the water supply, made the extension unnecessary.
- The arsenic filters for the Well 1 improvement project were essentially complete. The filters were in Scottsdale, Arizona, where the filters will be mounted on skids. He had hoped to have the filters installed before winter but, due to weather, the filters will be delivered in the spring.
- Patrick Baird, one of the District's utility operators, received his Water Treatment Operator Grade T3 Certificate from the State. The District now had two T3 operators. He said Patrick was also helping as Operations Supervisor on a probationary status, to supervise the work in the field when he was unavailable.
- There were no sanitary sewer overflows in October.
- The Policies and Procedures manual was currently under review. A meeting with Directors Simpson and McCormick had been scheduled for November 19, 2020 to discuss the comments that had been received. He anticipated the proposed Policies and Procedures would be presented at the February meeting.
- The crew finished all the fall construction and operations activities. All wet wells had been cleaned and the troublesome mainlines were washed out in preparation for winter. The waterline replacement on Lake Drive, just beyond Dulzura, was complete and the street had been resurfaced by Triton Paving. Mr. Schultz said that it was getting very hard to get paving companies to do small jobs on the Summit.
- Staff removed as much of the sediment as possible from the errant ditch at the end of Dulzura without creating a huge mud plume. A new infiltration trench was constructed to intercept the runoff from the road and spread the flow to avoid a concentrated flow. Director McCormick asked if the trench, constructed from the road to the lake, was

filled in. Mr. Schultz said the lower portion of the trench was filled in, creating more of a sheet flow area with an infiltration trench in front of it perpendicular to the lake. Any water flowing into the area would be intercepted by the trench.

- A bulk storage facility was constructed behind Sewer Pump Station #3.
- About 10 tons of top soil, due to the digging of the infiltration trench, would be made available to the community in the spring.
- The Hill Tank isolation valve replacement project was still on the schedule for November. It was a one day job that could still be done even with snow.
- All wet wells were cleaned and the troublesome sewer mainlines had been flushed. There were still some problems with odors coming from the area of the metering flume on Pahatsi near Soda Springs Road. Mr. Schultz said that grease in the wet well may have been the source since the odor went away after the wet wells were cleaned.
- Staff continued installing water meters; Mr. Schultz estimated that about 200 had been installed. Depending on snow, it was anticipated that staff could still reach its 250 meter installation goal.
- Water flows were approaching historical use but were still higher than historical. However, the flows were considerably less than the trends seen in July.
- Flows through the wastewater treatment plant for September were 30% and October was 27%.

Mr. Drosd asked about lake sedimentation and the removal of dead trees around the north end of the lake. He said his concerns related to the problem of lakes becoming meadows. He also asked if the District had performed a feasibility report for dredging the lake. Director Lindquist asked Mr. Schultz to first focus on dead trees that have fallen into the lake on District property. Mr. Schultz said if a tree was a hazard, it would be removed. If a tree was contributing to the lake becoming a meadow and could be removed without causing greater environmental damage, the tree would be removed. However, removing the tree at the end of Allen Drive could not be accomplished without causing considerable damage to the lake bottom and creating a sediment plume that could affect the water treatment intake. For those reasons, he had no plans on removing the tree.

Mr. Schultz said he wasn't aware of any dredging feasibility studies. However, he had been told that the lake was dredged back in the 1970s. He also said the limnology study would look at how to control the larger weed growth at the bottom of the lakes and the accumulation of new sediments. He also hoped the limnology study would address the biggest causes of sediment and find ways to increase the turnover in the lakes which would reduce sediment accumulation. Mr. Schultz said dredging would be a huge project especially for an 85 acre lake.

Director Lindquist said the District had a previous Bathometric Survey of the lake and suggested adding a new survey to the study. Mr. Schultz said it would be necessary for the limnology study and that the survey would provide a good indication of how much sediment had accumulated since the last study. Director Heald said the issue of sedimentation had come up at least three times in the eight years she had been on the Board and there was a study done. At the time, there were people who had firsthand knowledge of the dredging; but Director Heald did not know where the sediment had been taken. She also said she thought the study said the lakes would not respond to dredging; it would work temporarily but in the end could cause more problems. Mr. Schultz explained that dredging could expose fissures in the underlying bedrock; once exposed, the fissures could provide new pathways for the water to drain from the lake.

Mr. Drosd said he was still unclear about the dead tree removal around the lake. If the trees had been removed when they fell, the removal would not have caused such a big problem. He said the non-removal of fallen trees were contributing to the problem with the lakes. The trees were also unsightly and interfered with lake views. He would like to see the District reconsider removal of the trees.

Mr. Harvey asked if the scope of the Lake Intake Study included the weed problem in the lakes. He also wanted to know if the District was going to receive the report. Mr. Schultz said the limnology study was designed to address the weeds and sedimentation problems. The Intake Study was developed by the previous General Manager because the District's Bales facility was having problems processing water from the lake at low temperatures during the winter. He said the water near the intake was close to 0°C due to ice and the study was to look at the feasibility of extending the intake into deeper water and raise it up off the bottom to reduce sediments being sucked up and having to be filtered out. By bringing Well #1 on to augment the water supply, well water could be blended with lake water to bring the water temperatures up to a workable temperature.

Director Lindquist asked Mr. Schultz to gather up all the documentation associated with the Intake Study, including emails, making sure the information was organized in such a way the Board could resurrect the project and continue where it left off. Mr. Schultz said the documentation was already in that order.

Director Simpson said it was his understanding that the report was completed in January and that preparations were being made to present the information to the Board in February or March. Mr. Schultz said Director Simpson was correct; the report was in final draft form pending presentation to the Board. The only items pending were the presentation and environmental documentation. Director Lindquist asked that the report be finalized without the presentation.

Director Simpson said Mr. Schultz provided the statistics on the condition of the docks but an inventory of personal property on District property was not included. Mr. Schultz said the inventory and observations were done at the same time. He said he didn't include a lot of the information on personal use of District property because the information was "choppy"; some people had a bench in the zone and other people had larger setups including fire pits, tables etc. He said it would be difficult to put that information into a statistical presentation and planned on making a presentation to the committee which would be reviewing policies regarding use of District property. Director Simpson said a summary of the types of problems found would be helpful.

Director Simpson said in regard to the schedule for the Policies and Procedures Committee, February was ambitious if the committee was going to fill in the gaps. He said Director McCormick had a list of legal references that should be followed up, and he had at least two new policies that should be added.

Director Simpson said he had frequently seen people getting new driveways around Serene Lakes and wondered whether small paving jobs might be implemented on an ad hoc basis when a paving company was up doing a driveway, for example. Mr. Schultz said that was how Triton Paving was found.

Director Heald said she had a meeting with Mr. Schultz regarding docks and piers. There seemed to be a number of issues with docks in disrepair, docks on the strip and not the lake, docks that had been installed after the lake management plan without permits and docks that had been grandfathered. She said she wanted to make sure that Mr. Schultz's report to the committee includes all the identified problems.

Director Heald said, in regard to Director Simpson's comment on paving a driveway, she had contracted with a company in August 2018 and the driveway was finally paved in late summer 2019. The paving company was booked for over a year.

**VI. Consent Items Calendar:** The Consent Items Calendar was presented to the Board for action. The Consent Items Calendar included the minutes from the October 9, 2020, Regular Meeting; October 2020 Check Register; financial reports for the month ending October 31, 2020; and Disbursements for Board Approval. Director Lindquist asked if any members of the public or Board wanted to pull any item off the Consent Items Calendar for significant discussion. Director Heald had a question about the minutes. She wanted to know if an email was sent to the District's email constituency asking if they would be interested in contacting SLPOA about being on an emergency notification list. Mrs. Nickerson said she contacted Mr. Fisco and was told to stand by. SLPOA was looking at adding a place on their website to sign up. Once that was done, the District could send customers a link to the sign up page.

**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.

**VII. New Business:**

A. The District's June 30, 2020 annual audit was presented for review and possible action. Mrs. Nickerson said the presentation of the financial statements was to give the Board an opportunity to see the final numbers for the fiscal year and to support the letter that was presented at the last meeting. Director Lindquist said he wanted to commend the Board, and previous Boards, for being proactive regarding the District's unfunded liabilities for pensions and medical benefits. By putting money away now so not to pin customers with a hidden surprise later. He said it was a lot of money but it was the right thing to do. Director Simpson said there could still be a surprise, but it would be a great deal smaller, and that the Board might consider putting more money into it. Director Heald said on page 78 (of the meeting packet) the report says "We do not express an opinion on the effectiveness of the District's internal controls." She said she didn't know if the District needed an opinion on the internal controls but it stood out that the auditors disclaimed it twice. Then, in the following paragraph, the auditors define "material weakness" and "material deficiency" and say they are not going to express an opinion but that the District did not have a material weakness. She wondered why they would express that at all if they were not going to express an opinion. Mrs. Nickerson said that was boiler plate language for accountants. She said the auditors look at everything but don't take responsibility. Director Heald asked if the District should look at internal controls. Mrs. Nickerson said the auditors do look at the internal controls for weaknesses. Mrs. Nickerson said a weakness might be hiding things from the Board. She also said the auditors look at how invoices were processed and approved to make sure the person processing payments was not the same person to approve the invoice. The requirement that the Board President open and initial the bank statements resulted from the auditor's review of the

District's internal controls. Director Heald summarized that the auditors feel the District's internal controls are adequate, the statement covers them.

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

B. A memo from Paul Schultz requesting that the Board designate the District's 2003 Chevrolet Pickup Truck as "surplus" and authorize it be donated to a local charitable organization was presented for review and possible action. Mr. Schultz said the truck had reached its serviceable life; but, before the truck would be donated, he would remove and sell all the salvageable aftermarket components including a lumber rack, fuel caddy and toolbox. He suggested that the truck be donated to the Truckee Boys and Girls Club or Project Mana. Director Lindquist asked Mr. Mitchell for direction. Mr. Mitchell said the question would be whether or not the truck had any value. He said, generally speaking, public agencies have to either obtain some kind of value or further the purpose of the agency when spending public funds. He also said he did not find any law pertaining to gifting a surplus vehicle with little or no value. He said one could argue that the vehicle must have some value if a charitable organization accepted it. The question would be the cost of disposal (time, marketing, etc.). Mr. Mitchell said if the vehicle had limited value, as described, it could probably be donated to a local charity. Director McCormick questioned whether or not it would be worth the trouble to take the truck to a junk yard and sell it. He didn't think it would be. Mr. Schultz said by donating it to a local charity, the charity would pick up the truck as opposed to driving the truck on the open road or hiring a flatbed truck to deliver it. Director Lindquist said the cost of the District disposing of it would not be a good use of District funds. Mr. Mitchell added that when a court has been asked to weigh in on whether or not enough value was received, the court would probably look at the estimated cost to dispose of the asset and the amount that could be received. He didn't think a court would question the District's decision. Director Simpson suggested that some kind of documentation be obtained supporting Mr. Schultz's assessment that the truck had no value. Mr. Schultz said the truck would start but it was not road worthy due to problems with the front end suspension.

**A motion was made by Director Simpson and seconded by Director Stockton to follow Mr. Schultz's recommendation to surplus the truck and donate it to a local charity.** The motion passed by a unanimous rollcall vote: Directors Lindquist, Heald, McCormick, Stockton and Simpson.

C. A copy of the Letter of Appreciation received from the Donner Summit Association for the use of the District's rented soil compactor, as discussed during the Operations Report, was reviewed.

D. The Board discussed the creation of a committee to review District Code Division XXX Attachment A regarding docks and piers. Director Lindquist said the committee could consist of two Directors or a combination of Directors and members of the public. Mr. Mitchell said, to avoid the committee being a legislative body, the committee would need to be an ad hoc committee composed solely of less than a quorum of the board. If other parties were brought in, the meeting would be subject to the Brown Act. Director Lindquist asked if the Board was interested in an ad hoc committee or a committee that included several members of the public.

Director Simpson said he asked to have the topic on the agenda because it was brought up at the September meeting; he was concerned that the topic was getting pushed further down the line. He felt the issue could be handled more efficiently with just two Board members. However, he did believe open meetings and public comments would be very desirable. He also said there were good reasons for getting the review done by March before people start thinking about putting docks in the lake. Director McCormick said he liked the sound of having a community committee but was concerned about the politics of the potential community members and how hard it was to get the original Lake Management Plan done. He also suggested that the Board could put out an invitation for comments. Director McCormick said, based on the number of docks that were out of compliance, he didn't think it was a big issue.

Director Heald said she agreed with both Directors Simpson and McCormick — having a committee of two directors to get things done expediently and opening it up for public comment. She also agreed with Director McCormick about the difficulties experienced with the Citizen's Committee for the Lake Management Plan and that there wasn't much to change in the Lake Management Plan. She felt the committee would only need to address the holes in the docks and piers permitting procedure and the use of personal property on the strip.

Director Simpson said he could draft a dock permit application that would include examples from successful applications that could be handed out. He said he thought it could simplify the process.

Director Lindquist said he agreed with Director Simpson and the more streamline approach with the committee taking public comments.

Mr. Harvey asked for confirmation that the Board was looking to form an ad hoc committee of two Board members (to avoid Brown Act constraints) who would make recommendations to the Board. He hoped the process would include at least two well publicized meetings to get formal input from the public. Directors Simpson and McCormick agreed with Mr. Harvey's summary. Director Heald said, anytime the Board makes policy, recommendations would come back to the Board for a vote and would be included on the agenda. She anticipated it would take at least two meetings maybe three depending on the commentary.

Mr. Drosd said he concurred with the previous opinions and that it made more sense for the committee to consist of Board members with the encouragement for public comment and discussion.

Director Lindquist summarized that the consensus of the Board was to appoint an ad hoc committee, hold a couple meetings and solicit public comment.

The ad hoc committee would be added to the list of appointments to take place in December or January.

## **VIII. Old Business:**

There were no Old Business items on the agenda.

## **IX. Administration:**

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

- Item 1: Pictures/Bios for website – Director Lindquist requested that the item be removed from the list; but, after a brief discussion, he agreed to provide the missing information, since he was the only Director without a picture/bio.
- Item 2: Discussions regarding ownership of the dam were still pending. Director McCormick said it would be discussed during winter when there was more time to focus on the issue.
- Item 3: Mrs. Nickerson and Mr. Schultz were asked to work with SLPOA to contact SLCWD customers to sign-up and receive important notifications from SLPOA.
- Item 4: Director Simpson said he had talked to Mr. Sorger who took the cell tower question to the SLPOA Board Meeting. He believed SLPOA appointed a committee and would be moving forward. The item was complete.

B. The Status of Action Items remaining as of the November 13, 2020 meeting was presented to the Board for consideration and possible action:

- Item 1: Development of New Limnology Report: Ongoing. See discussion under Operations Report.
- Item 2: AMR Data Collection and Analysis – Due date changed to summer 2021.
- Item 3: Policies & Procedures Review – Mr. Schultz said comments from the Board committee members were received and a meeting had been scheduled for November 19th.
- Item 4: Ownership of the Dam – Mr. Schultz asked if the Board wanted to talk to the Land Trust. Director Simpson he thought the Board wanted to re-align the property boundaries at no cost to either party. Director McCormick said he thought the Board wanted to have a discussion before the issue went public. Director Lindquist said Mr. Mitchell would need to advise the Board if a closed session could be held based on the items that needed to be discussed. Mr. Mitchell said he needs to schedule a discussion with Mr. Schultz and Director McCormick before he can give advice regarding a closed session.
- Item 5: Upcoming Meter Rates – Director Simpson said this item referred to a schedule of milestones. Director Lindquist said he was looking for a three to five year schedule showing when things were going to happen.
- Item 6: Clarifying language regarding Dock/Piers – The Board agreed earlier in the meeting that a subcommittee would be appointed.
- Item 7: Ownership of the water – Director Lindquist said a memo was received from Mr. Mitchell's office. Mr. Schultz said the memo was for information purposes only. Director Heald felt the memo should be put on the agenda for discussion based on the conclusions made and not made. Mr. Mitchell said there was some additional information that needed to be completed before putting the item on the agenda.
- Item 8: District Privacy Policy – Director Lindquist said this was a new action item related to customer water use data. He felt it was appropriate to add the policy to the list if the District didn't already have one. Mr. Mitchell said East Bay MUD had a straightforward policy that the District could use as a starting point. He said the policies he looked at share language stating that customer data would not be sold or

shared and that the only data collected would be related to a necessary part of the business. Some data may be aggregated for purposes of improving service.

- Item 9: Customer Access to Water Data – Director Lindquist said this would be a new action item once customers have water meters; it would govern how customers can have access to their own data. He said there were third party vendors who can provide the service. He also said Mrs. Nickerson asked if the information could be integrated with the customer’s online account for a more seamless experience for the customer.

**X. Closed session pursuant to Government Code Section 54956.9(d)(2)**

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of section 54956.9: Threat of litigation by George Carmen’s email dated 12/2/19 (Section 54956.9 (e)(5)).

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

**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 rollcall vote: Directors Lindquist, Heald, McCormick, Stockton and Simpson.

Jeffrey Mitchell, District Counsel, reported out of closed session. He said the Board met in closed session with legal counsel to discuss anticipated litigation — specifically the threat of litigation by George Carmen in his email dated December 2, 2019. No action was taken.

**XI. Adjournment**

**A motion was made by Director Simpson and seconded by Director McCormick 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 December 11, 2020, as part of the Consent Items Calendar. A motion was made by Director \_\_\_\_\_ and seconded by Director \_\_\_\_\_ to approve the Consent Items Calendar. The motion passed by a unanimous rollcall vote: Directors \_\_\_\_\_.