MINUTES OF THE REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
August 15, 2018

CALL TO ORDER:

A Meeting of the Board of Trustees of the Douglas County Lake Tahoe Sewer Authority (DCLTSA) duly convened at 9:30 a.m. on Wednesday, August 15, 2018 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees Mike Bradford, Nancy McDermid, Wes Rice, Darya Vogt and Grant Thompson.

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 was Rick Gardner, Trustee of Tahoe Douglas District.

PUBLIC COMMENT:

Rick Gardner, as a member of the Board of Trustees of Tahoe Douglas District (TDD) inquired of the Board and Authority staff about the recently implement one-time increase in fees based upon the actual flow from the various districts served by the Authority. Mr. Gardner thanked Authority Controller Paula East-Janicki for her earlier response to Mr. Gardner's correspondence. Mr. Gardner expressed his concern about the fluctuation in charges and the difficulty it caused in TDD's budgeting process. In response to a question from Mr. Gardner, Ms. East-Janicki explained that the annual adjustment that results in either a one-time charge or a refund is solely related to Authority operations and has nothing to do with the Authority's capital improvements. Additionally, Ms. East-Janicki explained that the annual adjustment was entirely based upon the actual sewage flows from the contributing districts and that TDD's increased cost is a result of an increase in TDD's percentage of total flow to the Authority's plant.

Chairman Bradford expressed his appreciation for Mr. Gardner's concern about how fluctuating costs can impact budgeting on a year to year basis. Authority Manager Rob Hopkins added that TDD's increase in flows in recent years may be caused by groundwater infiltration as a result of the recent wet winters and that maintenance and repairs of the TDD collection system will

reduce infiltration. Chairman Bradford committed that the Authority would work with its ratepayers in an effort to stabilize charges going forward.

Trustee Rice expressed his opinion that the issue at TDD was likely because of infiltration of groundwater to the collection system. Mr. Hopkins stated that detection and leak repair may help.

Ms. East-Janicki indicated that overestimating flows for budgeting purposes may help and that she would be willing to seek the input of the contributing districts at budgeting time. Ms. East-Janicki stressed that improved communication with the districts during the budgeting process would be useful.

Chairman Bradford thanked Mr. Gardner for his participation and indicated that the Authority would work with TDD and the other contributing districts to increase operational efficiency in any way possible.

APPROVAL OF AGENDA:

It was moved by Trustee McDermid and seconded by Trustee Wes Rice and carried unanimously that the agenda be approved and adopted as presented

MINUTES OF PRIOR MEETING:

It was moved by Trustee McDermid, seconded by Wes Rice and carried 4-0, with Chairman Bradford abstaining, that the minutes of the Meetings of the Board of Trustees of DCLTSA, dated June 20, 2018, be approved as presented.

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 maintenance work recently took place with regard to the odor scrubbers at the plant and that he has been communicating with representatives of Lake Village about odors at the plant. Mr. Hopkins indicated that the Authority has recently begun delivering effluent to Park Cattle property in the Carson Valley. The air/vacuum relief valves of the export force main have recently been inspected and serviced.

Mr. Hopkins informed the Board that a diesel generator has been installed at the Beach Pump Station temporarily to assure adequate backup power while a gas main is relocated in order to

accommodate that the Tahoe Beach Club project. Mr. Hopkins explained that the costs associated with this backup generator will be the responsibility of the Tahoe Beach Club.

Mr. Hopkins reported that after inspection by Authority staff and personnel of R.O. Anderson, the sewer tie-in from the Sierra Colina project to the Authority's collection system has been accepted by the Authority.

Annual inspections of the Plant Reservoir and Buckeye Creek dam facilities were completed by the Nevada Division of Water Resources with the feedback being positive about the defoliation that has been done. Application of herbicide at these facilities as well the treatment plant grounds was completed by Douglas County Community Services/Parks and Weed Control staff.

Mr. Hopkins indicated that Authority staff is obtaining price quotes to have potholes and cracks repaired on the treatment plant access road. Mr. Hopkins stated that it is his goal to have repairs completed before the upcoming winter with resurfacing of the road to take place some time in the next few years as part of the Authority's regular budget.

Mr. Hopkins reported that refresher training with regard to emergency defibrillator and CPR was coordinated by Bob Cook and completed by a staff member of Tahoe Douglas Fire.

Mr. Hopkins and Bob Cook attended the grand opening of the newly renovated Round Hill Pines Beach Resort.

Backup power generators at the treatment plant have recently been tested. Mr. Hopkins indicated that Authority staff attended a pre-construction meeting for the Kahle Water Quality Basin Improvement Project.

Mr. Hopkins complimented Ms. East-Janicki on her work in completing the first direct billing of in-Authority customers. Mr. Hopkins stated that, based upon how labor intensive the process was, he would like to consider the hiring of an employee to assist in the billing process.

Finally, Mr. Hopkins reported that he and Bob Cook attended the 2018 Tahoe Summit and that the major focus of the event was on reducing the risk of wildland fires in the Tahoe Basin.

Trustee Vogt expressed her opinion that it would be a good idea to repair the plant access road. Chairman Bradford inquired about the maintenance of the plant reservoir dam without having water in it. Mr. Hopkins stated that defoliation and removal of vegetation from the face of the dam is the key to maintaining the dam's integrity.

In reaction to a comment from Chairman Bradford, the Board expressed its consensus to finding someone to assist with billing who may also be able to take over the position of Authority Controller at some time in the future.

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, the Authority Engineer, Rob Anderson presented correspondence dated August 14, 2018 briefly summarizing two issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The two issues are 1) General Engineering Services; and 2) Authority Meter Testing and Reconciliation. The August 14, 2018 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that his office recently provided additional documentation to the Nevada Division of Environmental Protection (NDEP) regarding the export force main breach. Mr. Anderson indicated that NDEP has been very cooperative in its investigation of the breach and that he anticipates receipt of a final close-out letter in the near future.

Mr. Anderson explained that the Tahoe Beach Club continues to struggle in finalizing the plans of its sewer collection system and its connection to the Authority's system. Mr. Hopkins added that the Tahoe Beach Club's sewer collection system has gone through numerous redesigns. Mr. Anderson and Mr. Hopkins emphasized that the plans for the Tahoe Beach Club must be reviewed and approved by the Authority before anything can be constructed. The Trustees engaged in a general discussion about the Tahoe Beach Club and it progress.

With regard to the Main Pump Station Rehabilitation Project, Mr. Anderson indicated that the factory testing of the pump was currently being reviewed and that a more detailed report will be provided in the future.

Mr. Anderson indicated that monitoring of the flows from Round Hill General Improvement District (RHGID) was continuing. This work included meter testing and recalibration. Mr. Anderson reported that calibration of the RHGID meters had been completed and that thus far the data has been very consistent.

Mr. Anderson added that, as part of the ongoing metering work, the location of the Tahoe Douglas District (TDD) connection to the Authority system has been located and that there is no manhole at the location. Mr. Anderson stated that the TDD connection is not constructed up to current standards and is likely more than forty-five years old. Mr. Anderson indicated that he would be happy to present his findings regarding the metering work to the Boards of Trustees of the contributing districts.

Mr. Anderson pointed out that the recent work on metering will result in more accurate data and that it will result in some percentage change in flows among the contributing districts.

Chairman Bradford opened the floor to public comment regarding the matter. Mr. Gardner indicated that the TDD Board recently approved the acquisition of a new meter for the Marla Bay connection to the Authority collection system and inquired of Mr. Anderson and Mr. Hopkins if this was a good idea based upon the current makeup of the system. Mr. Anderson indicated that as currently plumbed, the simple installation of new meter will not likely result in more accurate data. Mr. Anderson went on to explain how a new meter will only be useful if the vault is reconfigured. In response to a question from Mr. Gardner, Mr. Anderson indicated that it would make sense to place the meter in another location. Mr. Anderson and Mr. Hopkins committed to work with TDD on the location and installation of a new meter.

There was no further public comment.

ATTORNEY'S REPORT:

A. General Status Report

Jim 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 briefing was being completed with regard to motions to dismiss filed by the defendants and that following that briefing the motions would be submitted to the judge for a decision. 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 last year's expenses and she reported that operating expenses through the end of June were 1.5% under budget.

Ms. East-Janicki reported that she has begun preparing for the annual audit to begin after Labor Day. Ms. East-Janicki provided the Board with an explanation of the new requirements of Governmental Accounting Standards Board (GASB) 75 with regard to employee benefits. Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

B. Discussion regarding status of direct billing and issues encountered

Ms. East-Janicki reported that 565 in-Authority customers were billed on July 3, 2018 for the first quarter of the fiscal year. Of those 565 customers, 133 or 23.5% have not yet paid. Ms. East-Janicki stated that 95 customers paid in full for the entire year and that she has received numerous inquiries since the bills were delivered. Ms. East-Janicki went on to explain certain policies with regard to charging certain customers will need to be codified to make sure that things are clear going forward. Among those situations that need to be addressed, is the historic policy of charging the single annual residential charge for vacant properties, including the now-closed Kingsbury Middle School.

Ms. East-Janicki indicated that she has discussed with Mr. Hopkins the need to draft an updated ordinance with regard to billing practices and other matters. In addition, Ms. East-Janicki recommended that, pursuant to the Authority's existing ordinance, a policy with regard to billing, including late fees, be brought forward for the Board's consideration. Following a general discussion about the need for a billing policy, **it was moved by Trustee McDermid, seconded by Trustee Vogt and carried unanimously, that staff be directed to bring a billing policy to the Board for consideration in September 2018.**

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

C. Report of funds transferred from the General Fund to the Construction Fund for payments toward ongoing District Development Plan projects

Ms. East Janicki provided the Trustees with a summary of transfers to date and reported that $50,000 was recently transferred from the General Fund to the Construction Fund. Ms. East-Janicki indicated that there was no need to authorize any additional transfer of funds at this time and that no transfer would likely be needed for the remainder of the fiscal year.

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

D. Investment Report

Ms. East-Janicki presented the Board with a summary of the District's investments and reported that one CD had recently been matured and replaced with a 15 month CD at 2.5% annual 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.

PUBLIC COMMENT:

Trustee Rice reported that RHGID's general manager, John Fassman, was resigning as of the end of August. Trustee Rice indicated that the RHGID Board was going to consider the appointment of an interim general manager from RHGID's existing staff.

Mr. Gardner expressed his appreciation to the Board and the Authority staff for how they have welcomed and treated Grant Thompson. Mr. Gardner stated that he was looking forward to working with the Authority going forward.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:40 a.m.

APPROVED

4819-6240-5283, v. 1

Meeting Date: August 15th, 2018

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – August 15th, 2018
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 maintenance staff rinsed the activated carbon in the Treatment Plant odor scrubbers. This work is typically done twice annually to assure the odor scrubbers function at peak performance.

2. The Export Force Main was valved-over to discharge at the Park Cattle Outfall on July 10, 2018. Park Cattle typically receives Authority treated wastewater effluent to irrigate their fields from about June through November, annually, depending on conditions.

3. The combination Air / Vacuum Relief Valves on the Export Force Main have been inspected and serviced.

4. A backup power diesel generator has been installed at the Beach Pump Station (BPS) on a temporary basis. This work was done to assure adequate emergency power is available to the BPS while the gas main that services the BPS is relocated. The gas main relocation is being done by the Tahoe Beach Club as part of the work on the Beach Club project. The costs to the Authority for the rental of the generator and the associated control wiring are to be reimbursed to the Authority by the Tahoe Beach Club at the end of the gas main relocation work.

5. The Second Quarter 2018 Discharge Monitoring Reports for the Authority have been submitted to and passed by the NDEP and EPA.

6. After inspection by Authority staff and upon recommendation by personnel from Authority Engineer R.O. Anderson Engineers, the sewer system tie-in from the new Sierra Colina housing project to the Authority sewer collection system has been accepted.

7. The Nevada Division of Water Resources conducted annual inspections of the Treatment Plant Reservoir and Buckeye Creek dam facilities. Overall, the feedback was positive and the Inspectors were satisfied with the effectiveness of the defoliation work that has been done over the past year at the two facilities.

8. Douglas County Community Services / Parks and Weed Control staff conducted annual application of herbicide at the Buckeye and Treatment Plant Reservoir dams. This year, the Authority has requested that herbicide also be applied around the Treatment Plant grounds. Results have been satisfactory to date.

9. Authority staff is working to obtain a quote to do spot pothole and crack repair on the Treatment plant access road. The goal will be to have the potholes and cracks repaired before winter, 2018. A budgetary quote for major rehabilitation of the access road was obtained by Special Projects Coordinator Bob Cook. The initial estimate for comprehensive resurfacing is over $100,000, and therefore should be built into one of the next few years fiscal budgets, rather than taken on as an un-anticipated expense in the current fiscal year.

10. Automatic Emergency Defibrillator / CPR refresher training for Authority staff was conducted by Kelly Petite-Lopez from Tahoe Douglas Fire. The training was facilitated and coordinated by Bob Cook.

11. Authority Manager Hopkins and Bob Cook attended the ribbon-cutting ceremony for the Round Hill Pines Beach Resort Grand Opening Celebration. The new amenities were constructed as part of a public-private partnership under the guidance and oversight of the U.S. Forest Service - Lake Tahoe Basin Management Unit.

12. Both backup power emergency generators at the Treatment Plant were tested this past month.

13. Authority staff attended a pre-construction meeting for the upcoming Kahle Water Quality Basin Improvement Project. The project is spearheaded by the Nevada Tahoe Conservation District, and seeks to improve the wet weather runoff handling capacity of the storm water collection and storage system located just north of Kahle Drive. No impact to Authority facilities is anticipated.

14. Authority Controller East-Janicki has successfully completed the first installment of In-Authority customer billing. The process, while relatively straightforward, is very labor intensive. As such, the Authority is researching the feasibility of adding a staff member to Administration to assist with

customer billing and other work, typical of an Accounting Clerk, either on a part-time or full-time basis.

15. Authority Manager Hopkins and Authority Special Projects Coordinator Cook attended the 2018 Tahoe Summit. Nevada Senator Heller, Nevada Representative Amodei, and California Senator Feinstein were among the speakers. Based upon feedback at the event, it continues to appear that the vast majority of Federal funding will continue to be directed toward reducing the risk of wildland fires in the Basin and supporting existing work suppressing invasive species within the Lake itself.



R O Anderson

August 14, 2018

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 2018

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 20, 2018. During this period we participated with Authority personnel in the following areas:

1) General Engineering Services
2) Authority Meter Testing and Reconciliation

The following paragraphs provide a brief description of these efforts and progress related to each of these specific assignments.

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:

- Export Force Main Breach: During this period we provided additional documentation to NDEP regarding the Finding of Alleged Violation and the steps taken by DCLTSA to reduce the likelihood of another spill on the effluent export force main. We provided written documentation and a narrative of the costs incurred to DCLTSA to implement preventative measures.
- Update Map Book: The infrastructure map book was updated to reflect the modifications to the export pipe completed with the Muller Lane Re-alignment project.
- Sierra Colina Project: We provided engineering review and field support for sewer collection system-related items for this development project. This included attending the project's Pre-construction meeting, providing guidance to the project Contractor, Joy Engineering, on DCLTSA's testing requirements as well as responding to RFIs regarding field conditions that were not anticipated by the Contractor. Construction of the project's sewer collection system is expected to be completed this fall.

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- Tahoe Beach Club: We provided engineering support services for the improvements being constructed at the Tahoe Beach Club. Our services have included attending a Pre-construction meeting and numerous iterations of plan reviews for the proposed improvements. We are currently in process of reviewing another contractor-modified set of plans. The contractor hopes to construct the sewer collection system improvements this fall, even though the design plans are not yet finalized.
- Main Pump Station Rehabilitation Project: We have resumed our review of the factory testing provided by Cornell of the 4NHTB pump, as a condition of the settlement agreement, for the two remaining pumps to be installed in the Main Pump Station. We expect to have our review complete in advance of the next board meeting.
- RHGID Flow Meter data review: We continue to download current data from the physical RHGID meter and the data continues to be complete and of good quality. We have prepared updated flow reports for data collected at the RHGID meter, including total daily flows and diurnal graphs. We have also coordinated with ISCO, the meter manufacturer, on data quality reviews and recommended data collection intervals.

Authority Meter Testing and Reconciliation:

The services under this task order are progressing although not as quickly as we had originally anticipated.

Through this date, with assistance of Authority personnel and the meter manufacturer (ISCO), Round Hill General Improvement District's (RHGIDs) ultrasonic flow meter has been re-calibrated and a true zero-flow depth reading established. A true zero flow depth had not been determined when the meter was installed; rather the zero-flow depth reading was previously estimated from measurements made while flow was passing through the flume. Establishing the precise depth at which no flow is passing, together with channel geometry, ensures that measured and collected flow rates over the full range of flow are accurately reported.

We have collected more than 7 days of flow measurement readings from a manhole located upstream of the Authority's Main Pump Station that is representative of the combined flows of RHGID[1] and Tahoe Douglas District (TDD). This data will be

[1] This location does not capture flow volumes generated from Trend West's development.

compared directly to the flow data collected from RHGID's ultrasonic flow meter after calibration.

We have also collected over 7 days of flow meter readings from TDDs Marla Bay pump station. This data will be compared to the meter readings manually collected and reported by TDD's operator. During these operations we collected manufacturer's data for the permanent meter that is used to document flows from TDD.

We have now also collected 7 days of flow data from two different meter set locations that when taken together will allow us to calculate flow volumes pumped from the Authority's Beach Pump station. The calculated volumes will then be compared to the flow data reported via the Authority's SCADA system from the Beach Pump Station.

We will next set the test meters to capture flows passing through KGID's system, and once that data is collected we will re-set the meters on the Plant's influent line for comparison to values collected by and reported from the plant meter.

We expect to complete these data collection efforts over the coming two – three weeks after which we will complete our analysis of the data. I now expect to be ready to present our draft report to the Board at its September Board meeting. The draft report will include the data collected as well as our initial findings and recommendations.

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, P.E., W.R.S., CFM
Principal Engineer

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

GENERAL STATUS REPORT – August 15, 2018

General Status Report

I've given you a spreadsheet that shows at the end of June our operating expenses were a little more than one and a half percent under budget. These are the actual cash flow expenses, prior to the PERS allotment adjustment which this year will make the final operating expenses go down even farther.

I am preparing for the fiscal year audit which begins the day after Labor Day, 2 ½ weeks from now. The GASB 75 actuarial report will be finished the week prior to the audit and I cannot finalize financial statements until I have it. GASB 75 replaces GASB 45, which previously required us to show the Other Post- Employment Benefit (OPEB) amounts accrued since 2012 as a liability, with each year's portion shown as an operating expense. GASB 75 requires that the entire actuarial amount since the beginning of time be recorded as a liability, not just amounts since 2012. Honestly, I have no idea what to expect in terms of the impact to our financials. Because the Board adopted a policy which does not provide for retirement medical benefits for employees hired after May 21, 2015, that may limit the liability. At the current time, we have six retirees from prior to December 2008 which are on the State insurance plan, and 9 employees on the current plan or being subsidized for private plans. Of those all but three will reach Medicare age in the next two years, and when they do the liability goes down as does the subsidy or charge from the State Plan. However, when GASB 68 required that we adopt the entire PERS liability a couple years ago, it meant recording a previously unrecognized $2+ million liability, so this

may have the same impact. Of course, I will present the actuarial report and impact on our financials at the next meeting.

Regarding the Tahoe Douglas District Board member who wrote to me last month with questions, I prepared a detailed response which I understand was gone over item by item at TDD's last Board meeting. Once again, I offered to sit down with the Board member to answer any additional questions. To date, I haven't heard back from him.

Status of Billing and Issues Encountered

The first quarter fiscal year billings were mailed on July 3, 2018. 565 customers were billed for approximately 800 properties. Of those 565, 133 or 23.5% have not yet paid, despite the August 1 due date. 95 customers paid the entire annual amount which will make future quarters much easier. As you can imagine, when the bills went out, my phone lit up. It seems most people did not read the letter that was sent in June explaining that they would be billed directly for the charge that used to be on their property taxes. Most people were easily pacified and understood the situation. A few are not. Still others were concerned it was a scam because of the Salt Lake City lockbox address. One woman went so far as to note on her payment coupon that the world has gone awry when she has to pay in Salt Lake City for the sewer she smells here in Stateline!

As I answered questions, it became apparent that we need to codify past practices. Commercial entities have always paid either on their metered water, or a single residential user charge, whichever was greater. Therefore tiny businesses like Scotty's (Kingsbury Hardware) and Kingsbury Middle School that was abandoned years ago, still pay a single residential charge, this year $468 per year. Also, residences that are vacant, also pay the annual fee, which has earned the ire of at least

one person. One customer who recently purchased an office in the Lake Front Professional Building, where there are 18 offices, each separately owned with individual parcel numbers, has asked that we reconsider the policy of billing each unit.

Rob and I have discussed this, and believe we need to address such issues in the Ordinance and that it needs to be recrafted. There are many sample ordinances more current than ours, such as Minden Gardnerville and even Round Hill's which address such issues. It seems reasonable to set a timeframe of the next budget cycle to redo and adopt a new ordinance. I believe it has to have 2 hearings or board meetings to be adopted so if we had it drafted for the April board meeting, it could be heard on the May and June calendars. Between now and then we could discuss various issues as they arise.

More immediately, we need to address late fees and bounced check charges. I don't think we should charge late fees for the first invoice as it clearly caught most people off guard. But MGSD's billing practice, invoicing quarterly, most closely aligns with ours and they charge 1.5% of the outstanding balance per month if the bill is not paid within five days of the due date. They also charge a $15 returned check fee, and put a lien on properties nine months in arrears. The charge for that is an additional $100. Section 30, subsection 2 of the Authority's enabling statute gives us the right to set such fees and undertake such activities as is necessary to collect our fees. Therefore, I would ask that the Board adopt the same practice as MGSD's as I have reiterated it for late fees, returned check fees and liens, beginning with the next billing cycle on October 1, 2018.

Report of Funds Transferred and Construction Fund Accounting

Just after last month's Board meeting, I transferred $50,000 from the General Fund to pay the Debt Service due on July 1st to the State Revolving Fund. That transfer was previously authorized by the Board. Since that time, including the $70, 250 debt service, we have paid a little more than $89,600 from the construction fund. The first quarter capital assessments to the participating districts and in-district users have been received, totaling $312,500. Therefore, at the current time the balance in the Construction Fund is more than $324,000. Taking into account the expenses expected prior to the next Board meeting, I expect to have more than $285,000 remaining in the Construction Fund on September 19. I do not anticipate needing to transfer any more General Fund monies.

Investment Report:

We had one CD mature on August 6 for 1.7%, and I was able to replace it with one for 2.5% for 15 months. I am currently choosing shorter investment timeframes because interest rates are rising and I don't want to be locked in with longer maturities. We still have a little less than $9 million spread out between liquid investment accounts with Wells Fargo and the State Revolving Fund and longer term laddered CD's with Wells Fargo. There's a list of current CD's with their maturity dates on the table.

Claims:

I sent you copies of the check register and wires sheet for the period of June 30 through August 13, 2018. If there are no questions about those, I would ask that the Treasurer sign them and return them to me for my records.