MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
JUNE 19, 2019

CALL TO ORDER:

A Meeting of the Board of Trustees of the Douglas County Lake Tahoe Sewer Authority (DCLTSA) was duly convened at 9:30 a.m. on Wednesday, June 19, 2019 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees Mike Bradford, Darya Vogt, Wes Rice, Grant Thompson and Chuck Fagen.

RECOGNITION OF OTHERS IN ATTENDANCE:

In attendance were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Engineer, Rob Anderson, the Authority's attorney, James Cavilia, and Bob Cook. Also, in attendance were Andrew Hickman of Round Hill General Improvement District (RHGID) and Cam McKay of Kingsbury General Improvement District (KGID).

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

It was moved by Trustee Vogt, seconded by Trustee Rice and carried unanimously that the agenda be approved and adopted as presented.

MINUTES OF PRIOR MEETING:

It was moved by Trustee Vogt, seconded by Trustee Fagen and carried unanimously, that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated May 29, 2019, be approved with the clarification that the reference to "Chairman" Fagen be revised to "Trustee."

MANAGER'S REPORT:

A. General Status Report

Authority Manager, Rob Hopkins presented the Board with a written summary of various general matters related to the Authority and briefly summarized each item in the written report.

Mr. Hopkins reported that Authority representatives had recently met with representatives of the Nevada Division of Environmental Protection (NDEP) and HDR regarding use of the Construction Manager at Risk (CMAR) process for the Treatment Plant Upgrades Project. Mr. Hopkins added that a Request for Proposals (RFP) for the Treatment Plant Upgrades was recently published and posted with a deadline of July 3, 2019 for responses.

Together with the Authority Maintenance and Operations Superintendent, Mr. Hopkins attended a meeting of the Douglas County Local Emergency Planning Committee. Mr. Hopkins explained how the new NV Energy Public Safety Power Shutdown (PSPS) policy, which calls for shutdown of the electrical power grid at times when there is high risk of wildfire, may impact the Authority's operations. Mr. Hopkins expressed his concerns about what the effect might be on the Authority's backup power systems. Mr. Hopkins stated that he was attempting to schedule a meeting with NV Energy representatives and that he would invite representatives of the contributing districts to attend. Cam McKay of KGID added that it was his understanding that the policy includes a plan to notify utility providers, like the Authority, four days prior to shutting down the power grid. Mr. Hopkins stressed that the Authority staff would continue its assessment of the Authority backup power generation systems in order to be prepared for this new reality.

With regard to the Tahoe Beach Club (TBC) and the proposed realignment of the Authority's sewer main, Mr. Hopkins explained that the Authority's counsel had prepared a Security and Indemnity Agreement that was currently being reviewed by representatives of TBC.

Mr. Hopkins expressed his appreciation to Bob Cook for his work in scheduling refresher training with regard to the handling of sodium hypochlorite for Authority staff as well as employees of RHGID and Incline Village General Improvement District.

Chairman Bradford thanked Mr. Hopkins and the Authority's legal counsel for working with the TBC representatives to accommodate the sewer line relocation.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

B. Discussion and possible action regarding 2019 Salary Survey Update and Review of Finding prepared by Public Sector Personnel Consultants, adoption of which would result in a fiscal impact of approximately $27,000 already included in the Fiscal Year 2019-2020 Budget

Ms. Kay Tilzer of Public Sector Personnel Consultants (PSPC) joined the meeting via telephone connection whereby she could be heard by everyone at the meeting and she could hear everyone at the meeting. Ms. Tilzer proceeded to walk the Board through the written summary of PSPC's 2019 Salary Survey Update. Ms. Tilzer pointed out that 90% of the Authority salaries are more than 5% below the current prevailing rates found in the survey. Ms. Tilzer explained that PSPC reviewed the Authority's job descriptions, organizational chart and the adopted compensation plan. PSPC then compared the Authority salaries to those for comparable positions at similar organizations. Ms. Tilzer indicated that like positions were identified for all Authority positions other than the Accounting Clerk position that Ms. Tilzer suggested might be misnamed based upon the actual responsibilities of the position.

Ms. Tilzer stated that the Authority's adopted policy was to pay 105% of the salary survey midpoint. Ms. Tilzer explained that the Board could continue to abide by this policy or modify it. Explaining page 16 of her presentation and how PSPC was suggesting that the Authority increase salaries over time, Ms. Tilzer stated that the proposal was for salaries to increase up to 5% annually depending upon each individual employee's achievement level on a scale from 1 to 5. Ms. East-Janicki explained that assuming all employees received the highest annual evaluations, the additional cost to the Authority would be $27,000 in the first fiscal year. Ms. Tilzer also recommended that the Authority update the salary survey every 3 to 5 years. Finally, Ms. Tilzer summarized the Authority's employee benefits and concluded that the benefits were in line with those offered by comparable agencies.

In response to a question from Trustee Thompson, Ms. Tilzer explained that the Authority obligations with regard to the Public Employees Retirement System was not considered as a variable or factor in the analysis because the comparative agencies had similar obligations. Mr. Cook added that regarding the comparative agencies, it was his understanding that only two of the agencies were non-union. When there were no further questions for Ms. Tilzer, Chairman Bradford thanked her for her time and excused her from the meeting.

Mr. Hopkins indicated that he did not believe it was necessary to make any adjustment to the employee benefits offered by the Authority. Trustee Vogt confirmed that the maximum possible annual increase in payroll would be $27,000. Trustee Vogt also indicated that this process was much easier and more efficient than the collective bargaining process she has been involved with at KGID.

Following a discussion among the Trustees, **it was moved by Trustee Vogt and seconded by Trustee Thompson that the Authority adopt the Initial Implementation Steps as set forth on page 15 of the PSPC report.** Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment. **The motion passed unanimously.**

C. Consideration of the character, conduct and/or professional competence of Authority Manager (Annual Performance Review) and renewal of employment contract for a three-year period

Mr. Hopkins indicated that his three-year employment agreement with the Authority had recently expired. Chairman Bradford indicated that each of the Trustees had been provided with a written

evaluation form to provide Mr. Hopkins with input regarding his performance. Trustee Vogt was very complimentary of Mr. Hopkins performance, but suggested that a more detailed evaluation form be utilized in the future. Trustee Vogt stated that on her own she found a more comprehensive form and added that she has never heard any complaints about Mr. Hopkins and his job performance.

Trustee Thompson stated his opinion that Mr. Hopkins was doing a great job. Trustee Rice added that the Authority has an excellent management team and that he could not find anything to be critical of.

Chairman Bradford was also very complimentary of Mr. Hopkins work and added that Mr. Hopkins should be more conscious of utilizing the experience and expertise of the Authority's engineer as well as the Authority's legal counsel.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

Mr. Hopkins thanked the Trustees for their comments and acknowledged the contributions of the Authority's very competent staff.

It was moved by Trustee Rice, seconded by Trustee Vogt and carried unanimously that Mr. Hopkins employment agreement with the Authority be extended for three years as presented.

Trustee Rice excused himself from the meeting in order to attend a Chamber of Commerce meeting.

ENGINEER'S REPORT:

A. General Projects Status Report

In addition to his participation in the Manager's Report, Rob Anderson presented correspondence dated June 18, 2019 briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The June 18, 2019 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that his staff is implementing a plan to monitor the level of the Bently effluent storage reservoir over time so that the Authority will know well in advance when it will have a need for alternative effluent storage. Mr. Anderson explained that the capacity of Bently reservoir is ultimately reserved for the output of the Minden Gardnerville Sanitation District (MGSD) sewer plant. Mr. Anderson added that he would report the results of his current analysis, including a review of data from MGSD, at the August Board meeting.

Mr. Anderson indicated that the Authority's infrastructure map book has been recently updated to include recently added infrastructure. In response to a question from Chairman Bradford, Mr. Anderson stated he had no new information regarding the sewer interceptor relocation at Edgewood and that he was waiting to hear from Edgewood's representatives.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

B. Presentation and discussion of R.O. Anderson's report on the 2019 Sewer Flow Monitoring Project

Mr. Anderson presented the Trustees with a written report of more than fifty pages, together with a couple of supplemental charts. The report was a detailed analysis of the historic monitoring of sewer flows to the sewer plant. Mr. Anderson proceeded to highlight many of the important findings, including the fact that all of the magnetic flow meters historically used to measure flows in-district and from contributing districts inaccurately measure flow from a low of $^{+}$0.9% to -30.1%. Mr. Anderson explained that the inaccuracies were due to the age of the meters as well as entrance and exit piping not being in conformance with the meter manufacturers' recommendations.

Mr. Anderson reported that all contributing districts' flows have gone down over time. Mr. Anderson also stated that there was substantial infiltration and inflow to the TDD and/or RHGID collection systems to the extent that approximately one-half of the inflow from those systems is not attributable to sewage flows. Mr. Anderson explained that additional testing and review will be necessary to determine the specific location(s) of the infiltration and inflow.

In response to a question from Trustee Thompson, Mr. Anderson described how the infiltration and inflow conclusion was reached and that it would be necessary to obtain additional information in the line from the top of Round Hill to the bottom of the hill. This work may include the use of in-line cameras as well as the location of manholes that may be buried in the roadway.

Following some discussion among the Trustees, Mr. Anderson summarized his recommendations which begin on page 3 of his written report as follows:

- TDD and RHGID should cooperate in a detailed investigation to locate and correct infiltration and inflow occurring in those collection systems;
- TDD should replace its magnetic flow meter with a properly sized and plumbed meter;
- RHGID should replace a particular manhole and an existing laserflow meter with a new permanent meter;
- RHGID should work with the owners of the Trendwest development to have that project's meters independently calibrated and verified;
- the Authority should (which it has done) replace its Beach Pump Station with a new meter installed in accordance with manufacturer's specifications;
- KGID should replace its magnetic flow meter with a new meter installed in accordance with manufacturer's specifications;
- the Authority should replace its magnetic flow meter at the plant (which it has done) with a new meter installed in accordance with manufacturer's specifications;
- that the recommended actions be undertaken prior to December 1, 2020; and

- the Authority adopt a policy requiring that flow meters be recalibrated at least every three years.

Cam McKay of KGID indicated that KGID has budgeted to replace its magnetic flow meter this year.

Chairman Bradford opened the floor to public comment regarding the matter. There was no further public comment.

It was moved by Chairman Bradford, seconded by Trustee Vogt and carried unanimously (4-0) that the flow report and its recommendations, as presented, be adopted with further refinements related to infiltration and inflow to be considered by the Board at its August 2019 meeting.

ATTORNEY'S REPORT:

A. General Status Report

Mr. Cavilia had nothing additional to report. Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

B. Discussion and possible action regarding leak/warranty issue with the Underground Emergency Storage Tanks

Mr. Cavilia indicated that the discovery process of the pending civil litigation was just beginning. Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

Ms. East-Janicki provided the Trustees with a spreadsheet showing current expenses and she reported that operating expenses are approximately 6% under budget through the end of April. Ms. East-Janicki reported that in May approximately 1.9 million gallons of water was pumped out of the Emergency Underground Storage Facility at a cost of approximately $17,700.

With regard to billings, Ms. East-Janicki reported that less than $10,000 in accounts receivable remain outstanding.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

B. Discussion and possible action to augment Fiscal Year 2018-2019 budget, shifting expenses between line items, but not increasing the total operating expenses

Ms. East-Janicki presented the Board with a revised budget showing a shift of expenses among budget categories but with no change in the total overall operating expenses. Explaining that the augmentation was necessary to comply with the requirements of the Department of Taxation, Ms. East-Janicki recommended adoption of the augmented budget as presented.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

It was moved by Trustee Vogt, seconded by Trustee Thompson and carried unanimously (4-0) that the augmented budget, as presented, be adopted.

C. Investment Report

Ms. East-Janicki had a written summary of the Authority's investments available, showing a total of approximately $9.8 million. Ms. East-Janicki indicated that the only change since the Board's previous meeting was the accrual of interest.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

APPROVAL OF CLAIMS:

The claims along with the Authority's check register were provided to the Board treasurer and were approved.

Reports/updated from Board of Trustees concerning the areas or districts they represent

Trustee Fagen reported that RHGID had recently extended its general manager's employment contract for one year.

Trustee Vogt reported that KGID's manager had recently met with Nevada Department of Transportation (NDOT) officials about using KGID property near the top of Kingsbury grade for a basin to decant stormwater. Trustee Vogt indicated that Authority staff would be kept informed of any upcoming meeting on the subject.

Chairman Bradford thanked staff for continuing to work with representatives of Edgewood with regard to the sewer main realignment.

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

PUBLIC COMMENT:

There was no public comment.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 12:40 p.m.

Charles E. Fogler

APPROVED

4822-5280-1179, v. 1

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – June 19th, 2019
A. General Status Report

Staff Recommendation:

None. This is an informational item only.

Discussion/Report:

This item is regularly agendized to afford the Authority General Manager the opportunity to update the DCLTSA Board of Trustees on select activities over the previous month.

1. Authority staff met with Rob Natoli of HDR and Michelle Stamates of the Nevada Division of Environmental Protection on May 30th, 2019. Ms. Stamates provides guidance to agencies as it relates to compliance with regulatory requirements surrounding the Construction Manager at Risk (CMAR) process.

2. Authority staff met with Jim Morris of HDR to start work on coordinating the next steps in the CMAR process for the DCLTSA Treatment Plant Upgrades Project, which includes aeration, grit and rag removal equipment upgrades as well as rehabilitation of the concrete aeration basins at the Treatment Plant.

3. The DCLTSA Treatment Plant Upgrades Project RFP was published on June 8 and June 15, 2019 in the Record Courier and is posted on several plan room websites. Deadline for receipt of RFP's is the close-of-business on Wednesday, July 3rd, 2019.

4. Authority Manager Hopkins and Authority Maintenance and Operations Superintendent Nikolov attended the Douglas County Local Emergency Planning Committee meeting on June 7th, 2019. Of interest to the Authority was a presentation by NV Energy which updates their Wildfire Risk Mitigation Program. A new component of this program will be the adoption of a "Public Safety Power Shutdown" (PSPS) policy. This policy, a reaction to the severe wildfires in California in 2018, is to proactively shut down sections of the power gird deemed "at risk" during high wind / low humidity events during the summer "fire" season. Key questions as to how many of these PSPS events NV Energy anticipates annually and the average duration of outages is of key concern to the Authority. It is likely that as a result of this new policy, the load and wear on the Authority backup generators will be increased. Authority

staff is currently performing risk-assessments of our backup generation systems at the Beach and Main Pump Stations. The backup generators at the Treatment Plant have been recently upgraded and modernized. Authority staff is working with NV Energy to coordinate a meeting specific to our concerns as a critical piece of public health and safety infrastructure here in the Tahoe Basin. Updates will be provided to the Board as more information is gathered.

5. A draft version of a Security and Indemnity Agreement with the Tahoe Beach Club LLC is being circulated between Authority counsel and representatives of TBC at the time of this writing. Details may be provided under the Authority counsel's report.

6. Authority Special Projects Coordinator Bob Cook facilitated annual refresher safety training on the use of sodium hypochlorite. Sodium hypochlorite is stored in bulk at the Treatment Plant and is used to disinfect our treated wastewater effluent. 8 Authority staff, 3 IVGID employees, and 2 RHGID personnel attended the training. Training was conducted by experts from Olin Corporation, who provide the Authority with sodium hypochlorite and other chemicals.

Meeting Date: June 19th, 2019

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

B. Discussion and possible action regarding the 2019 Salary Survey Update Review of Findings prepared by Public Sector Personnel Consultants, adoption of which would result in a fiscal impact of approximately $27,000 already included in the Fiscal Year 2019-2020 Budget – **for possible action.**

Staff Recommendation:

Staff recommends Board adopt the 2019 Salary Survey Update Review of Findings prepared by Public Sector Personnel Consultants.

Discussion/Report:

Authority staff was authorized by the DCLTSA Board to update the 2014 Salary Survey at the April 10th, 2019 Board meeting. The Salary Survey was updated by Public Sector Personnel Consultants, who also performed the 2014 survey.

The same public utility agencies used in the 2014 Salary Survey were used for the 2019 Salary Survey Update.

The results of the Salary Survey Update were provided by Authority Controller East-Janicki to Authority Board members via e-mail for review on June 7th, 2019.

As noted by Controller East-Janicki, the maximum potential fiscal impact to the Authority of adopting the Salary Survey Update is approximately $27,000 for Fiscal Year 2019-20. This $27,000 figure assumes that every DCLTSA employee would score a “perfect” 5 out of 5 rating in every performance evaluation category when they are reviewed. The average performance review runs in the 3.25 – 3.75 range, historically. Therefore, management anticipates that the financial impact to the Authority in the next fiscal year to be substantially less than $27,000, and more in the range of $17,550 to $20,250 based on past experience.

Kay Tilzer, of Public Sector Personnel Consultants, will be available for questions via conference call at the June 19th, 2019 Board meeting.

Fiscal Impact:

A potential maximum increase in Authority salary expense of $27,000 for Fiscal Year 2019-20.

Meeting Date: June 19th, 2019

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

C. Consideration of the character, conduct and/or professional competence of the Authority Manager (Annual Performance Review) and renewal of employment contract for a three-year period– **for possible action**

Discussion/Report:

1. Per the terms of the Authority Manager's 2016-19 Employment Agreement, last week I submitted to each Board member a performance evaluation sheet, which lists several key criteria by which to measure my job performance over the past year. I would greatly appreciate feedback from each of you now, as you see fit.

   The scores on your review sheets will be placed into a matrix to generate an overall score, which will then be applied to the same weighted system that is used for all Authority employees to generate a potential percent salary increase.

2. As an additional item, my current three-year Employment Agreement has expired as of May 2019. It has been a great pleasure to serve the Board, the Authority employees, and the ratepayers who support this operation. I would humbly request that the Board consider renewing my Employment Agreement, under the same terms and conditions as the previous 2016-19 three-year agreement.

   I have attached a list noting several of the major projects that the Authority has completed over the last three years for your review. The list represents and reflects the dedication and drive of the entire DCLTSA staff. The work of a Manager often consists of setting the vision for an organization, but execution of that vision requires the effort and support of staff to become real. I cannot say enough good things about my staff and the support they have offered me these past three years. To them, and to the Board, I offer my sincerest thanks!

COMPLETED PROJECTS – MAY 2016-MAY 2019

1. Beach and Elks Point Sewer Lift Station Telemetry Upgrade Project
2. Backup Centrifuge Project
3. Effluent Tanks #1 and #2 Warranty Recoating Project
4. Electronic Discharge Monitoring Report Conversion Project

5. NV Energy Facility Energy Assessment Study
6. Primary / Lead Centrifuge Refurbishment
7. Reservoir Pump Control Logic Reprogramming Project
8. Main Office and Treatment Plant Phone System Upgrade Project
9. Automatic Sampling and Plant Automation Project
10. Main Pump Station Man-lift Replacement Project
11. Bently Reservoir Level Gauge and Telemetry Upgrade Project
12. Main Pump Station Automatic Transfer Switch Replacement Project
13. STPUD / DCLTSA Sewer Interceptor Inter-tie Project
14. Muller Lane Force Main Relocation and Isolation Valve Installation Project
15. Export Pump Isolation Valve Replacement Project
16. Beach Pump Station Isolation Valve Replacement Project
17. In-House Sewer Billing Project
18. Douglas County Lake Tahoe Sewer Authority Website Creation Project
19. Aeration Basin Equipment and Concrete Condition Assessment Project
20. Export Pump Soft-Start Upgrade Project
21. Beach Pump Station and Treatment Plant Influent Flowmeter Replacement Project
22. Solids Handling Optimization Project
23. Plant Access Road Repaving Project
24. Job Description Update Project
25. Modify Operations to “Operator-On-Call” Staffing; Eliminate Graveyard Shift

R|O|Anderson

June 18, 2019

Via E-mail

Board of Directors
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
P.O. Box 578
Zephyr Cove, NV 89448

Authority Engineer's Monthly Report – June 2019

Dear Members of the Board:

Given the short period since the Board's last special meeting on May 29, 2019, the activities that we've undertaken since that meeting have been relatively limited. Specifically, we have participated in the following efforts:

General Engineering Services: R.O. Anderson Engineering, Inc. (ROA) assisted and participated with Authority personnel on various engineering-related assignments including participation in project coordination meetings and phone calls with Authority staff, legal counsel, and Board members on an as-requested basis.

- Bently Reservoir Levels: In furtherance of the Chairman's request to begin monitoring water levels within the Bently Effluent Storage Reservoir, we contacted Frank Johnson, Manager, Minden-Gardnerville Sanitation District (MGSD), to confirm the extent and availability of flow data they measure and report on a monthly basis. We are particularly interested in the effluent flow data between the end of September and May 1st each year, which is the period that MGSD generally pumps to the Bently Reservoir. He confirmed that they maintain the data in a spreadsheet and would willingly share the data with representatives of the Authority. He also confirmed that he maintains a count of new residential and commercial connections made within their District on an annual basis. Monitoring these data with the water surface elevation data in that reservoir that is now being collected, will allow the Authority to better project when additional storage, beyond what is available in the Bently Reservoir, will be needed. We will request this data for the past five years from Mr. Johnson and then present our initial analysis at the August Board meeting.

- Map Book Update: The DCLTSA infrastructure map book has been updated to incorporate completed projects for the DCLTSA/STPUD Intertie, and the Sierra Colina subdivision.

- Meter Reconciliation Project: Last week we completed and distributed the 2019 Sewer Flow Monitoring Project to representatives of the Authority and the

Physical
1603 Esmeralda Avenue
Minden, Nevada 89423
P 775.782.2322

Mailing
P.O. Box 2229
Minden, Nevada 89423
P 775.782.2322

OFFICES
Minden, Nevada
Reno, Nevada

Managers of KGID, RHGID and TDD. I will present the findings, conclusions and recommendations of the report at the Board meeting.

I will be present at the Board meeting and available then to review this information in greater detail, as well as address any specific questions or concerns Board members might have relative to these subjects. Thank you for your continued confidence.

Yours faithfully,

R.O. ANDERSON ENGINEERING, INC.

Robert O. Anderson, PE, WRS, CFM
Principal Engineer

Attachments

cc: Jim Cavilia, Esq.
Paula East-Janicki
Rob Hopkins

AUTHORITY CONTROLLER'S

BOARD REPORT – June 19, 2019

General Status Report

I've given you a spreadsheet that shows at the end of April, our operating expenses were more than 6% under budget. During the month of May, approximately 1.9 million gallons of groundwater was pumped out of the Emergency Underground Storage Tanks, at an approximate treatment cost to the Authority of $17,700.

Status of Billing

Of the $2,299,000 billed over the past fiscal year, there is less than $10,000 outstanding, approximately .5%. We are busy getting ready to begin the next year's billing in less than 2 weeks. That requires manually going into the billing system and changing the amounts owed for each customer.

Budget Augmentation

I provided you with a Budget Augmentation form in your packet. The highlighted operating expense amounts have been changed from the final approved budget, but the bottom line or total operating expense total stays the same. The most notable change is to Consulting, to accommodate the salary and benefit study and the actuarial study for GASB 75. I reduced Legal and Accounting to make room for all the changes. Legal and Accounting has been significantly under budget all year. Once again I would remind you that the legal expenses for the Underground Storage Tank litigation are not operating expenses. They

come out of the construction fund and accrue to the overall project cost.

Investment Report

We have almost $9.8 million dollars invested in liquid Wells Fargo and Local Government Investment Pool accounts and longer- term laddered CD's. The only changes to the investment accounts over the last month have been the addition of interest.

Claims and Check Register

I sent copies of the wires and check register from May 29 through June 19, 2019. If there are no questions, I would ask that the Treasurer sign them and return them to me for our records.