

Tahoe City Public Utility District

Press Release
8/31/11

For Immediate Release

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Subject: Update on status of Lake Forest Water System

Tahoe City, CA – 8/31/11 –

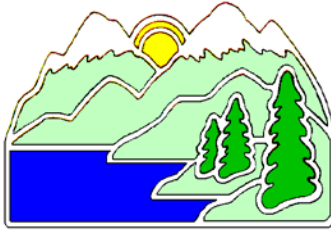
As part of the Tahoe City Public Utility District's (TCPUD) ongoing commitment to provide safe, reliable drinking water to its community and provide for adequate fire protection, the TCPUD is currently involved in acquiring the Lake Forest Water System. This process originated in 2007 when over two-thirds of the Lake Forest Water Company customers approached the TCPUD, urging them to purchase the water company to provide safe drinking water and improve the water distribution system.

Although the TCPUD does not yet have ownership of the Lake Forest Water System, the District was granted possession of the water system in January 2011 and has made several improvements to the system thus far. In January 2011, the District installed a second interconnection to their TCPUD water system so that all Lake Forest Water System customers would receive 100% TCPUD water which meets both state and federal water quality standards.

Due to the extremely poor condition of the system and the availability of state grant funds, the TCPUD plans to rebuild the entire Lake Forest Water System. Construction for the replacement project involves 2 phases. On August 15, 2011, the first phase began, which involves installing a new 10-inch diameter water main along Lake Forest Road to provide for improved water transmission. Construction is underway and is anticipated to be complete this fall. Phase 2 consists of replacing all water mains in the residential neighborhoods of the Lake Forest Water System and will take place in summer of 2012.

Funding has been secured for the acquisition and water system replacement for the Lake Forest Water System. Funding sources include California Dept of Public Health's (CDPH) Proposition 50, Placer County Redevelopment Agency and CDPH's Safe Drinking Water State Revolving Fund.

The Tahoe City Public Utility District provides water, sewer and recreation services throughout the district boundaries. The boundaries of the District lie within both Placer and El Dorado Counties, extending from Emerald Bay to Dollar Hill, and along the Truckee River to the Nevada County line. Sewer collection, parks facilities, and recreation services are provided for the entire area of the District. Water service is provided in five separate systems and serves approximately half of the homes and businesses in the District.



Tahoe City Public Utility District

Timeline of TCPUD's interaction with Lake Forest Water System:

July 2007: TCPUD receives a petition from 72 percent of LFWC customers requesting that TCPUD pursue acquisition of the water system.

October 2007: TCPUD hires an independent appraiser to provide a fair market appraisal.

January 2008: TCPUD retains an engineer for design, environmental work and permitting

January 2008: TCPUD applies for grant funding and low interest loans to cover costs of acquiring water system.

September 2008: TCPUD offers owner of LFWC appraised value; no counter offer received.

June 2009: TCPUD offers owner of LFWC appraised value; no counter offer received.

August 2009: TCPUD offers owner of LFWC appraised value; no counter offer received.

September 2009: TCPUD makes an official Government Code offer to purchase the system; a precondition to commencing eminent domain.

February 2010: TCPUD board adopts a new water system acquisition policy

April 2010: TCPUD board adopts a Resolution of Necessity, a precondition to commencing eminent domain.

May 2010: TCPUD negotiators meet with LFWC owner; no counter offer received

June 2010: TCPUD exercises the power of Eminent Domain for the Public Good and files the necessary legal action and deposits the fair market value of the Lake Forest water system with Placer County Civil Court.

July 2010: TCPUD files an application seeking an Order of Possession of the Lake Forest Water System.

January 2011: TCPUD was granted immediate operation control and possession of the Lake Forest Water System, permitting the District to begin system upgrades and secure funding.

January 2011: TCPUD installs a second interconnection to the TCPUD water system providing all property owners in the Lake Forest Water System with 100% TCPUD water that meets both state and federal water quality standards.

August 2011: TCPUD begins construction on Phase I (of 2) of the Lake Forest Water System Replacement Project.