

MEETING REPORT
WASTEWATER COMMITTEE
MONDAY, NOVEMBER 7, 2011
2:00 P.M.

Directors: Bob Behee
Delbert Rotelli

TUD Staff: Pete Kampa
Melissa McMullen
Tom Scesa
Leonard Mauro
Sheri Barnett

TCSD Directors: John Feriani
Sean Murray

Public: Ron Ringen
Evan Royce, Tuolumne County Board of Supervisors
Rico Oller

Discussion of Tuolumne City Sanitary District (TCSD) Existing Sewer Rates

Tom Scesa stated that per his request TCSD staff developed a spread sheet that list TCSD commercial properties and businesses and the rates for an Equivalent Single Family Residence (ESFR). Mr. Scesa stated that Kelly Klyn from TUD compared TCSD ESFR and rates to TUD ESFR and rates. The difference is shown on the spread sheet which was included in the agenda packet as item number one. Mr. Scesa stated that the way TUD would interpret TUD's ordinance based upon the known occupancies so far, the total commercial revenue for businesses and county locations would drop about \$2,000 per month. However, the way the schools would be handled would be significantly different in that there would be enough revenue to compensate for the loss in revenue from the commercial and other locations. Mr. Scesa stated that what is not covered is what Mr. Scesa referred to as connected parcels or residential parcels that are vacant. TUD does not charge a sewage fee for these parcels where TCSD does. John Feriani stated that TCSD does charge a fee to maintain the sewer connection. Pete Kampa stated that in TUD's last revision of the Wastewater Ordinance, TUD has the ability to charge a standby fee to subdivisions that are approximately over forty or fifty units, but it goes through the Assessment District proceedings. Mr. Kampa stated that this is not a fee but an assessment that goes on the property taxes.

Tom Scesa stated that since the last time TUD met with TCSD Pete Kampa had sent a letter to TCSD highlighting some concerns about the potential agreement between TUD and TCSD. Mr. Scesa stated that the letter informed TCSD that they need to inform the schools that the sewer rate must be adjusted and the rates of other customers must be increased to cover the cost of providing service by TCSD prior to the dissolution of TCSD and any consideration of a consolidation with TUD. John Feriani stated that he and his wife gave notice to the Summerville High School, Summerville Elementary School and Mother Lode Christian School that their rates will be increased three to three and half times from what he could figure if TUD is to consolidate with TCSD. Mr. Feriani stated that TCSD tried to increase the sewer rates for the schools to what TUD would charge, if they were to consolidate, but increasing the schools rates to match TUD's rates was met with opposition.

Director Rotelli inquired if TCSD was still planning on trying to raise the school rates. Sean Murray stated that at a recent TCSD Board meeting their Board had inquired from Tom Scesa, who was in attendance, what the fee would be if TUD was to charge the schools. Mr. Scesa stated what the fees would be and TCSD presented a resolution at the Board meeting to make the fee's the same as TUD. Mr. Murray stated that unfortunately there was a misunderstanding in the fee structure and it was viewed that the burden was being placed on the schools and didn't realize that TCSD has a smaller subset of rate payers subsidizing a larger group. After clarification TCSD came to a compromise to raise residential rates a certain percentage and raise the school rates to match residential.

Discuss the Dissolution Process

John Feriani stated that his goal since he became a Board member for TCSD was to form a Community Service District (CSD) for the Tuolumne Township but realized the difficulty in obtaining a five member Board. Mr. Feriani stated that he believes a CSD is still needed to incorporate park and recreation, cemetery, lighting

and the alley way access parking fees. So with this in mind, retaining the assets to TCSD could prove to be valuable in the future. Mr. Feriani stated that the idea would be for TCSD to contract with TUD to maintain all facilities, be in charge of daily operations and TUD would receive all revenue generated.

Tom Scesa inquired if the Community of Tuolumne is to retain all assets, does that include the treatment plant and all collection systems. Evan Royce responded that the main part is to contract for the operators and the day to day operations and as for larger infrastructure of maintenance projects that arise, they would be handled as they are now which is to be put out to bid. Pete Kampa inquired who would be managing the infrastructure and maintenance projects. Mr. Royce responded by saying the management of such projects would have to be through a CSD.

Tom Scesa clarified that if the community of Tuolumne was to maintain the assets, the CSD and its manager would retain ownership of all physical assets and they would contract with someone such as TUD to operate the facilities. So, the CSD would be relinquishing control over what projects were done. John Feriani stated that to his knowledge Mr. Scesa was correct.

Committee Recommendation: For TUD staff to continue to review all options for consolidation with TCSD.

Discuss Possible TCSD/TUD Interim Operations Agreement

Discussion ensued over current TCSD employees and how would the possible consolidation affect their current employment. Pete Kampa stated that as previously stated in his letter to TCSD on October 7, 2011 TUD will evaluate the suitability of existing TCSD employees for employment with TUD. Preference will be given to suitable TCSD employees in any hiring decision. All employees would be given a fair opportunity to become an employee of TUD and would be given the same pay and benefits as any other employee at TUD with the same qualifications and certifications.

Committee Recommendation: For TCSD to put in writing what TCSD is requesting from TUD for consideration.

Review TCSD Discharge Agreement with Bakers Ranch

John Feriani stated the TCSD is currently moving forward with a new contract with the Bakers Ranch.

Tom Scesa stated that from the treatment plant there is a gravity flow to the Bakers reservoir and in the summer months the Bakers can do both spray irrigation and flood irrigation all the way to the reservoir. During the winter months the flow goes directly into the Bakers reservoir, and below the reservoir there is a spray system run off a pump. The agreement states in perpetuity for the forty-one year term the District is going to be responsible for the pump system, sprinkler system, and any cost for permits or reports that go with the irrigation system. Mr. Scesa stated that what he believed to be negative is the Bakers have a water right to water below the Westside Dam on Turnback Creek. Any year that there is not at least five feet of water in the reservoir, the Bakers can add water from the creek. If water is added to soon to the reservoir it may overflow and spill. John Feriani stated that if this was to occur the Bakers would be responsible for the spill per the agreement.

Director Rotelli inquired who is responsible for the irrigation on the Bakers Ranch. Tom Scesa stated that the Bakers are responsible for the irrigation however, if the Bakers want to relinquish their responsibility to managing the irrigation, the District has the right to lease the Bakers property for \$100 per year for the term of the agreement. Leonard Mauro stated that if the District did lease the property the District would be responsible for the irrigation.