MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
JANUARY 15, 2020

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, January 15, 2020 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

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

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, the Authority's attorney, James Cavilia and Bob Cook. Also, in attendance was Andrew Hickman of Round Hill General Improvement District (RHGID).

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

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

MINUTES OF PRIOR MEETING:

It was moved by Trustee Vogt, seconded by Chairman Bradford and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated November 21, 2019, be approved.

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 meetings with HDR Engineering and K.G. Walters had taken place with regard to proposed plant upgrades and the planning of the improvements.

Mr. Hopkins indicated that a new programmable logic controller for the plant aeration system was recently installed by Authority staff.

Staff also recently fabricated and replaced the skimmer arms of the #2 Secondary Clarifier.

Mr. Hopkins stated that staff also completed inspections of four new residential units in Sierra Colina.

Inspections were also conducted by staff of new residential units within the Tahoe Beach Club project.

Mr. Hopkins reported that the Nevada Division of Environmental Protection (NDEP) re-issued the Authority's waiver for 2020 with regard to the Stormwater Industrial Permit.

Mr. Hopkins indicated that the Authority had received and was reviewing draft site improvement plans for the South Tahoe Events Center. Mr. Hopkins added that the plans have been shared with the Authority engineer for review and that a will-serve letter will not be issued until a complete fixture count is completed and the connection fees are paid.

Mr. Hopkins stated that work on punch list items related to the 24-inch gravity sewer main at the Tahoe Beach Club was recently started and that inspections of the completed work would be forthcoming.

Mr. Hopkins reported that replacement of the floor of the odor scrubber should be completed by the end of January.

Mr. Hopkins explained that the bar screen at the Plant Headworks recently failed and that complete replacement would have cost approximately $68,000. Mr. Hopkins stated that Authority staff with the help of Burns Machinery was able to rebuild the mechanism for less than ten percent of the replacement cost. Mr. Hopkins commended staff for their work on this project. In response to a question from Chairman Bradford, Mr. Hopkins explained that the failure of the bar screen was the result of an old motor that failed to properly shut off when overloaded. Mr. Hopkins indicated that the motor has been replaced.

Chairman Bradford 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 January 14, 2020 briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The January 14, 2020 correspondence is incorporated in these minutes by this reference.

Mr. Anderson indicated that he and his staff were beginning work on the annual reporting process with NDEP.

With regard to the ongoing monitoring of the Bently effluent storage reservoir, Mr. Anderson indicated that his staff is continuing to work with Bently staff to establish an accurate method to determine the volume of the reservoir.

Mr. Anderson reported that work with the Nevada Division of State Lands to establish appropriate easements was ongoing.

With regard to the ongoing meter reconciliation work, Mr. Anderson reported that Tahoe Douglas District (TDD) had recently completed a camera inspection of a portion of its lines, but he has not yet seen it. Mr. Anderson indicated that he has been in regular communication with the manufacturer of the laser flow meter in order to ensure proper calibration. Mr. Anderson hopes to have the work completed to have an accurate flow report in the next 30 days. Trustee Thompson added that in TDD's line inspection no obvious infiltration was discovered.

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

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 discovery in the litigation was ongoing. 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 reported that operating expenses were almost 9% under budget through the end of November. Ms. East-Janicki added that the Authority had not yet been billed for the recently completed audit work. Ms. East-Janicki specifically commented on the cost savings from completing repairs in-house.

Ms. East-Janicki indicated that during the month of December, 336,600 gallons of groundwater were pumped from the underground emergency storage tank. To date, more than 23,000,000 gallons of water have been pumped from the tank and treated at a cost of approximately $226,544.

Ms. East-Janicki stated that the total costs/damages related to the project, including consultants and legal fees are approximately $428,000 to date.

Ms. East-Janicki reported that a third draw request on the State Revolving Fund Loan (SRFL) has been made, with a total of $351,884 having been drawn on the $9,000,000 loan.

Ms. East-Janicki reminded the Board of the second year of the 5.6% rate increase with $1.5 million to be generated this year for Authority Development Plans. Ms. East-Janicki explained that the plan is to continue to accrue these funds for the purpose of replacing the effluent export pipeline in the 2022-2024 timeframe.

With regard to billings, Ms. East-Janicki stated that as of December 31, 2019 past due bills totaled approximately $11,000 which is only .33% of the totaled billed. Ms. East-Janicki added that the Authority has recorded liens on four residential properties in the total amount of $4,226.

In response to a question from Chairman Bradford regarding the underground storage tank, Mr. Hopkins indicated that the amount of groundwater infiltration would increase in the spring and that the Authority would continue monitoring.

Chairman Bradford 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 $10 million. Ms. East-Janicki reported that this amount does not include loan proceeds from the SRFL or the reserve account for the loan.

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 indicated that the RHGID Board did not meet in November or December.

Trustee Thompson indicated that he had nothing to report.

Trustee Rice stated that he had recently been appointed to the Regional Transportation Commission and that he would be paying particular attention to the Loop Road which he sees as very beneficial to the economy at Lake Tahoe.

Trustee Vogt reported that KGID was currently in the process of purchasing two buildings, one of which it had been leasing for many years.

Bob Cook indicated that he has been working with others to obtain a back-up generator for the Kahle Community Center and that a grant had recently been applied for.

Chairman Bradford expressed his support for the planned Events Center and the importance of transportation and the Loop Road to the success of the Center.

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 10:30 a.m.

APPROVED

4831-6953-0036, v. 1

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – December 2019 and January 2020
A. General Status Report

Staff Recommendation:

None. This is an informational item only.

Discussion/Report:

This item serves to afford the Authority General Manager the opportunity to update the DCLTSA Board of Trustees on select activities over the previous month(s).

1. DCLTSA, HDR Engineering and K.G. Walters personnel conducted 30% Design Review and Value Engineering meetings in December 2019 and January 2020. Additional site-visits and inspections were also conducted in order to evaluate the best locations for items such as the new Export System Surge Tank, Magnesium Hydroxide Tank, and Aeration Blowers.

2. The Programmable Logic Controller for the existing DCLTSA Aeration System failed this period. TESCO provided staff with assistance in installing a replacement unit.

3. DCLTSA staff replaced the skimmer arms on the #2 Secondary Clarifier. This equipment was manufactured in-house, at considerable savings to the Authority.

4. DCLTSA staff performed inspections on four new residential units within the Sierra Colina project this period.

5. DCLTSA personnel performed inspections on four new residential units within Building 1, Pod 3 of the Tahoe Beach Club Project this period.

6. The Nevada Division of Environmental Protection has re-issued a "No Exposure Waiver" for calendar 2020 to DCLTSA for our Stormwater Industrial Permit.

7. DCLTSA has received draft plans for the site improvements for the Tahoe South Events Center. These plans have been forwarded to the Authority Engineer for review. An "Intent-to-Serve" letter has been issued for the TSEC project, however, the formal "Will-Serve" letter will not be issued until a full fixture count has been performed and all required connection fees have been paid to DCLTSA.

8. Construction work on punch list items related to the 24-inch gravity sewer main relocation at the Tahoe Beach Club began January 9, 2020. DCLTSA and R.O. Anderson staff should be performing inspections on this work the week of January 13-17, 2020. Should all the inspections pass, DCLTSA may be asked by TBC to authorize a partial release of the County Sewer Bond monies at the February 2020 Board meeting.

9. The DCLTSA odor-scrubber floor is in the process of being replaced. The new media-supporting grates have been installed and the unit is expected to be placed back in service by the last week in January.

10. The aging bar screen at the Plant Headworks suffered a catastrophic failure in December. Replacing the old unit with a new one would have cost over $68,000 and had a lead time for delivery of over two months. Given the costs involved, DCLTSA staff decided to attempt to rebuild the unit in-house, having many of the broken parts custom fabricated by Burns Machine. The work involved replacing about 500 bent rake tines, fabricating new drive sprockets, new drive chain links, and new motor mounts. Staff worked diligently over the Christmas holiday to complete this repair. I had thought the Bar Screen unit was a total loss when I first saw the damage. I cannot commend DCLTSA staff enough for being able to bring this major piece of equipment “back from the dead” at a huge cost and time savings to the Authority! (Photos attached.)



Head pulley aspect of failed bar screen – note the deflection on the rakes at the center-left of the photo.



Bar Screen rake in process of repair. Staff replaced hundreds of bent rake tines, one at a time!

R|O|Anderson

January 14, 2020

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 – January 2020

Dear Members of the Board:

I hope that each of you had a joyous holiday season and are, like me, looking forward to the New Year.

The following report presents a summary of activities undertaken on behalf of the Authority since our last meeting together on November 21, 2019. During this period, we provided services in the following areas:

1) General Engineering Services
2) Meter Reconciliation; RHGID-TDD

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. In addition to these activities, we have participated in the following specific tasks:

- Annual Reporting: Efforts have begun to complete the NDEP Discharge Monitoring Reports for the Wastewater Reclamation Facility (WRF, Plant) and for the Park Ranch effluent reuse before the end of this month, as well as the EPA biosolids report due next month.
- Bently Reservoir Levels: Despite further efforts, we have not yet been able to locate a discrete and representative stage-storage curve necessary to determine volumes stored from staff-provided depth readings. Matt McKinney of Bently Ranch continues to cooperate and is going to search his archives as it could not be found in his active files. The information obtained from the Nevada Division of Water Resources Bureau of Dam Safety has yielded a Grading Plan of the reservoir that could possibly be digitized. We will continue our efforts to track down this information necessary to answer the remaining questions of this analysis.
- NDSL easement application: The requisite legal descriptions and exhibits for the two new locations are now in process. We expect to be ready to submit these additional descriptions together with the formal application to Nevada Division of State Lands later this month.

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Meter Reconciliation; RHGID-TDD:

From information available to me at this time, I believe that representatives of TDD, in lieu of Summit Plumbing, elected to undertake the required cleaning and accomplish the closed-circuit TV video of the existing interceptor from U.S. Highway 50 to the LaserFlow meter. And, I further believe that work was initiated in December 2019. However, as of this date, I have not seen the results of those cleaning and videoing efforts.

I have been in contact with the LaserFlow manufacturer's representative, Clipper Controls, who has performed the last two meter-verifications for RHGID. Mr. Craig Johnson has recommended that another field visit be arranged to review the hydraulic conditions at the meter location as well as confirm data continuity between the metering head and the mod-bus controller, which is located at the exterior of the building for the Authority's Main Pump Station. He and I are now coordinating a mutually convenient date for his site visit and we will then coordinate with representatives of the Authority as well as with Andrew Hickman, General Manager, Round Hill General Improvement District.

Between these two efforts, I am hopeful that we will be able to determine the source of the meter variations and report our findings as well as recommendations to the Board at your regular meeting in February.

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 and the opportunity to provide these services.

Yours faithfully,

R.O. ANDERSON ENGINEERING, INC.

Robert O. Anderson /sg

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

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

AUTHORITY CONTROLLER'S

BOARD REPORT – January 15, 2020

General Status Report

At the end of September, our operating expenses were almost 9% under budget. We still haven't received the bill for the audit from Eide Bailly, but even accounting for that, we're doing very well. Our guys are fabricating repairs in house instead of relying on vendors to keep repair costs down and it's been very effective.

During the month of December, 336,600 gallons of groundwater were pumped out of the Underground Storage Tank. From the beginning when we realized the tanks were leaking to date we have pumped out 23,841,000 gallons at a treatment cost of approximately $226,544.

State Revolving Fund

I submitted and was reimbursed for the third draw request on the State Revolving Fund loan covering design costs. The total that has been drawn on the $9,000,000 loan is $351,884.

Construction Fund Balance

As you may recall, the Board approved a 5.6% rate increase in the last fiscal year for five consecutive years strictly to rebuild the balance of the construction fund. We are in the second year of that rate increase with $1.5 million coming in this year from our combined users for District Development Plan projects. So far this year, because the State Revolving Fund loan program has been reimbursing the Aeration and Plant Upgrades expenses, the only money coming out of the Construction Fund has been for legal expenses related to the

Underground Storage Tanks in the amount of $76,641 and debt service of $71,027. The Construction Fund balance at this time is $1,573,790. The plan is to continue to accrue those funds until time to replace the effluent pipeline slated for 2022-2024 at a cost of at least $6.5 million.

Status of Billing

As of December 31, 2019, before we billed the third quarter bills, past due bills totaled $11,704 or only .33% of the total amount we have billed. We have liens on 4 residential properties totaling $4,226.

Investment Report

We have a little more than $10 million dollars invested in liquid Wells Fargo and Local Government Investment Pool (LGIP) accounts and longer- term laddered CD's. Those amounts do not include the loan proceed or reserve accounts. There is $176,007 in the Bond Acquisition Fund available to pay project expenses and $35,226 in the Security Reserve Account.

I sent you a list of current CD's in the Board Packet. Of the ones that recently matured or were called I reinvested three of them at 1.70%, 1.75% and 1.8 % in CD's and transferred one to the Local Government Investment Pool. In December LGIP investment funds paid 1.89%.

Claims and Check Register

I sent you copies of the wires and check register from November 16, 2019 through January 10, 2020. If there are no questions, I would ask that the Treasurer sign them and return them to me for our records.