

SEWER & WATER COMMITTEE MEETING
APPROVED MINUTES

July 19, 2012

DIRECTORS PRESENT: Dan Wilkins, Erik Henrikson

STAFF PRESENT: Cindy Gustafson, General Manager
Tony Laliotis, Director of Utilities
Matt Homolka, District Engineer
Coral Lochridge, Technical Services Supervisor
Kelli Twomey, Dir. of Resource Development and Community Relations
Terri Viehmann, District Clerk

OTHERS PRESENT: Jim Olson of TMMWC via conference call

The meeting was called to order at 7:05 a.m. by Director Henrikson.

1. TAHOE MEADOWS MUTUAL WATER COMPANY: UPDATE AND DISCUSSION

Mr. Laliotis distributed an update regarding the acquisition of Tahoma Meadows Mutual Water Company (TMMWC). He attended the recent McKinney Water District (MWD) board meeting to further discuss the acquisition of TMMWC. MWD made it clear that they do not want to acquire TMMWC. Mr. Laliotis noted that the TCPUD has an opportunity to partner with the MWD on a joint trench waterline project. He was able to obtain all required permits for the District to install the segment of pipeline needed to connect the TMMWC to the TCPUD water system. The joint project would allow the District to complete 35% of the work needed to incorporate TMMWC into the TCPUD system. Delaying the project until 2013 would require digging up the same street two summers in a row. Mr. Laliotis is looking for the Committee to provide direction to staff on the following:

1. Continue pursuing the acquisition and consolidation of TMMWC
2. Continue pursuing the joint project, including drafting a reimbursement agreement with MWD (contingent upon substantial progress achieved in the acquisition agreement).
3. Approve the Operations Agreement in substantial form.

Director Wilkins inquired as to the condition of the TMMWC system.

Mr. Laliotis stated that the system was built around 1970 with six inch pipe. They have not experienced a problem with regular leaks in the system. The overall project cost to construct the transmission line is \$580,000. There are no grant funds available at this time to fund the acquisition. TMMWC will contribute reserve funds from their combined homeowner association/water company fund.

The Committee directed staff to continue drafting the acquisition agreement, moving toward the transfer of assets after the connection to the TCPUD system is made. In the interim the

operation of the system will occur based on the Operation and Maintenance Agreement on a time and materials basis. The joint project will proceed assuming that it can be achieved with reasonable costs. Mr. Laliotis will work with counsel to create a reimbursement agreement with MWD to reimburse them for the cost of the waterline installation. MWD will pay the contractor directly. It will be a pass-through expense. This will be similar to the process for the emergency interconnect project that was conducted with MWD.

Mr. Olson left the meeting at the conclusion of this discussion.

2. DIRECTOR OF UTILITIES REPORT

There were no questions or comments.

3. DISTRICT ENGINEER'S REPORT

There were no questions or comments.

4. PROJECT ACTIVITY REPORT

There were no questions or comments.

5. TECHNICAL SERVICES REPORT

There were no questions or comments.

6. GIS & INFORMATION MANAGEMENT REPORT

There were no questions or comments.

7. PUBLIC FORUM

There was no public comment.

8. ADJOURNMENT

The meeting was adjourned at 8:15 a.m.

Terri Viehmann, District Clerk

Prepared by Terri Viehmann