

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

**Date:** Thursday August 17, 2023 / **Time:** 5:30 p.m. / **Place:** 7305 Short Road, Serene Lakes, CA

The meeting was held in person at the District Office and teleconferenced to allow public participation.

**I. Open Meeting:**

Roll Call:

Directors in attendance at the Sierra Lakes County Water District Boardroom:

Director Dan Stockton  
Director Jon Harvey  
Director Karen Heald  
Director Jennifer Jackson

Director in attendance by Zoom:

Director David Keatley

Staff in attendance at the Sierra Lakes County Water District Boardroom:

Shauna Lorance, General Manager  
Patrick Baird, Utility Operations Manager  
Anna Nickerson, Financial Consultant

Staff in attendance by Zoom:

Jeffrey Mitchell, District Counsel

Guests in attendance at the Sierra Lakes County Water District Boardroom:

Kristin Paul  
Roland Au

Guests in attendance by Zoom:

Tom Burns  
Laurel Tuggey

Minutes 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 Jackson to approve the agenda.** The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Harvey, Heald, Jackson and Keatley. Noes; None; Abstentions: None; Absent: None.

**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 said she received three additional protests after the agenda was posted. She said there were no letters but two protested just the water rate and one protested both.

**V. Public Hearing:**

1. A list of Protests received were presented to the Board.
2. Copies of protest forms received were presented to the Board

Ms. Lorange presented information regarding the proposed rate increase (a copy of the presentation has been attached to the minutes). She said the Public Hearing was to meet the requirements of Proposition 218 for a Potential Rate Increase.

1. Why is the Rate Increase Needed: She said the District and Board had done a very good job of holding the rates steady since 2014. However, there had been some large increases in costs in the processing and treatment water. She also said the cost of living had gone up 29% since the last rate increase and the District had not passed any smaller or CPI (Consumer Price Index) increases since 2014. Ms. Lorange said the District was able to defer a lot of capital cost and received help through a one-time payment of funds that allowed the rate increase to be postponed to now.

2. Overview of Current Budget: Ms. Lorange said Water Revenues were expected to be around \$900,000, with expenses around \$1,345,000, and Sewer revenues were expected to be around \$1,250,000 and expenses of \$1,400,000, resulting in a deficit of \$170,000 for water and \$33,000 for sewer. These shortages calculated into annual rate increases for water of \$202/connection and sewer of \$71/connection for a total rate increase of \$273.00/connection. Ms. Lorange noted that the rate increases did not include funding for capital projects.

3. Historical Rate History: An overview of the historical rate increases, dating back to 1970, was presented. She noted that there were rate increases in 2009, 2011 and 2012 but it was now 2023, and it had been over 10 years since the last rate increase. She also said if the District had adopted smaller CPI increases, the current increase wouldn't be so much.

4. Proposed Water and Sewer Rate Increases: Ms. Lorange said the proposal was to increase sewer fees from \$1,448 to \$1,519/year and water fees from \$1,044 to \$1,246/year for a total increase from \$2,492/year to \$2,765/year. She noted that the CPI increase since the last increase was 29% but the Board was only proposing an 11% increase.

5. What to expect in the Future: One of the big issues coming up was the Utility Water and Wastewater Master Plan. The plan would lay out the facilities needing to be fixed, upgraded or replaced and it would include transitioning to metered water rates. There would

be a Capital Improvement plan with a schedule showing what needed to be done when. From there a five year financial plan would be developed and would include CPI increases. The Board would then be able to determine what could be done based on available financing.

6. Questions: Director Harvey asked how much of the Sewer increase was to pay back the bond on the sewer plant? Mrs. Nickerson said none, the sewer bond payment was placed on the property tax bill each year. She said these fees were to pay operating expenses that included DSPUD wastewater treatment fees.

Tom Burns said, the current rate increase was to cover past increases in costs and did not project into the future. He said in the past, they tried to look ahead to avoid annual increases. He said he wondered if it wouldn't be better to have a slightly larger increase to cover future increases. Mr. Burns also asked if there was any lobbying being done to avoid the wasteful metering being imposed on the District. Ms. Lorance said there were many suggestions for increases but Proposition 218 only allowed increases to cover actual costs unless there was an engineered report with explanations for future costs. She also said when she was General Manager for San Juan Water District she was everywhere from D.C to Sacramento and was not able to deter metered rates.

Kristin Price, resident of Serene Lakes, asked why metering was considered bad. Ms. Lorance said in general she didn't think metering was bad. However, for Serene Lakes almost all the costs were fixed so the cost of installing and reading meters may not make a big difference in customer rates. Ms. Price then asked if the property tax revenues received by the District changed with property values? Ms. Nickerson said yes, the property tax revenues changed based on property values and confirmed that revenues could go down if someone exercised their right for a one time appeal of their assessed property value under Proposition 8.

Director Jackson asked if the increase in property tax revenues received help postpone rate increases? Mrs. Nickerson said yes.

Mrs. Nickerson reported that three additional protests were received after posting of the agenda and board packet. **The final protests received: 25 opposed the water rate increase and 21 opposed the sewer rate increase.**

Director Stockton asked closed the Public Hearing:

**A motion was made by Director Heald and seconded by Director Jackson to close the Public Hearing.** The motion passed by a unanimous rollcall vote: Ayes: Director Stockton, Havey, Heald, Jackson and Keatley. Noes; None; Abstentions: None; Absent: None.

Director Heald said, before the 2008 rate increase, it has been a long time between rate increases. She said at the time she protested the rate increase because she had a small cabin and didn't think she should be paying the same rate as someone with 10 bathroom and 20 bedrooms. She said, in retrospect, this District was not a good place for meters like the cities where costs could be spread out more. She also said she understood the reasons for the protests because she made the exact same protest. However, she saw no alternative but to increase the rates, in the proposed amounts, to balance the budget.

**A motion was made by Director Heald and seconded by Director Harvey to increase the rates by \$273.00 (\$202.00 for water and \$71.00 for sewer).** The motion passed by a unanimous rollcall vote: Ayes: Director Stockton, Havey, Heald, Jackson and Keatley. Noes; None; Abstentions: None; Absent: None.

**VI. Adjournment**

**A motion was made by Director Harvey and seconded by Director Heald to adjourn the meeting.** The motion passed by a unanimous rollcall vote: Ayes: Directors Stockton, Harvey, Heald, Jackson and Keatley. Noes; None; Abstentions: None; Absent: None.

The minutes were approved at the Regular Meeting held on September 14, 2023, as part of the Consent Items Calendar. A motion was made by Director Jackson and seconded by Director Heald to approve the Consent Items Calendar as presented. The motion passed by a Directors Stockton, Heald, Jackson and Keatley rollcall vote; Director Harvey was absent.