

SEWER & WATER COMMITTEE MEETING  
APPROVED MINUTES

September 15, 2011

DIRECTORS PRESENT: Dan Wilkins

STAFF PRESENT: Cindy Gustafson, General Manager  
Kelli Twomey, Dir. Of Resource Dev. & Community Relations  
Tony Lalotis, Director of Utilities  
Matt Homolka, District Engineer  
Coral Lochridge, Technical Services Supervisor  
Carol Hackbarth, Administrative Secretary  
Jon LeRoy, Associate Engineer

PUBLIC PRESENT: None

The meeting was called to order at 7:12 a.m. by Director Wilkins.

Director Wilkins said he read the reports and doesn't have any comments or questions on the reports.

1. DIRECTOR OF UTILITIES REPORT
2. DISTRICT ENGINEER'S REPORT
3. PROJECT ACTIVITY REPORT
4. TECHNICAL SERVICES REPORT
5. GIS & INFORMATION MANAGEMENT REPORT
6. COMMITTEE PRIORITIES FOR 2012 SEWER AND WATER BUDGET

Ms. Gustafson said we want to give the committee the opportunity to give input on what priorities staff should be looking at in budgeting for 2012. Director Henrikson has concerns about Inflow and Infiltration (I&I) and how much we are investing in that. Director Wilkins said he remembers there is a fair amount of I&I work done through contract services. If we want to put more effort in I&I are there additional vendor services out there so we can expand that, or is there a capacity limitation? Mr. Lalotis said there are additional vendors services, but at some point we are going to push the threshold of contract services versus the formal bidding process. The capital budget is not structured for larger and more formal bidding projects though can be adjusted.

Ms. Gustafson said we have looked at the economic model to see where time and money is best used. There will never be 0% I&I. What is the threshold the board wants to set? Director Wilkins asked about a standard benchmark. Mr. Lalotis said basically it is the amount of I&I compared to miles of sewer line. We rank in the middle compared to other agencies in the area. Discussion continued on the advantages and disadvantage of focusing money and staff on I&I.

Director Wilkins asked for a presentation to the board on I&I for the past year. Ms. Gustafson also suggested a presentation to the board on what Mr. Lalotis' current plans

are. Ms. Gustafson wants to know if the board wants to set a goal on I&I – reduce by a certain percentage, reduce by 5%, try to match Truckee Sanitary District’s numbers. She also asked how do we structure getting to a less I&I. Director Wilkins said he doesn’t have a sense of how much more we need to do above what we do currently. Mr. Laliotis said there will be an expansion of sewer flow meters and investigating manhole rehabilitation in the next year’s budget which will facilitate the focus and reduction of I&I. Sewer flow meters that are being installed will provide history from which to pinpoint our focus on areas to concentrate staff and money. The ratio of flow versus pipe footage would allow us to focus on areas where the costs provide the most savings. Mr. Laliotis said there are not capacity issues with sewer as there is with water. The only affect is 10-15% increase in electricity and Tahoe Truckee Sanitation Agency. Budget, staffing levels and personnel issues have had an effect on the department putting more man hours into I&I this year.

Director Wilkins asked about the capital projects list provided in the board packets. Is it an on-going work in progress? Mr. Homolka said yes and the biggest issue is getting projects done. As we get more done we may be looking at the list more closely and setting more realistic goals as opposed to setting more optimistic goals. Ms. Gustafson said we originally said we were going to be aggressive on listing the projects. We have seen how that somewhat bitten us with board members thinking that we are falling behind. Remember in the five-year rate study sewer was set up as a reserve target. Water was a capital target. There was more discussion on the rates, the rate study, what the original targets were, what we have accomplished, and what the focus will be during this year’s budget setting, including lake-front sewer lines. It was noted that lake lines are televised every two years to keep an eye on I&I affecting the lake.

There was more discussion on the budget setting planning, sewer and water projects, and the affects to the rates. Ms. Gustafson said the operating costs and operating revenue were both down because of water conservation. The logic for adjusting rates is based more on the operating costs versus the capital budget. Director Wilkins said it would be helpful to have a five-year rate revenue history – what the real increase in rates were in actual and percentage. Ms. Gustafson said the other number to look at is what the average person is paying. The rate study projected out the total rate revenue and costs for the five years. Sewer is tracking right on while water is more variable because of conservation. Director Wilkins said he is more of a mind to be more aggressive to work towards the rates we set, get to that point, and then sit in a holding pattern. Do we prolong the agony or deal with it and move on? Mr. Laliotis said doing so allows us to understand what revenue is going to be and plan from there as opposed to it being a moving target. Director Wilkins said he may be a minority on that with the board.

7. PUBLIC FORUM

No public comment.

8. ADJOURNMENT

The meeting was adjourned at 7:48 a.m.

---

Carol Hackbarth, Utilities Coordinator