MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
AUGUST 21, 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, August 21, 2019 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees Darya Vogt, Wes Rice, Grant Thompson and Chuck Fagen. Trustee Mike Bradford was not in attendance. The Trustees agreed that Trustee Rice would act as Chairman of the meeting.

RECOGNITION OF OTHERS IN ATTENDANCE:

In attendance were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Accountant, Ying Johnson, Authority Engineer, Rob Anderson and the Authority's attorney, James Cavilia. Also, in attendance were Andrew Hickman of Round Hill General Improvement District (RHGID), Jim Morris of HDR and Dave Backman of K.G. Walters.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

It was moved by Trustee Vogt, seconded by Trustee Fagen and carried unanimously (4-0) 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 (4-0), that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated June 19, 2019, be approved.

Discussion and possible action to direct Kingsbury General Improvement District, Round Hill General Improvement District and Tahoe Douglas District to each appoint or reappoint, prior to October 1, 2019, one of their Trustees to serve on the Sewer Authority Board of Trustees for a three (3) year term.

The Authority's legal counsel, Jim Cavilia, indicated that pursuant to the Douglas County Lake Tahoe Sewer Authority Act, the Boards of Trustees of Kingsbury General Improvement District (KGID), RHGID and Tahoe Douglas District (TDD), after the initial two-year terms on the DCLTSA Board, are each required to appoint a trustee to serve a three-year term on the DCLTSA Board. Mr. Cavilia indicated the current terms for the KGID, RHGID and TDD trustees expires on October 1, 2019. Following Mr. Cavilia's explanation, Trustee Rice opened the floor to public comment regarding the matter. There was no public comment. Following a brief discussion among the Trustees, **it was moved by Trustee Fagen, seconded by Trustee Thompson and carried unanimously that KGID, RHGID and TDD be directed to appoint or reappoint, prior to October 1, 2019, one of their Trustees to serve on the DCLTSA Board of Trustees for a three-year term.**

Discussion and possible action on selection of a Construction Manager at Risk for the Aeration Basin and Plant Upgrades Project.

> **-The Authority's Request for Proposals resulted in the receipt of two proposals, one from K.G. Walters and the other from Resource Development Company. Each firm met the statutory requirements of a Construction Manager at Risk. Based upon the criteria of NRS Chapter 338 and the pre-determined scoring criteria, the Authority review panel unanimously recommends that K.G. Walters be selected as the Construction Manager at Risk for the Project.**

Authority Manager, Rob Hopkins reported that the Authority received two proposals in response to the Authority's Request for Proposals for a Construction Manager at Risk with regard to the Aeration Basin and Plant Upgrades Project. Mr. Hopkins explained that the submitted proposals were reviewed by the Authority's review panel and that interviews of the two companies took place on August 13, 2019. Based upon the scoring criteria and the interview process, Mr. Hopkins indicated that the panel recommends that K.G. Walters be selected as the Construction Manager at Risk for the project. Trustee Vogt thanked Mr. Hopkins for his report and related the very positive experience that KGID has had in utilizing the Construction Manager at Risk process. Trustee Rice opened the floor to public comment regarding the matter. Dave Backman of K.G. Walters indicated that he was looking forward to getting started on the project and getting the work done as efficiently as possible. There was no further public comment. Following a brief discussion among the Trustees, **it was moved by Trustee Fagen, seconded by Trustee Vogt and carried unanimously that K.G. Walters be selected as the Construction Manager at Risk for the Aeration Basin and Plant Upgrades Project in accordance with its proposal.**

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 once again acknowledged the recently completed Construction Manager at Risk process that resulted in the selection of K.G. Walters to complete the Aeration Basin and Plant Upgrades Project.

In preparation for the upcoming treatment plant upgrades, Mr. Hopkins indicated that HDR had recently completed a Light Detection and Ranging survey.

Mr. Hopkins stated that the Authority's 2019 second quarter Discharge Monitoring Reports were recently completed and submitted to the Nevada Division of Environmental Protection and the Environmental Protection Agency.

Mr. Hopkins reported that Tahoe Beach Club's (TBC) relocation of the DCLTSA sewer interceptor was delayed by the need for a United States Forest Service (USFS) permit to locate the bypass line on USFS property.

Mr. Hopkins indicated that NV Energy had recently installed switchgear that would allow the DCLTSA plant to remain in-service in the event of the need to de-energize the power lines that feed the area. Mr. Hopkins expressed his appreciation to NV Energy for offering this solution and implementing it at no cost to the Authority.

With regard to the Tahoe Beach Club, Mr. Hopkins indicated that Authority staff recently completed a fixture count within the first building of the project in order to facilitate the issuance of certificates of occupancy for the first four units.

Mr. Hopkins reported that he attended a meeting to discuss a storm-drain decant and drying bed facility being proposed by Douglas County and the Nevada Department of Transportation (NDOT) to be located on Logging Road Lane. Mr. Hopkins indicated that the facility was in the pre-design phase and that any proposed design would be subject to review by the Authority's engineer before it could proceed.

Mr. Hopkins stated that Authority staff and representatives of HDR recently completed an inspection of the plant grit-removal system in anticipation of the planned treatment plant upgrades.

Mr. Hopkins reported that he attended the 2019 Tahoe Summit at Valhalla.

In response to a question from Trustee Thompson, Mr. Hopkins indicated that the proposed decant facility would only be available for use by Douglas County and NDOT. Trustee Vogt added that KGID has some concerns about the location of the proposed facility and its proximity to the old landfill.

Trustee Rice opened the floor to public comment regarding the matter. There was no public comment.

ENGINEER'S REPORT:

A. General Projects Status Report

In addition to his participation in the Manager's Report, Rob Anderson presented correspondence dated August 19, 2019 briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The August 19, 2019 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that he and his staff are continuing to work on making accurate projections with regard to available capacity in the Bently effluent reservoir. Mr. Anderson emphasized that there is sufficient capacity in the reservoir to continue accepting effluent from the Authority for the foreseeable future. Mr. Anderson indicated that he would continue to monitor the capacity and project the future use of the reservoir.

Mr. Anderson stated that his staff has continued to collect flow meter data from RHGID and that he was confident in the data. Based upon this fact, data collection will be discontinued.

Mr. Anderson reported that in conjunction with the ongoing flow metering work, TDD has recently raised a buried manhole and is continuing to do testing with regard to the amount of infiltration and inflow.

With regard to the interceptor relocation project on Edgewood property, Mr. Anderson indicated that the project is on hold for now and will be reconsidered next year.

Regarding the TBC sewer main relocation, Mr. Anderson reported that the project should be completed after issuance of the USFS permit.

Mr. Anderson reported that he and his staff successfully completed the Authority's waiver with regard to the NDEP Industrial Stormwater Permit.

Trustee Rice opened the floor to public comment regarding the matter. Andrew Hickman of RHGID added that RHGID was continuing to work with TDD on flow metering issues and to accurately determine the source and amount of inflow and infiltration in the sewer collection system. A general discussion ensued with regard to the metering and the need for additional investigation about inflow and infiltration. Trustee Rice indicated that the subject was discussed in some detail at the most recent meeting of the RHGID Board of Trustees.

There was no additional public comment.

ATTORNEY'S REPORT:

A. General Status Report

Mr. Cavilia had nothing additional to report. Trustee Rice 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 a Scheduling Order was recently issued, setting a trial to begin on November 30, 2020. Mr. Hopkins indicated in the meantime he was working to come up with the most appropriate and cost-effective means of repairing and/or replacing the system. Trustee Rice 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 reported that operating expenses are approximately 7.95% under budget through the end of June. Ms. East-Janicki reported that treatment costs associated with six weeks of pumping the emergency underground storage tanks totaled $11,666.

Ms. East-Janicki stated that the Nevada State Treasurer approved the Authority's issuance of revenue bonds as part of a State Revolving Fund Loan.

With regard to billing status, Ms. East-Janicki reported that of $2.9 million in billings, approximately $107,000 remains outstanding, with $87,000 of that amount being attributed to the Hard Rock Hotel.

Finally, Ms. East-Janicki indicated that she and Ms. Johnson were in the process of preparing for the Authority's annual audit.

Trustee Rice opened the floor to public comment regarding the matter. There was no public comment.

B. Investment Report

Ms. East-Janicki had a written summary of the Authority's investments available, showing a total of approximately $9.8 million. In reporting that interest rates on certificates of deposit (CDs) were continuing to decline, Ms. East-Janicki discussed the difference between CDs and the Local Government Investment Pool. Ms. East-Janicki explained that the Authority has traditionally maintained a combination of investments.

Ms. East-Janicki also informed the Board that Open Meeting Law and Ethics training has been scheduled to take place at the Board's October meeting.

Trustee Rice 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 Vogt indicated that she had nothing of significance to report on behalf of KGID.

Trustee Fagen indicated that Andrew Hickman had spoken to the relevant RHGID matters.

Trustee Thompson reported that the pump testing of the TDD confluence with RHGID went well and that testing would continue.

Trustee Rice 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 10:25 a.m.

Tanya Vogt

APPROVED

Charles E. Fagen

4846-4392-5668, v. 1

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – July and August 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. On July 17, 2019 DCLTSA received two qualified responses to its Request for Proposals for the Treatment Plant Upgrades Capital Improvement Project. The two firms that submitted proposals were K.G. Walters Construction (KGW) and Resource Development Company (RDC).

2. HDR Engineering performed a "Light Detection and Ranging" (LiDAR) survey of the Treatment Plant Aerations Basins in preparation for related design work for installation of new fine-bubble diffused aeration equipment for the upcoming Treatment Plant Upgrades Project.

3. Second Quarter 2019 Discharge Monitoring Reports (DMRs) for the Treatment Plant were submitted and accepted by the Nevada Division of Environmental Protection and the Environmental Protection Agency.

4. Relocation work for the DCLTSA 24-inch sewer interceptor at the Tahoe Beach Club began shortly after the 4th of July holiday. Due to unforeseen design conflicts with existing NV Energy power poles and related infrastructure, the new 24-inch sewer had to be redesigned on short notice. Part of this redesign work will necessitate relocating the temporary sewer bypass pipeline across United States Forest Service (USFS) land on Nevada Beach. USFS is requiring TBC to obtain permits prior to installing the temporary bypass pipeline on USFS property. This has created delays in completion of the relocation project. Further details may be provided by the Authority Engineer. (Photos attached)

5. NV Energy installed switchgear which will allow the Treatment Plant to remain in-service should NV Energy need to de-energize the power lines which feed the Kingsbury and Stateline area. The Authority wishes to thank NV Energy,

who conceived of this concept on their own volition, and who performed this work at no cost to the Authority. (Photo attached)

6. Authority staff performed a fixture count and related facility inspections on the first four units within Building 1 at the Tahoe Beach Club. This work was done to facilitate TBC's request for Certificates of Occupancy for these first four units.

7. Punch-list items related to abandonment of old sewer laterals and a repair of a groundwater leak on a manhole are being addressed by TBC and its contractors at the request of Authority staff. Overall, TBC has been responsive to our requests for minor repairs to these sources of inflow and infiltration.

8. Authority staff conducted interviews of K.G. Walters and RDC as part of the Construction Manager at Risk process on August 12th. This process was monitored by Jim Morris of HDR Engineering, who is acting on behalf of the Authority as the "Owners Representative". Mr. Morris has extensive experience with the CM@R process, most recently working with Carson City Public Works on the 30-million-dollar upgrade to the Carson City Wastewater Treatment Facility.

9. Authority Manager Hopkins attended a round table to discuss a possible "decant facility" and drying bed proposed by Douglas County and the Nevada Department of Transportation. The facility would be used to dewater debris cleaned out from storm-drains which serve NDOT and Douglas County highways. The facility is proposed to be constructed on Logging Road Lane, for the exclusive use of NDOT and Douglas County. The meeting was coordinated by Courtney Walker, Stormwater Program Manager for Douglas County and was attended by KGID Manger Cam McKay among others. The proposal is in the pre-design phase at this point. Any proposed design will be reviewed by the Authority Engineer prior to moving forward with the project.

10. HDR Engineering and Authority staff conducted "walk-through" inspections of the existing Treatment Plant grit-removal system. This is being done as the first steps in replacing the grit-removal equipment as part of the upcoming Treatment Plant Upgrades Project.

11. Authority Manager Hopkins and Authority Special Projects Coordinator Bob Cook attended the 2019 Tahoe Summit, hosted at Valhalla in South Lake Tahoe.



New sewer main in foreground – Beach Clubhouse in background



New Manhole in foreground. Trench box in background near new tie-in point.



NV Energy crews installing a power bypass shunt to maintain power at the plant in the event of a public safety power outage event.

R|O|Anderson

August 19, 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 – August 2019

Dear Members of the Board:

The following report presents a summary of activities undertaken on behalf of the Authority since our last meeting together on June 19, 2019. During this period our efforts were limited to general engineering-related support services. The following paragraphs provide a brief description of these efforts and progress related to each of these 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: I am coordinating and working directly with Mr. Frank Johnson to obtain data that they maintain and monitor relative to effluent volumes pumped to and stored at the Bently Reservoir during the winter months over the past five years. Through this process I expect they will also provide us with their influent flow data and the number of new connections they have issued during this same period. Once we have these data we can evaluate the data and combine it with flow data we have for the Authority to begin the process of making projections of probable dates of reservoir capacity limitations.
- RHGID (Laser) Flow Meter Data Review: We captured flow data from the meter for June and July and have reviewed it to verify internal consistencies and confirm no gaps in data. For a significant time now the monthly reconciliation of flows measured at this meter have compared very favorably to the results reported on the Authority's SCADA system. Now that the meter reconciliation study has been completed, we request direction as to whether you'd like us to continue to separately collect and evaluate these data.
- Meter Reconciliation Project: Last month we received and reviewed additional information provided by representatives of Tahoe Douglas District that confirmed they have successfully raised the manhole on Highway 50 at the point where flows from TDD are commingled with flows from RHGID. Additionally, we have received a copy of a written (but unsigned) report indicating that the TDD Marla Bay meter was adjusted.

Physical
1603 Esmeralda Avenue
Minden, Nevada 89423
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Mailing
P.O. Box 2229
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OFFICES
Minden, Nevada
Reno, Nevada

- Edgewood Proposed Interceptor Relocation Project: Since the last Board meeting, I understand that Chairman Bradford spoke directly with representative of Edgewood and was informed that the project was currently on hold.
- Tahoe Beach Club: The Authority approved design plans have been fully permitted and construction of the sewer main relocation is underway. Authority staff is visiting the site on a regular basis to observe the construction. A few weeks ago, it came to the attention of representatives of USFS that the contractor had placed materials on property managed by USFS, and that the contractor, as part of its dewatering requirement, intended to place a pipe over and across property owned by USFS so that they could discharge to an existing sewer manhole. USFS required TBC to stop construction and prepare and file a formal application for a temporary Special Use Permit before proceeding further with the project, which TBC is in process of doing. Prior to this development, TBC's contractor had completed over 60% of the work.
- NDEP Industrial Stormwater Permit: NDEP recently updated their statewide general permit. As a result, the Authority was required to renew their waiver (no exposure certification), which we have successfully completed.

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 – August 21, 2019

General Status Report

I've given you a spreadsheet that estimates at the end of June our operating expenses were more than 7.5% under budget. I say "estimates" because I haven't yet made the mandated PERS expense changes that t they will lower it even further.

During the past six weeks, that is to say July 1 through August 15, approximately 1.2 million gallons of groundwater was pumped out of the Emergency Underground Storage Tanks, at an approximate treatment cost to the Authority of $11,666.

The State Treasurer's Office has approved the purchase of our pending Revenue Bond as part of the State Revolving Fund Loan, which is set to close next month. We will need to put the closing procedures on next month's agenda.

Status of Billing

Of the $2.9 million billed since we began our own billing, there is approximately $107,000 outstanding. There seem to be issues with the mail up here. We've had a number of customers call saying they received a late notice but not the original bill. They were mailed at different post offices. But we've also had clients calls saying their checks came back to them. We are urging people to bypass the mail system and use the ACH form which allows us to take it directly from their bank accounts. Of the outstanding amount, as in the past, more than $87,000 of it is from one large commercial account.

Investment Report

We have more than $9.8 million dollars invested in liquid Wells Fargo and Local Government Investment Pool accounts and longer- term laddered CD's. In the past two weeks, two CD's have matured at 1.1% and 1.2%. They were replaced with CDs that earn 1.9%. Interest rates are declining pretty rapidly from a high of 3% six months ago to 1.9% high now.

Claims and Check Register

I sent you copies of the wires and check register from June 19 through August 21, 2019. If there are no questions, I would ask that the Treasurer sign them and return them to me for our records.