

SEWER & WATER COMMITTEE MEETING  
APPROVED MINUTES

March 7, 2013

DIRECTORS PRESENT: Dan Wilkins, Erik Henrikson

STAFF PRESENT: Cindy Gustafson, General Manager  
Tony Laliotis, Director of Utilities  
Matt Homolka, District Engineer/Assistant General Manager  
Carol Hackbarth, Utilities Coordinator

PUBLIC PRESENT: None present

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

1. Lake Forest Water System – Second Residential Unit Properties - Update

Mr. Homolka reviewed the history of the billing findings, the customer responses and the proposal to start billing. Directors Henrikson and Wilkins agreed to have the District start billing these customers for the second units.

2. TCPUD Admin Site BMP Compliance – Technical Consultant Selection

Mr. Homolka explained this is a \$5,000.00 project. This is only here for the committee to approve because the consultant is Auerbach Engineering. We were going to do this in-house but haven't been able to. After some discussion Mr. Homolka said he would hate for Auerbach Engineering to pay a price on other more significant opportunities with the District because they are doing these smaller project for us. Directors Henrikson and Wilkins approved the consultant, especially since if we went out to bid it would cost the District \$5,000 to \$10,000. There was also discussion on how the Gary Davis Group is doing with the golf course BMPs.

3. Review of Exwire Site Lease – Riley's Tank

Director Henrikson asked why it is so cheap. Mr. Laliotis said this is nowhere near a cell phone tower. It is a pole with an antennae the size of a satellite dish and an enclosure about 24" x 24" that has 120V power going to it. Exwire is a private wireless broadband company that fill the gaps where getting hardwire to a remote area is too costly. AT&T and the cable company don't want to touch it because of the revenue to cost ratio is not good. Mr. Laliotis added it doesn't affect our infrastructure; they are just attaching it to the railing of our tank. It is a little revenue stream and we are helping out our tax payers up there. Directors Henrikson and Wilkins approved lease.

4. Director of Utilities Report

No comments nor questions.

5. District Engineer's Report

Director Henrikson asked what is the District's position on the Tahoe City Community Revitalization (Fanny Bridge Relocation) Project. Mr. Homolka was at the meeting because of the bike trail and to protect the District's assets. Other than that he didn't give an opinion. Ms. Gustafson said the District needs to be looking at and suggesting bike trail realignments in relation to the by-pass. To

reduce highway crossings and to mitigate people from crossing the highway instead of going around 64 acres to come back into town, it would be wise to realign the crossing of the highway and bring the trail along the lakeside of the highway into town. Mr. Homolka said he spoke of this at the meeting.

6. Project Activity Report

No comments nor questions.

7. Technical Services Report

Mr. Homolka pointed out that Big Chief has contacted us again. Their project has been a very long one. They come to us every year or two and ask us to comment on their plans. The concern we have is the force main that crosses the river that was installed about 20 years ago. It is the PUD's force main and falls under our permit with Lahontan. Our main comment to them is we want that line tested to verify that the line is still viable. That is the one comment they haven't addressed. So we will start taking a hard line on this and not doing any other work with them other than focusing on getting that comment addressed. This is a Bruce Olsen project and you may be hearing about it.

Ms. Gustafson informed the committee that Chuck Marr contacted Mr. Homolka last week and Robbie Marr left a message for Mr. Laliotis. In November 2012 she sent Chuck our Water System Acquisition Policy and talked briefly telling him if he wants to meet let us know. His voice is very crackly and it seems like he has deteriorated. Chuck wants to sell the water system. He doesn't know if his siblings want to sell it. This week she sent him an email asking if they would be ok with the District getting an appraisal on their systems (Tahoe Cedars Water and Madden Creek Water). The purchase price would be significant, millions. There was discussion on the possible amount and their assets. Mr. Laliotis said Harold Morgan balances the rate base and the usable assets. Ms. Gustafson asked Mr. Morgan to give staff a cost to update the appraisal he did on Madden Creek Water in 2012 which JMA has released to us and to appraise Tahoe Cedars Water. He hopes to get back to her by tomorrow. We can then talk to Chuck further about moving ahead.

In the past with Timberland water we said we would pay 50% of the cost to appraise their system. She suggests we front the cost and reduce the purchase price by one-half of the appraisal costs if we purchase the systems. She guesses \$20-30k would be half the appraisal price. Director Wilkins asked if we need to find out who we need to deal with. Director Henrikson said there are four siblings and they all seem to be interested in selling it. Mr. Homolka said Chuck said he will try to meet with his siblings this week. Mr. Homolka told Chuck the best approach is to email us or write us a letter and ask us to make an offer. Mr. Laliotis said Mr. Glazer is not interested in purchasing the Madden Creek system though there are others interested.

Ms. Gustafson also mentioned Mr. Glazer's Proposition 50 funding and allowing the District to apply for this money for the treatment plant with the District paying the costs for his engineering to do the connection. He is interested in taking us up on that.

Director Wilkins thinks we should contemplate buying the two systems. Director Henrikson agreed adding to find out what they are worth. Director Wilkins also said he agrees with Ms. Gustafson's suggestion on the financing as did Director Henrikson. She plans on having this on the board agenda next Friday.

8. GIS & Information Management Report

No comments nor questions.

9. Public Forum

No public comment.

10. Adjournment

The meeting was adjourned at 7:38 a.m.

Prepared by Carol Hackbarth

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Carol Hackbarth, Utilities Coordinator