

SEWER & WATER COMMITTEE MEETING
APPROVED MINUTES

August 9, 2012

DIRECTORS PRESENT: Dan Wilkins and Erik Henrikson

STAFF PRESENT: Cindy Gustafson, General Manager
Tony Laliotis, Director of Utilities
Matt Homolka, District Engineer
Coral Lochridge, Technical Services Supervisor
Carol Hackbarth, Utilities Coordinator
Kelli Twomey, Director Of Resource Dev. & Community Relations
Ramona Cruz, Director of Accounting & Employee Services/Treasurer

PUBLIC PRESENT: Duane Whitelaw, North Tahoe Fire Protection District (NTFPD)

The meeting was called to order at 7:00 a.m. by Director Henrikson. Director Henrikson apologized that he has to leave the meeting real soon.

1. NTFPD PUBLIC SAFETY CENTER – CONNECTION FEE CREDIT AND TRANSFER AGREEMENT

Mr. Homolka said at last board meeting we discussed the fire station and how to set it up for billing and the board asked staff to prepare an agreement to allow the transfer of connection fees from the old fire station to the new fire station.

Director Henrikson asked if the new station paid TTSA sewer connection fees. Yes. He thinks the fire station should pay TCPUD connection fees and not be allowed to transfer from the old fire station. If they do transfer he wants a permanent disconnection as soon as possible of the old building at all outlets including drains. Mr. Homolka cautioned that if they do that you will have a vacant building with no water and no sewer. Director Henrikson said that is the idea. Mr. Homolka said yes until someone wants to do something with the building and there is some expense to that disconnection.

Director Wilkins is not sure he agrees; he feels the fire department won't use the facility in violation of this agreement. He is concerned that if there is a permanent disconnection and we allow a onetime limited use for the Snowfest pancake breakfast, for example, then they would have to put the plumbing back together. Is it worth that effort? Director Henrikson said if there is continued use for it why transfer the connection fees?

Mr. Whitelaw said it is not in their interest to use the building, period. They want to find the money to demolish it as soon as possible, to get out of the liability for maintenance, etc. Other than supporting the community, they are not interested in the building. Ms. Gustafson said we are trying to be realistic about the special non-profits who want to do an event at a good location that is visible. The TCPUD is the one who deals with that function not the fire department, right? Director Henrikson said not always. They are the owners of the facility. Why can't they be the benefactor rather than the TCPUD?

Director Wilkins asked Director Henrikson, with this issue aside and if they make a physical disconnection now, are you in support of this agreement or are you still philosophically opposed it? He thinks it should be one way or the other. Either they disconnect and totally transfer the connection fees or if someone wants to use the building they keep the connection fees at the old location and pay for the new location. If it is difficult for the

committee to decide, then bring the issue to the board. Director Wilkins thinks the difference of opinion here is between him and Director Henrikson, not between the District and the fire department. Mr. Homolka said this item will definitely come to the board. Director Wilkins said it sounds like the agreement in one form or another will be approved and the five-year timeframe is what we will discuss.

Duane Whitelaw left the meeting (7:12 a.m.). Director Henrikson said there wasn't much backup for the rest of the agenda so he might as well just go. He doesn't have comments on anything else on the agenda. He apologized and excused himself from the rest of the meeting (7:13 a.m.). Backup documentation was given to Director Henrikson as he left.

2. MULTIPLE-UNIT RESIDENTIAL DEVELOPMENT WATER SERVICE BILLING

Ms. Gustafson said when we were doing our rate study and installing meters simultaneously, there were some categories of existing customers that we didn't capture, a small number. She wants to be clear that the responsibility goes around the table and back to the rate study. We didn't identify these as we went through the rate study. Mr. Homolka said we had a rate study; we adopted a rate. Then we made the ordinance. We realized that there was probably an intermediate rate that we should have set. There are a number of rates we will set if/when we go through the Proposition 218 (Prop 218) process.

These customers are not condominiums. They are multi-unit residential properties on one parcel with more than one dwelling-unit. Apartments, Cabins, Duplex, Triplexes, Units above garages. The ordinance is clear that unless you are a condominium you are billed by meter size. There was a lot of discussion on condominiums and how they are billed. Equity, between these units as well as compared to a 10k square foot house, is a concern. Staff has discussed the alternatives at length and would like the committee's input.

Discussion on the history, the alternatives, and different philosophies on billing were discussed at length. The District's usually way of crediting and billing customers were also discussed. Director Wilkins said he hasn't had time to digest this. Mr. Homolka said we are bringing this to the board. Director Wilkins would like staff to come to a consensus on a recommendation and bring that to the board. Ms. Gustafson said we will have a definitive recommendation.

3. TAHOMA MEADOWS MUTUAL WATER COMPANY: UPDATE AND DISCUSSION

Mr. Laliotis handed the committee an agreement and a memorandum with staff's recommendation. The recommendation is to enter into agreement with McKinney Water District (McKinney) for them to construct 905' of our 10" water main. Mr. Laliotis answered Director Wilkin's questions on the cost sharing and confirmed that we are paying McKinney to construct our pipe using their contractor via change orders. Mr. Homolka said McKinney went to bid for the project. Our cost is the unit cost per foot of pipe plus the additional material costs as our pipe is larger and inspector costs as explained in Attachment A.

4. DIRECTOR OF UTILITIES REPORT

There were no questions or comments on the reports.

Ms. Gustafson suggested Mr. Laliotis brief the committee on Truckee Sanitary District's (TSD) sewer televising van. Ms. Gustafson first explained that she dislikes being bureaucratic and dragging our feet on things and missing opportunities. She thinks we have spent a year jumping and not being very focused on a lot of issues and that worries her. At the same time this is a great opportunity and probably the direction we want to go.

We don't have it fully flushed out but we need to take action on it to take advantage of this opportunity. She prefers coming to the board with all research done.

Mr. Laliotis explained that TSD has surplused their camera rig and wants to give local agencies the first opportunity to buy. We currently contract out that work though have contemplated bringing that in house. TSD said they put in about \$65k worth of electrical equipment in it in 2009. It has a rebuilt camera. It is turn-key. The software license is the only thing we have to pay for. TSD has an offer from a private vendor at \$30k. Personnel requirements and the advantages of in house televising were discussed. Director Wilkins thinks it makes sense. It has good utilitarian value to the District in terms of improving our current operation and could provide opportunity to do more in house work in the future. Mr. Laliotis will have the board document prepared for the next board meeting.

5. DISTRICT ENGINEER'S REPORT

There were no questions or comments.

6. PROJECT ACTIVITY REPORT

There were no questions or comments.

7. TECHNICAL SERVICES REPORT

There were no questions or comments.

8. GIS & INFORMATION MANAGEMENT REPORT

There were no questions or comments.

9. PUBLIC FORUM

No public comment.

10. ADJOURNMENT

The meeting was adjourned at 8:21 a.m.