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En Español Llamar (530) 546-4212

NTPUD Focus

BOARD OF DIRECTORS ADOPTS 2009 BUDGET

On June 24th, the Board of Directors for the North Tahoe Public Utility District adopted the annual Operating budget of \$9,500,000 and a Capital Improvement Program budget of \$1,800,000 for fiscal year 2008/2009.

The Board of Directors continue to reinforce the need for Sewer and Water Capital replacement and have directed District staff to develop a long term Capital reinvestment plan by updating the District's Water and Sewer Master plans. These plans allow the District to forecast and plan for projects that best utilize rate revenues. Improved leak detection, water line replacement, and project coordination with the State and County will allow the District to get the greatest value for its dollar spent with this year's CIP program.

The District has also made significant reductions in spending in the Parks and Recreation Department in this fiscal year. More details regarding the budget concerns in the Parks Department are discussed in the article below. The District has consolidated two Departments by dissolving Conference Center Operation into the Recreation Department. Staff reductions are necessary to reduce and/or eliminate the future need to drain District Park fund reserves.

Water and Sewer revenues and expenditures are within balance and will generate \$100,000 in reserves for future projects. The Park and Recreation District has challenges in the year to come and no funds will be available to go into reserves.

NORTH TAHOE PARKS SYSTEM CRISIS

The Parks and Recreational Facilities owned by the North Tahoe Public Utility District consist of the North Tahoe Regional Park, The North Tahoe Community Conference Center and Tahoe Vista Recreation Area. These three major facilities are presently funded by Community Facilities District (CFD 94-1) Assessment that was approved by the voters in 1993. This assessment district, approximately \$475,000 annually, does not generate sufficient revenue to maintain and or replace/repair these District facilities. The CFD 94-1 also provides annual support to the Boys and Girls Club of the North Shore for recreation programs, the Kings Beach Little League and Elementary School Fields. Because homeowners of the District pay this assessment, they are afforded some benefits that other visitors to our facilities are not; such as a residents sticker that allows discounted or free parking and discounts on services provided by concessionaires operating within District managed and/or owned sites.



These swings and other older equipment had to be removed due to safety concerns



This remaining piece of equipment is intended for children 2—5, leaving no play equipment for older children.

The District has additional fees to help offset costs such as by collecting parking and boat launch fees and contracting with concessionaires who rent kayaks, jet skis or water toys, or who hold special events such as tournaments, concerts, etc.

Despite all attempts to increase revenue, our Recreation Parks and Facilities remain seriously underfunded. For the past 3 years, no capital improvements or deferred maintenance projects have been budgeted unless funded by grants. Playground equipment that was deemed unsafe by current safety standards was removed, but funding to replace it does not exist. Parking lots cannot be repaved and ball fields can not be renovated. At the Community Conference Center, an organizational transition plan is being developed in order to cut expenses and to meet a restrictive budget.

The Parks and Facilities Division is continuing to explore ways to increase funding for the amenities and services provided so that they will continue to be an asset for residents and visitors to the North Shore. Please stay tuned!

Carnelian Woods Water Tank Rehabilitation Project



Corrosive spots on the walls of the Carnelian Woods #2 Tank

Folks who hike in the Carnelian Woods neighborhood may have noticed a great deal more activity along the access road that leads to the two NTPUD water storage tanks that supply the area. The high level of activity this summer is due to a major rehabilitation project currently underway at the Carnelian Woods #2 (CW2) tank. This tank should be completed by the end of August, with work on the Carnelian Woods #1 (CW1) tank slated to begin after Labor Day.

Water storage tanks, like any large facility, require periodic cleaning, inspections, and repainting in order to maintain reliable service and to extend the capital life and value of the tank(s). These maintenance and rehabilitation efforts are more cost effective than a total water tank replacement.

The District competitively bid this rehabilitation project to maximize our repair efforts in the most cost effective manner. The bid request covered both the rehabilitation and future ongoing maintenance needs of the District. Only two companies met the requirement of providing both initial rehabilitation and ongoing maintenance. Utility Services Company Inc. (USCI) was selected, providing both the most competitive bid, and also demonstrating the longest service record with the largest number of client utility districts.

The rehabilitation contract included bringing the storage tank up to all safety codes, cutting in a new man-way, and performing ultrasound inspection of the tank body and floor. The project cost is \$222,829.00 per tank. This cost will be spread over 8 years, and includes all future maintenance, repairs, inspections, upgrades, washouts and cleanings. At year 9 (2016) the District has the option of extending the maintenance services contract at an annual cost of \$13,551.00, with a 5% escalator every 3 years.

The estimated cost of construction of a new 500,000 gallon tank ran about 90 cents a stored gallon in 2006, equating to \$450,000.00. Rehabilitating the two 500,000 gallon Carnelian Water Tanks will end up saving the District \$454,342.00 dollars over the life of the contract by making best use of our existing assets, rather than letting them decay to failure and forcing the District to construct new tanks. The District will continue to re-invest in maintenance and replacement projects that will add value to the system and make effective use of the rate structure. Rehabilitation of these tanks will extend their life for a minimum of 20 years, guaranteed. With proper periodic maintenance and spot repainting to prevent corrosion, the useful life of the existing tanks will be extended several decades beyond that.

To date, 6 leaks have been found and repaired in the bottom of the CW2 tank, and more than 300 reconstructive patches have been welded over corroded areas that would have turned in to leaks. Had these corroded and pitted areas not been detected and repaired, catastrophic failure of the tank structure itself could have forced the District to build a brand new tank. The District's goal is to have USCI take over the rehabilitation and maintenance of all its water tanks during the next few fiscal years.



USCI worker welds repair patches on the CW2 tank.

Mini-Excavator for Small Spaces



The District's new mini-excavator.

The District purchased a used Caterpillar Mini-Excavator in May. Purchasing a low-hour unit rather than new excavator netted a savings of about \$44,000. With our limited construction season, it is anticipated that the useful life of this unit will be ten years at a minimum.

The mini-excavator will allow crews to work efficiently in small easements. The rubber tracks and multi-function "swing" (articulating) boom will allow work to be done in very small areas and help minimize the impact to surrounding soils, vegetation, and construction that abuts many District easements.

The "zero-swing" and articulating boom will also enhance crew safety, by allowing the operator to better keep eyes on and maneuver around his dig site more easily and by reducing "pinch-points" that exist around the counterweight area of larger excavators.