

SEWER & WATER COMMITTEE MEETING  
APPROVED MINUTES

July 22, 2010

DIRECTORS PRESENT: Dan Wilkins, Director Henrikson via phone call (committee members)  
Ron Treabess

STAFF PRESENT: Tony Laliotis, Director of Utilities  
Matt Homolka, District Engineer  
Coral Lochridge, Technical Services Supervisor  
Doug Olsen, Utilities Superintendent  
Ginger Charlton, District Clerk

PUBLIC PRESENT: Dick Whitaker  
Wally Auerbach, Auerbach Engineering

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

5. Richard Whitaker Appeal

Mr. Laliotis reviewed the history of Mr. Whitaker's connection fees and commercial charges for his home office and his current appeal of those charges. He explained the refund of two years worth of commercial service charges that was given to Mr. Whitaker in 2009 when the District's water ordinance was changed. Coral Lochridge explained the District's policy on refunds of connection charges and said that in 2003 the initial classification of his home office as commercial was correct. Mr. Laliotis said that the District refunded more than it needed to for service charges because the time when the home office definition was put in place and the time when the re-inspection occurred was less than two years.

Mr. Laliotis said that in response to Mr. Whitakers appeal, Ms. Gustafson took into consideration several aspects of this particular situation and has recommended refunding the commercial connection fee of \$1500 and to uphold the two-year credit on service charges. Her reasoning to refund the connection fee is that the property wasn't modified but our definitions were changed. Director Henrikson was in agreement. Director Wilkins concurred.

Mr. Whitaker said that he doesn't know why his property was ever considered commercial and he deserves a full refund. He said that he feels the District's refund policy is unfair and he will appeal to the Board.

Director Henrikson said that after reviewing the packet, he felt fine with staff's recommendation for items #2 - #4. He said that he's concerned with Auerbach Engineering Corporation (AEC) getting a lot of work from the District because it looks bad. Mr. Homolka said that he feels that AEC is the only firm that he can pull out of his hat to get all of these jobs accomplished. He added that while AEC does get a lot of the work for good reason, there are a lot of other firms that get PUD work, too.

Director Henrikson asked if the American Recovery and Reinvestment Act's (ARRA) 50% covers engineering? Mr. Homolka said that it does. Director Henrikson asked where the rest of the money will come from? Mr. Homolka replied that all of these are capital projects and are already in our budget. Director Henrikson needed to exit the meeting and hung up.

2. Four Seasons Tank Line Replacement & Upper Tahoe Tavern Heights Distribution Improvements – Project Approach and Design Consultant Selection

The committee agreed with staff's recommendation that Auerbach Engineering Corporation (AEC) be the recommended consultant to perform design and permitting services for a combined project consisting of the Four-Seasons Tank Line Replacement Project and the Woodview to Woodhill Water Main Connection projects.

3. Lower McKinney Water Line Replacement – Project Approach and Design Consultant Selection

The committee agreed with staff's recommendation that AEC be selected as the recommended consultant to perform design and permitting services for the Lower McKinney Waterline Replacement Project.

4. Highlands Fire Hydrant Construction – Inspection and Testing Consultant Selection

The committee agreed with staff's recommendation that Mid-Pacific Engineering be selected as the recommended consultant to perform on-site construction inspection and testing services for the construction of the Highlands Fire Hydrant Project.

1. Lake Forest Water System Replacement – Project Alternatives

Mr. Homolka said that a few months ago the Board gave direction to Mr. Laliotis to get this project done and ready to go to bid. Staff met with AEC and discussed a number of ways to get this project going again. They are finalizing the design. The big question is finalizing the design of what and taking what to bid. Mr. Homolka said the project can be done in a number of different ways.

- Design the full replacement project to be built over one year, which is ideal.
- Design the full replacement project to be phased over two or more years (phased contract). That is staff's recommendation. Two years is a reasonable amount of time.
- Design a reduced project to build appropriate additive or deductive alternatives into the reduced project.

Mr. Homolka reviewed the maps for the reduced projects. He noted that design is completed to a 90% level. The remaining 10% is determining how we will build the project. He said the question for the committee is, "What project do you want us to plan to build to take this from 90% – 100%?" Mr. Homolka said that he is stuck because he doesn't know what amount of money he can expect.

Director Treabess asked, "If staff proceeds to do project 4 and outside funding isn't found for it, is there a possibility that the Board could say to fund it versus some other projects? Also, if the Board said to do Project 4 and funding wasn't found for it and the Board didn't want to cut other projects, what would happen?" Mr. Homolka replied that staff would sit down with Mr. Auerbach and ask him what could be cut from the project. He added that he felt that the cost of the project would be less by doing it that way than by doing a smaller project and adding on to it.

Director Wilkins said that he feels that staff should complete the design on project 4 but he is not committing to say that it should be put out to bid at this time because outside funding is still unknown. Director Treabess said that the full replacement project phased over two or more years gives us the opportunity to put everything in place over the two years. He said he felt that

Project 2 should be the starting point. Mr. Homolka said that our capital plan budgeting process starts in a month and staff will start to lay this in there. Staff feels that it's affordable over two years with the funding that staff feels is coming. Mr. Homolka said that the District is behind schedule on some of the bigger dollar items on the 5-year capital plan. Bunker Tank isn't being included in the Lake Tahoe Fire Protection Partnership funding because the time frame was too short to guarantee it would get done in time. That leaves room for some other projects.

Director Wilkins said that he feels that the recommendation to the Board should be to complete the design for the full project but, from his standpoint, he's not in a position to suggest that we allocate the construction funds for the full project right now because that is going to be dependent on how well we do with outside funding. Mr. Homolka said that if that is direction, it is probably not necessary to go to the Board for further direction. Director Wilkins said that all the committee is doing is providing direction on completion of the design process at this point. Staff will design it for a two-year project with a breaking point in the project when certain elements are complete and functional. Director Wilkins asked if any easements are necessary. Mr. Homolka replied that there are three. Mr. Homolka added that the intent would be to have a May 2011 start.

6. Public Forum

There was no public participation.

7. Adjournment

The meeting was adjourned at 8:00 a.m.