

SEWER & WATER COMMITTEE MEETING
APPROVED MINUTES

October 13, 2011

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
Terri Viehmann, District Clerk
Ramona Cruz, Incoming Director of Accounting/Employee/Treasurer
Jim Dykstra, Director of Accounting/Employee/Treasurer
Carol Hackbarth, Administrative Secretary

PUBLIC PRESENT: Russ Hansen, Tahoma Meadows Mutual Water Company
Jim Olson (via telephone), Tahoma Meadows Mutual Water Company

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

Ms. Gustafson said if there are no changes to the reports she suggests we start with the budget (Item 6) to make sure we get through that. Russ Hansen from Tahoma Meadows Mutual Water Company will be here, and we told Jim Olson that we would try to call him around 7:45-8:00 a.m. Director Henrikson said the reports are the same and the sooner he could get out the better. Director Wilkins said he has read the reports.

1. DIRECTOR OF UTILITIES REPORT

No comments nor questions made.

2. DISTRICT ENGINEER'S REPORT

No comments nor questions made.

3. PROJECT ACTIVITY REPORT

No comments nor questions made.

4. TECHNICAL SERVICES REPORT

No comments nor questions made.

5. GIS & INFORMATION MANAGEMENT REPORT

No comments nor questions made.

6. REVIEW OF 2012 DRAFT UTILITIES & ENGINEERING OPERATION & CAPITAL BUDGETS

Mr. Laliotis handed out his 2011 Accomplishments and the 2012 Goals and Strategic Planning for the sewer and water departments and the budgets related to each. Director Henrikson would like to see the water usage vs. the water production. He wants to compare those numbers with the sewer numbers. He wants us to be strong on our own

leaks. Mr. Lalotis reviewed the District's current work on leaks as listed in the accomplishments. There are many variables that go into the numbers. It is not just as simple and what goes in and what goes out. Ms. Gustafson asked about the CMMS (Computer Maintenance and Management System) budgeting. Mr. Homolka said the software and implementation is the engineering budget. Ms. Hackbarth would implement the transition of work orders etc. as originally planned. Director Wilkins asked about any plans to have a regional development. Mr. Homolka said that is in the Capital projects. Director Wilkins asked if the decrease is a real reduction in personnel expense or more of a shift. It is more of a shift due to the side-fund liability shift. Mr. Dykstra explained the accounting on the side-fund liability. Mr. Lalotis said this is essentially a flat budget for the water department.

Mr. Lalotis continued with more sewer department information. Director Wilkins asked for total sewer mileage in the District. Sewer mains are about 100+ miles; with laterals it is 120-130 miles. Director Wilkins clarified that about 40-50% of infrastructure has been cleaned and 20% has been televised. Mr. Lalotis said the SSMP (Sewer System Management Plan) from the state is continually morphing. There will be 15 active sewer flow meters. Remote flow metering is useful and currently only as good as the cellular service. Again with the side-funding liability this is essentially a flat budget for the sewer department.

Ms. Gustafson said Mr. Lalotis' 2011 budget is down 2.3% in water and 3.4% on sewer. The District overall is holding 3.7% under budget. The Utilities department has been the most impacted by staff changes and family leave. They have done a great job in keeping the budget down this year. Director Wilkins said Director Henrikson in other meetings was concerned with investing more in professional services for I&I (Infiltration and Inflow). Is that in the budget? Mr. Lalotis said most of that money is in the capital budget. The technology monies are in his budget. We have supplemented the rehabilitation and slip lining budget in capital and included sewer main replacement projects.

Director Wilkins said basically in 2012 it is business as usual with additional effort on water leak detection, sewer I&I, and additional work on getting the GIS dialed in with the field data collection and the management systems. Ms. Gustafson confirmed this and said the new technologies are serving both our customers and our system in saving money and being much more efficient. This is a huge factor and benefit for the District.

Mr. Homolka handed out his budget packet, 2011 Accomplishments and 2012 Goals. Four departments are represented here: Engineering, Technical Services, Capital Projects and Special Projects. Mr. Homolka explained the change in personnel and reviewed the 2011 Engineering accomplishments. Director Henrikson asked if Lake Forest would be paved this year. Yes. Related to the West Shore Export rehabilitation he also asked if we expecting someone to do the bypass. Yes. Mr. Homolka said we may go with attaching the by-pass pipe to existing pipe during on-site rehabilitation. The flow analysis indicates this would work.

Mr. Homolka reviewed the 2012 Engineering goals. CalTrans may get started next year with the west shore widening. It looks like after some revisions it will only affect several manhole adjustments and bike trail repairs. Technical Services budget is down mostly because of Mr. Stocking retiring and hiring at a cheaper salary, less hours and seasonal. The budget also includes the side-funding issue discussed earlier. There has been some shifting of time from Engineering to Projects. Ms. Gustafson reiterated that this budget gets wrapped into the overall decreases she spoke of earlier. She said with the efficiencies Mrs. Allison has provided the department in capital project delivery, if we want to continue to develop these projects, Mr. Homolka and Mr. LeRoy need that assistance full time. We don't take it lightly to go back to adding a full time without a lot of scrutiny. We have used

a lot of part-time staff in the past three years. Ultimately this help with the efficiencies of the whole department.

Mr. Homolka continued with capital budget after Item 7 below was completed. A permanent water treatment plant and numbers were highlighted. Director Wilkins asked about 3rd party funding for Lake Forest Water system replacement Phase 2. Ms. Gustafson said the number will be ready for the board meeting. Mr. Wilkins said he has a pretty good grasp of the rest of the water projects. He confirmed that the Grove street intake was to get building out of the way of the bike trail. Mr. Homolka highlighted a new project, Chamberlands Drive water line replacement which was added by Mr. Laliotis because of so many repairs being done on the line.

Sewer projects were reviewed. Public project relocation upgrades is primarily for the CalTrans west shore project. Director Wilkins clarified how the process usually works. Homolka said they are asking for the full funding monies up front on a project that will take 4 years. He is still working on this. Dollar Edgewater lakefront sewer lines, Director Henrikson's project, is scheduled for planning and design next year. Director Wilkins asked for staff's professional opinion. Mr. Laliotis said erosion has affected this area most. Director Wilkins asked if it is looking for protection on its current alignment, or would there be a broad brush alternatives analysis on the front end that would look at that and compare a minor line relocation that would result in gravity flow to a major line relocation which would require number of privately operated pump systems. Mr. Homolka thinks we will be forced into doing some level of this analysis; meanwhile we will focus our efforts on in place protection. Gravity relocation solution is fairly unlikely, but we will look at it. Mr. Laliotis said the agencies that do sewer feel like protection and rehabilitation in place is the least environmentally impactful process to deal with this. The regulators are on the other end and want the lines moved out of the shore zone. Mr. Homolka discussed the Tahoe City residential rehabilitation project which includes Jackpine, Pioneer and Grove streets. We have reached a point where it makes sense to look at the entire lower Tahoe City system and decide on a rehabilitation replacement program. This will address a big I&I problem.

Mr. Homolka reviewed the ArcGIS software upgrade with a full roll-out of GIS next year, the Computerized Maintenance Management Software and a large format copier scanner. Director Wilkins said between water and sewer projects this is a pretty significant list. From a staffing standpoint do you think we actually have capacity to work on all this? Mr. Homolka thinks so, but if we add the Sewer Master Plan it will make it difficult. It is a manageable design and construction load, more manageable than what we looked at last year.

Ms. Gustafson reviewed staff's lengthy discussion from yesterday regarding how the board would like to see these. Do you want to see a more realistic number that is conservative where we can achieve 100% of our goal? We see this as a plan that allows us some flexibility at staff level to adjust if we run into a road block or something comes up that we have to react to and shift our priorities. She provided examples from this year. Some projects are easier to manage than others depending on various reasons, permitting, contractors, size. It is hard to put a dollar amount of staff capability on any given year. She suggests goals that continue to be aggressive yet allows us the flexibility, without waiting for the next board meeting, to change course as needed to be more fiscally active and beneficial. As long as the board members and the public understand our theory and why we are doing this then we are comfortable. Director Wilkins said he understands that; he thinks there are some board members who do not. She reviewed how priorities have shifted in the past, and we have been fiscally opportunistic and shifted priorities to accommodate that. Mr. Homolka pointed out in his handout where the numbers are for actuals vs. board approved prior year budget and vs. HDR study.

Ms. Gustafson asked Director Wilkins based on capital discussion what approach would he prefer to see. Director Wilkins said the one we are taking. We have a list of projects that is potentially beyond our capacity to fully deliver this year, and what that means to some of these projects is that we may or may not get to them and they will be in the following year's work plan.

7. TAHOMA MEADOWS MUTUAL WATER COMPANY COMPLIANCE ORDER

Russ Hanson is here, and we will be conferencing in Bill Olson, both from Tahoma Meadows Mutual Water Company (TMMWC). Mr. Laliotis explained the situation with TMMWC as described in his memorandum. Maps were provided for visual reference. TMMWC would like to consolidate with another water company and dissolve their company. Director Wilkins asked Mr. Olson if he knows why McKinney Water District (McKinney) is so reluctant to help them out. With his eight plus years of knowledge Mr. Olson thinks they just don't want to upset their world. They reluctantly provided them with an inter-connection. They even don't want Tahoe City PUD to run a line through their district. They have been presented with six or seven options, and the only one they liked was connecting to Tahoe Cedars because it has nothing to do with them.

Mr. Laliotis went over the three options for us to help and the costs associated with them, discussing the pros and cons for each. Not included in previous options is for the District to purchase the system and possible buy water from McKinney. Ms. Gustafson said other agencies may be able to force the issue. We offered to McKinney Water if they go through an annexation they could have our tax dollars. Mr. Olson said they cannot even pay them to take the system. That is basically what is on the table at the moment.

Ms. Gustafson said the point is to bring this to the boards attention. Placer County is involved. A full board presentation will be in November 18th. Mr. Laliotis said the State Department of Public Health is working to approve a grant for this system. Mr. Olson thanked the committee for being very helpful. Director Wilkins asked how old the system is and the size of lines: 45 years old, mains are 6" with ½ transit and ½ steel, and there are fire hydrants about every 500'.

Director Henrikson left the committee meeting – 8:25 a.m. Director Wilkins asked about our District's McKinney Quail system and the well's capacity or lack of. In the winter we rely solely on the well but have an interconnect with McKinney if needed which hasn't needed been to date. Mr. Hansen said they have less than 20 full time residents and in the winter there is virtually no use. Mr. Laliotis is not overly concerned with the number of customers and the impact on the system. He also noted that last year McKinney constructed a booster station which is identical to what would be needed for Tahoma Meadows. Mr. Hansen left meeting.

8. PUBLIC FORUM

No public comment.

9 ADJOURNMENT

The meeting was adjourned at 8:55 a.m.

Carol Hackbarth, Utilities Coordinator