MINUTES OF THE REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
September 19, 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, September 19, 2018 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

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

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 Andrew Hickman of Round Hill General Improvement District (RHGID).

PUBLIC COMMENT:

None.

APPROVAL OF AGENDA:

It was moved by Trustee Rice and seconded by Trustee Thompson and carried unanimously (3-0) that the agenda be approved and adopted as presented

MINUTES OF PRIOR MEETING:

It was moved by Trustee Thompson, seconded by Trustee Rice and carried unanimously (3-0) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated August 15, 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 Authority staff had recently billed the Sierra Colina project and the Tahoe Beach Club for additional engineering and plan review related to the projects.

Mr. Hopkins indicated that he has been working with the Nevada Division of Environmental Protection (NDEP) to get the Park Ranch Discharge Monitoring Reports (DMRs) set up to be reported electronically. This electronic reporting will reduce staff time and will be consistent with the method used by the Authority for the treatment plant DMRs.

Mr. Hopkins stated that letters of acceptance had been submitted to Douglas County for both the South Tahoe Public Utility District (STPUD) Intertie Project and the Muller Lane Force Main Relocation Project.

With regard to the Tahoe Beach Club, Mr. Hopkins reported that an updated dewatering agreement has been finalized, recognizing SierraCon NV, Inc. as the primary contractor on the project.

Mr. Hopkins stated that Bob Cook had coordinated for annual fire extinguisher training by representatives of the Tahoe Douglas Fire Protection District.

Mr. Hopkins indicated that Authority staff is working with Summit Plumbing to replace a lid on an air-vacuum relief valve vault located on South Benjamin Drive with a traffic-rated lid. Mr. Hopkins stated that staff is inspecting all vault and manhole lids prior to winter weather arriving.

With regard to biosolids sludge hauling and disposal, Mr. Hopkins reported that staff is investigating various options in an effort to reduce costs and increase operational flexibility.

Mr. Hopkins reported that the Primary Clarifier #2 has recently been taken off-line to allow staff to perform routine inspection and maintenance during the low-flow period between early September and mid-December.

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 September 18, 2018 briefly summarizing three issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The three issues are 1) General Engineering Services; 2) Muller Lane Effluent Force Main Relocation; and 3) Authority Meter Testing and Reconciliation. The September 18, 2018 correspondence is incorporated in these minutes by this reference.

Mr. Anderson indicated that the ongoing flow meter reconciliation work was taking a great deal of time, but that a lot was being learned that should result in more accurate flow calculations.

Mr. Anderson reported that the Sierra Colina sewer collection system has been completed and the project was progressing.

With regard to the Tahoe Beach Club, Mr. Anderson stated that his office continues to review the developer's plans as they evolve.

Mr. Anderson briefly explained the history of the District's Main Pump Station Rehabilitation Project and how the manufacturer involved is still obligated to provide the Authority with two additional pumps and motors. Mr. Anderson explained that the equipment, based upon testing, does not quite meet the specifications agreed to and at the current time the Authority is awaiting a response from the manufacturer.

Regarding the hauling and disposal of biosolids, Mr. Anderson reported that his staff is assisting Authority staff in evaluating various alternatives to ensure a long-term, economical solution.

Mr. Anderson indicated that he recently participated in an inspection of the failed emergency underground storage system. Mr. Anderson provided photographs of the underground system explaining in some detail how the pipes were continuing to deflect.

With regard to the Muller Lane Force Main Realignment Project, Mr. Anderson reported the construction has been completed and that only minor items remain to be completed for closeout of the permit.

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

B. Discussion of draft results of metering study

Mr. Anderson provided the Board with a written draft report of the 2018 Flow Meter Reconciliation Project and proceeded to describe in detail the methods utilized to test the accuracy of the system flow metering. Mr. Anderson reported that the testing has shown that all but one meter in the system are under-reporting flows from 5.8% to 21.3%. The one meter that seems to be accurately reporting flows is the laser meter of RHGID. Mr. Anderson went on to explain how installation of new more accurate meters represents a major expense for the contributing districts. Mr. Anderson expressed his confidence in the accuracy of the testing to dated and that he is recommending that a longer term (30 day) test be undertaken in order to obtain a greater sample size and verify the conclusions before any actions are taken.

Mr. Anderson spent some time explaining the final chart in his draft report showing how RHGID's flows have historically been estimated and have been significantly underestimated. Mr. Anderson explained how every 1% change in flow contribution represents an annual expense of approximately $33,000. This explanation resulted in a general discussion among the Board of the historic process of measuring flows and billing the contributing districts. Ultimately, Mr. Anderson concluded, and the Board agreed that the metering needs to be more accurate moving forward.

Trustee McDermid opened the floor to public comment regarding the matter. Andrew Hickman of RHGID expressed his concern about the accuracy of the results thus far and committed to working with the Authority moving forward. Mr. Hickman and Trustee Rice both expressed RHGID's concerns about how the flow differences between RHGID and TDD can be what the testing to date has shown. Mr. Anderson agreed that the results of the testing to date are shocking and that the logical explanation probably involves infiltration in the RHGID collection system. Mr. Anderson explained how old clay pipes may be contributing to this infiltration.

There was no further public comment.

C. Presentation and possible approval of Task Order 2018-003 in an amount not to exceed $17,500 for extended time-frame metering and presentation of results to the participating district boards

Mr. Anderson presented the Board with a written Task Order to implement his recommendation regarding additional testing. Trustee McDermid opened the floor to public comment regarding the matter. There was no public comment. Following a brief discussion among the Board, **it was moved by Trustee Rice, seconded by Trustee McDermid and carried unanimously (3-0), that Task Order 2018-003 be approved as presented.**

ATTORNEY'S REPORT:

A. General Status Report

Jim Cavilia had nothing additional to report. Trustee McDermid 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 has been completed with regard to motions to dismiss filed by the defendants and that the motions have been submitted to the judge for a decision. Trustee McDermid 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 through the end of July are 3.3% over budget.

Ms. East-Janicki reported that auditors had been at the Authority offices for four days. Ms. East-Janicki indicated that approximately 15% of in-Authority customers have yet to pay and that approximately $15,000 remains outstanding. Trustee McDermid opened the floor to public comment regarding the matter. There was no public comment.

B. Discussion and possible action to adopt a resolution to be effective with the October 1, 2018 sewer fee invoices regarding billing practices and to include, but not be limited to, some or all of the following:

- **Charging a 1.5% per month late fee on sewer bills not paid within five (5) days of the due date;**
- **Charging $15.00 if a check in payment of the sewer fee is returned for Insufficient Funds;**
- **Placing a lien on any property whose sewer fee is nine (9) months in arrears; and**
- **Charging a $100 administrative fee if a lien is placed.**

Ms. East-Janicki presented the Board with a written resolution to adopt a policy with regard to billing practices to be implemented as of October 1, 2018. Trustee McDermid opened the floor to public comment regarding the matter. There was no public comment. Following a brief discussion among the Board regarding the new billing process, **it was moved by Trustee Rice, seconded by Trustee Thompson and carried unanimously (3-0), that Resolution 2018-01 as presented be approved.**

C. Investment Report

Ms. East-Janicki presented the Board with a summary of the District's investments showing a total of slightly less than $9 million.

Trustee McDermid 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:

None.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:15 a.m.

Nancy McDermid

Nancy McDermid

APPROVED:

Wesley A Rice

Wesley A Rice

4852-8898-0855, v. 1

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – September 19th, 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 staff has generated billing for additional engineering and plan review costs related to both the Sierra Colina Project and the Tahoe Beach Club Project. Both projects have been large-scale endeavors, and have generated significant plan review time by DCLTSA Engineer, R.O. Anderson staff. Cost recovery efforts are in keeping with DCLTSA Ordinance and past practices.

2. Authority Manger Hopkins has been working with the Nevada Division of Environmental Protection (NDEP) to get the Park Ranch Discharge Monitoring Report set up within the NDEP's NetDMR system. This is an electronic reporting system that greatly reduces the amount of paperwork and time needed to generate the Quarterly Discharge Monitoring Reports. DCLTSA's main DMR for the Treatment Plant was set up in the NetDMR system about 18 months ago, and has operated successfully under the electronic reporting regime since that time.

3. Letters of Acceptance have been submitted to Douglas County for both the DCLTSA / STPUD Emergency Sewer Intertie Project and for the recently completed Muller Lane / Brockliss Slough Export Force Main Relocation Project. Further details may be provided by Authority Engineer R.O. Anderson.

4. An updated Dewatering Agreement has been executed between SierraCon NV, Inc. / Beach Club Development, LLC and the Sewer Authority. The Dewatering Agreement terms and conditions have not changed. The Dewatering Agreement was modified to recognize that SierraCon NV, Inc. will now be the primary contractor conducting dewatering operations for the Tahoe Beach Club Project.

5. Annual Fire Extinguisher training for Authority staff was conducted by the Tahoe Douglas Fire Protection District this past month. Training was coordinated by Bob Cook.

6. Authority personnel have been working with Summit Plumbing to replace a traffic-rated lid on an Air-Vacuum Relief Valve vault located on South Benjamin Drive in Kingsbury GID. Authority staff is inspecting vault and manhole lids in advance of winter snowfall and snow removal activities.

7. Authority staff is doing preliminary investigatory work related to biosolids sludge hauling and disposal. The two primary goals are cost reduction and operational flexibility here at the Treatment Plant. Updates to the Authority Board will be forthcoming as data continues to be collected.

8. Primary Clarifier #2 has been taken off-line for the shoulder season. This will allow staff to perform routine inspection and maintenance of the clarifier during the low-flow period between early September and mid-December. (Photo attached.)



PRIMARY CLARIFIER #2

R|O|Anderson

September 18, 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 – September 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 August 15, 2018. During this period, we participated with Authority personnel in the following areas:

1) General Engineering Services
2) Muller Lane Effluent Force Main Relocation
3) 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:

- Sierra Colina: We continue to provide engineering review and field support for sewer collection system-related items for this development project. This period we met the project Contractor, Joy Engineering, onsite to observe DCLTSA's testing requirements. With additional grouting on one of the manholes, all manholes and pipe pressure tests passed on the first day of inspection. Construction of the project's sewer collection system is now complete.
- Tahoe Beach Club: We continue to provide engineering review and field support for sewer collection system-related items for this development project. This period we completed a review of another design iteration, attended another pre-construction meeting, and reviewed RFIs and field changes.
- Main Pump Station Rehabilitation Project: This period we concluded our review of the factory test data provided by Cornell of the 4NHTB pump for the two remaining pumps. From our review of the certified pump curves that were submitted by the

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pump manufacturer, the total head exceeds National Hydraulics Institute's standards ±3% range for allowable head, and the pump curve does not cross either tolerance band (head or discharge) at the specified duty point(s). In addition, they (the supplier/manufacturer) have not yet provided the supplemental immersion testing for the motor, which is required. These findings have been related to the pump supplier and the manufacturer, but we have not yet received a response. I will follow through with them in the next several days.

- Biosolids alternative disposal option: DCLTSA staff have indicated that the modified and reduced hours of Bently Agrowdynamics are impacting the transport of the biosolids from the plant to the composting disposal location. Mr. Hopkins has requested our assistance with investigating the Carson City landfill as an option. We expect to complete a review of available alternative locations for disposal of the biosolids during the coming 30 days, or so.
- Emergency Storage Improvements: Last week, with the assistance and accompaniment of personnel from the Authority, we inspected the condition of the interior of the storage vault that is the subject of the ongoing litigation. I have attached several pictures of the condition of various elements of the facility as witnessed during this site visit. The one notable change from prior inspections, is that the magnitude of the vertical deflection at the location of the severe failure has increased from about 27" when it was first observed to about 35" in this recent site visit.

Muller Lane Effluent Force Main Relocation: As reported previously, construction on this project was successfully completed, however, project and contract closeout items are currently being performed. We received the final pay requests from the contractor, White Rock Construction, for the remaining 5% of the contract amounts and are currently reviewing these requests for both Contract A and B, as well as the submitted items to satisfy contract closeout. We are also preparing items necessary for permit closeout such as record drawings.

Authority Meter Testing and Reconciliation: We have completed gathering flow data from each of the meter sites within the combined collection systems including meters located at KGID, TDD, Beach Pump Station, the RHGID meter and the influent meter at the plant. Flow data was collected from the respective meters and from a separate control meter that was installed in proximity to each district's meters where the same or very similar flow volumes would be observed. It is noteworthy that the meter installed by RHGID is located such that it measures the combined flows from both RHGID and TDD. As a result, sewer flows generated from the RHGID system must be computed by deducting the flows measured at TDD's Marla Bay Pump Station from the combined flows registered at RHGID meter location. That is, as currently configured there is no

means to separately measure flows from with RHGID except by deducting the TDD flows from the RHGID meter that measures the combined flows from these two districts.

Overall, we are pleased with the quality of data collected and expect it accurately represents the flows passing through each location while the control meter was deployed within the individual 7-day measurement periods. We are summarizing the data in a written report that I hope to present, at least in part, during the upcoming Board meeting. The following observations have been made from the flow data collected through this assignment:

a. Except for the RHGID laser flow meter, when compared with the control meter, each of the other district meters underreported the observed flow. For the 7-day periods where flow data was collected, the percent error observed ranged from a low of 5.86% (Beach Pump Station) to a high 21.27% (Plant Influent Meter).
b. After calibration, RHGID's existing laser flow meter registered flows 1.33% higher than the flows registered on the control meter, which is well within the accuracy of the control meter.
c. When the percent errors for each respective meter are applied to the flows by District as reported within the 2017 Flow Report, the sum of the corrected flow values (620.812 million gallons (MG)) corresponds very well to the corrected flow values for the plant flow meter (628.064 MG). This represents a percent error of only 1.15%. Based on this analysis, we have a high degree of confidence in the flow values collected by the control meters.
d. When taken together, flow data was collected over a series of five different 7-day periods between July 2, 2018 and August 29, 2018. That is, the flow data from each site was not collected for the same 7-days, which undoubtedly introduces flow variations due to several factors including: occupancies with the respective casinos during the periods, vacancies in rentals and occupancies of 2nd homes, etc.). Furthermore, the data collected represents less than a two-percent (2%) sample of a full year's flow data. Statistically, the margin of potential error increases as the sample size is reduced. For these reasons, we don't recommend the percent error determined from this study be used and applied to flow data collected for the full year. In fact, given the cost of calibrating, correcting piping configurations, and/or replacing the existing meters, a greater sample size is warranted and necessary to justify such expenditures.
e. After reviewing the results of these efforts with Ms. East-Janicki, we recommend that the Authority authorize the control meters to be deployed for a period of 30-days at each location and when concluded a similar flow comparison be developed and reported. A 30-day period will represent about an 8.2% (30/365) sample size, which will significantly reduce the potential margin of error of the

R|O Anderson

results. To that end, I am attaching for your consideration and approval a draft Task Order to undertake these additional metering services.

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


12/09/2018


12/09/2018


12/09/2018


BOSCH
Hold
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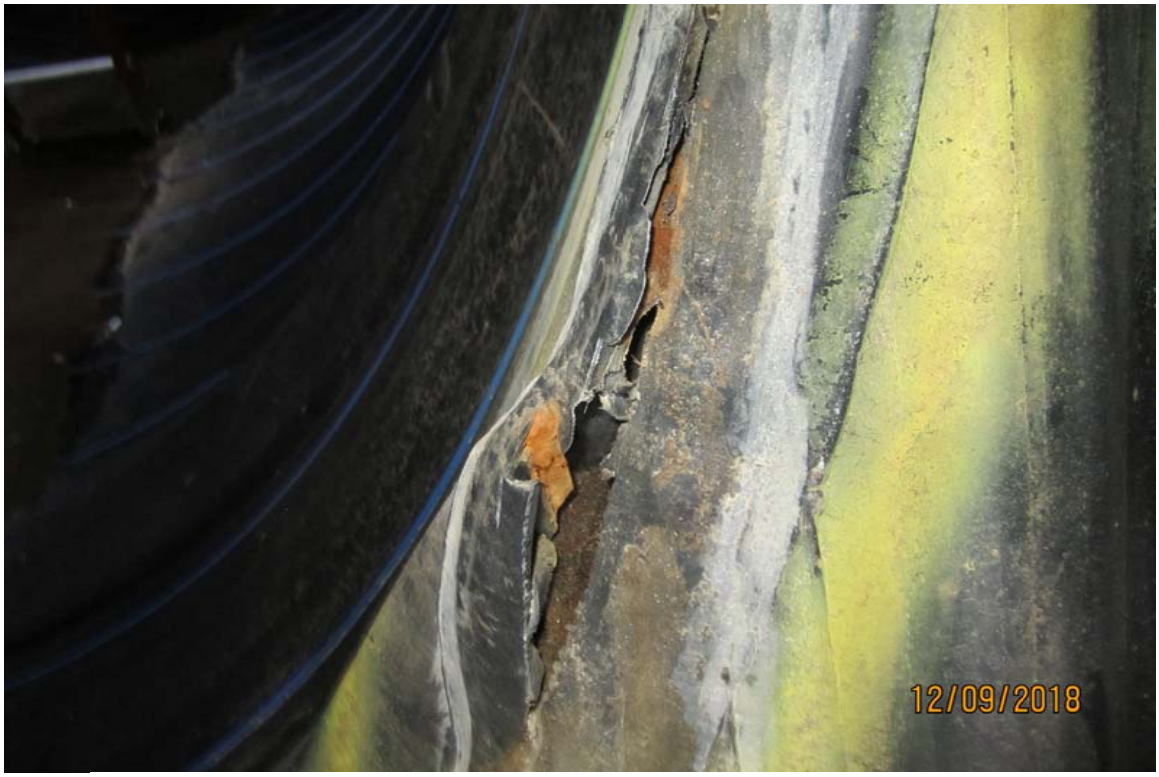
12/09/2018

TASK ORDER NO. 2018-003

This Task Order pertains to an Agreement by and between Douglas County Lake Tahoe Sewer Authority ("Owner") and R.O. Anderson Engineering, Inc. ("Engineer"), effective December 1, 2009, together with its written Amendments. Engineer shall perform services on the project described below as provided herein and in the Agreement. This Task Order shall not be binding until it has been properly signed by both parties. Upon execution, this Task Order supplements the Agreement and Engineer is authorized to initiate its efforts on this project.

Project Name: District Metering and Reconciliation – 30-day Data Collection Period

Part 1.0 **Project Description:** To assist the Authority evaluate the veracity of flow data obtained from a series of flow meters within the Authority's systems, as well as within contributing districts, and attempt to resolve discrepancies, this Task Order contemplates the installation of portable open channel flow meters in critical locations throughout the existing gravity sanitary collection systems in order to collect flow values for each of the contributing districts: Round Hill General Improvement District (RHGID), Kingsbury General Improvement District (KGID), and the Elks Point Sanitation Districts, as well as the Beach Pump Station flow meter, and the Plant Influent flow meter. The flow data collected from the portable open channel flow meter will be compared to concurrent meter readings observed at the existing meters and utilized to evaluate any apparent discrepancies or deviations in the data. The data, analysis, findings and recommendations will be provided in a final report at the conclusion of this assignment.

The flow monitoring equipment selected for this study is the Greyline Stingray Model 2.0 Level-Velocity logger. The Stingray 2.0 measures depth (level) and average stream velocity. The liquid level and velocity measurements are read from an attached AV Sensor that is placed in the flow stream. A separate battery module attaches to the Flow Module to supply power.

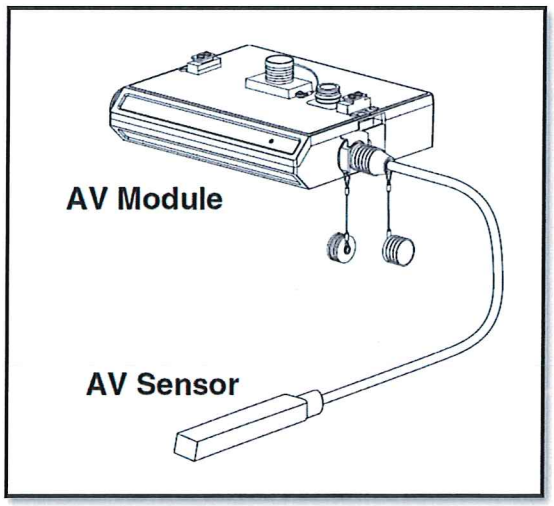

Figure 1: Flow Module and Sensor

The AV Sensor's internal ultrasonic level transducer measures the liquid level. The ultrasonic sensor is installed at the bottom of a pipe or channel. To measure water level the sensor transmits ultrasonic pulses that travel through the water and reflect off the liquid surface. The instrument precisely measures the time it takes for echoes to return to the sensor. Based on the speed of sound in water, the level is measured with an accuracy of ±0.25%.

The AV Sensor measures velocity with an ultrasonic Doppler signal continuously injected into the water. This high frequency sound (640 KHz) is reflected back to the sensor from particles or bubbles suspended in the liquid. If the fluid is in motion, the echoes return at an altered frequency proportionate to flow velocity. With this technique the instrument measures flow velocity with accuracy of ±2%.

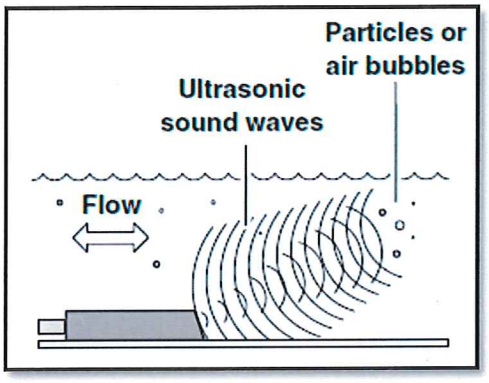

Figure 2: Velocity Sensor

The AV Sensor is positioned in the pipes using stainless steel self-expanding mounting rings (Spring Rings) for pipes up to 8-inches in diameter and pipes larger than 8-inches in diameter require Scissors Rings. The modules are then installed in a manhole and secured to a ladder rung.

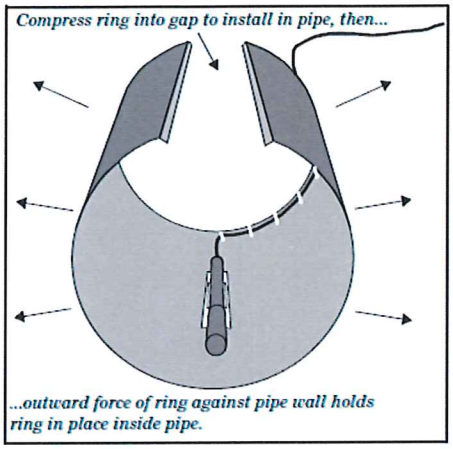

Figure 3: Spring Ring

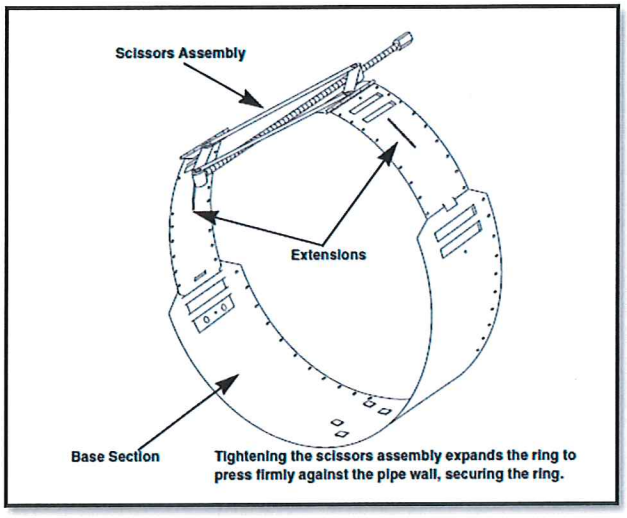

Figure 4: Scissor Ring

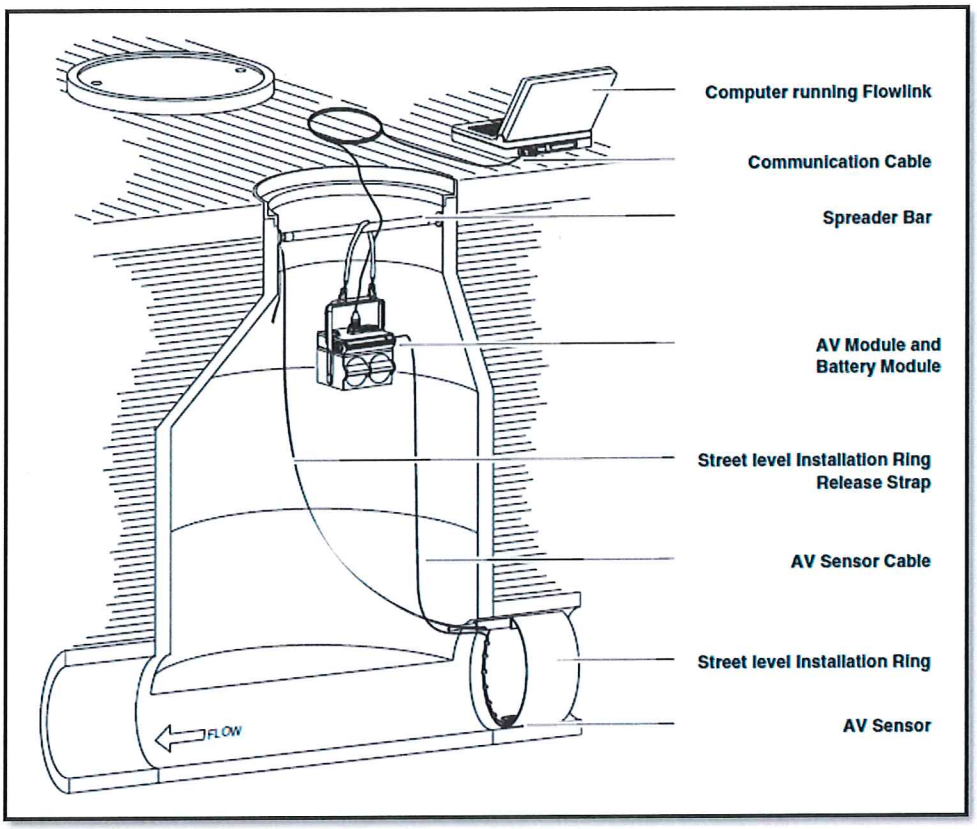

Figure 5: Typical Manhole Installation

Part 2.0 **Project Scope of Services:**

Task 1 – Beach Pump Station Metering

This task will involve deploying a flow meters to the gravity main in Elks Point Road just downstream from the point of discharge of the force main from the Beach Pump Station. We expect that flow values at the planned metering location are combined with flows discharged to the Authority's collection system from Elks Point Sanitation District (EPSD). As a result, a second meter will be deployed upstream in the collection system of EPSD such that EPSD flows can be deducted from the flow data collected in the Authority's metering location. The meters will be deployed for a minimum of 30 days. Flow data collected from this metering location will be compared to the flow collected and reported from the existing mag meter within the Beach Pump Station.

Deliverables: Flow data for the metering duration and a comparison of that data to flow data reported from existing meter at the Beach Pump Station.

Task 2 – RHGID & TDD Metering

This task will involve deploying both flow meters to the gravity mains in TDD's and RHGID's collection system upstream of the Authority's Main Pump Station (DCLTSA MPS). Because both flows from these two districts are combined upstream of the DCLTSA MPS, it will be necessary to remove the measured TDD flow to determine the net flow from RHGID. These flow data will also be compared to flow values collected and reported from the existing RHGID *LaserFlow* meter. The meters will be deployed for a minimum of 30 days.

Deliverables: Flow data for the duration of metering and a comparison of that data to flow data reported at both the controller of RHGID's existing meter as well as flow data collected through DCLTSA's existing SCADA system.

Task 3 – KGID Metering

This task will involve deploying a temporary flow meter immediately upstream of KGID's lift station. The meter will be deployed for and data collected for a minimum of 30 days. Flow data collected from this temporary meter will be compared to the flow values reported by KGID's existing mag-meter over the same period.

Deliverables: Flow data for the metering duration and a comparison of that data to flow data reported from KGID's existing meter.

Task 4 – Plant Influent Metering

Under this task we will deploy a meter within or very near the plant comminutor while flows from KGID are in bypass mode so that all influent to the Plant will be passing through the influent meter. The meters will be deployed for a minimum of 30 days.

Deliverables: Flow data for the metering duration and a comparison to flow data reported at both the influent mag-meter and collected by the Authority's SCADA system.

Task 5 – District Metering Report

Following the retrieval and analysis of all the collected flow data, we will provide a written report that evaluates the data collected in each of the above-described tasks as well as a summary of our observations and findings for each of the respective meters within the Authority's system. The report will provide recommendations to DCLTSA for modifications, if any, to the flow metering devices now in place and an assessment of relative flow contributions for each contributing district of the metering period.

The draft report will be presented to the Board of Directors during a regularly scheduled meeting. Comments and suggestions will be addressed and incorporated in the final report prior to presentation. The final report will also be presented to the Board of Directors.

Deliverables: Electronic and hard copies of the draft and final reports.

Part 3.0 Owner's Responsibilities:

Owner will provide Engineer with available data, including previous studies and reports, plans, drawings, and recorded documents and grant access to the project site as necessary to complete this project. Additionally, assistance from the Owner's maintenance personnel will be required when installing and retrieving the flow meters. It is assumed that maintenance personnel from each of the contributing districts will also cooperate during data collection and metering.

Part 4.0 Periods of Service:

Upon receipt of execution of this Task Order, the Engineer will commence performance of the services. Task 1 will be initiated within 10 days of authorization. The final report will be completed within three weeks following completion of Task 4, and field work is expected to last 13 - 15 weeks, or approximately one month at each meter set.

Part 5.0 Payments to Engineer

5.1.1 Method A – Standard Hourly Rates.

5.1.2 For the specified category of services, the Owner shall pay Engineer an amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class for all services performed on the Project, plus Reimbursable Expenses and Consultant's charges, if any.

5.1.3 Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

5.1.4 Engineer's Standard Hourly Rate Schedule is set forward in the Agreement as Exhibit 'B'.

5.1.5 The total estimated compensation for the specified category of services shall be stated in the Task Order. This total estimated compensation will incorporate all labor at Standard Hourly Rates, Reimbursable Expenses, and Engineer's Consultants' charges, if any.

5.1.6 The amounts billed will be based on the cumulative hours charged to the specified category of services on the Specific Project during the billing period by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses and Engineer's Consultant's charges, if any.

5.1.7 The Standard Hourly Rates and Reimbursable Expenses Schedule shall be fixed for the term of the Agreement.

5.2 Amendments/Change Orders - The payment terms entitle the Owner to unlimited consultation with the Engineer; however, if an unanticipated need for additional services arises that requires additional engineering, land surveying, permitting or other professional services beyond the described services, those services will be subject to an additional price negotiation and undertaken utilizing a written Amendment or Change Order. Amendments or Change Orders, if any, will be prepared and a separate budgetary price agreed to before services are undertaken.

5.3 Total Estimated Compensation – Engineer's Total Estimated Compensation for this Task Order, subject to amendment as set forth above, shall not exceed $17,500.

Part 6.0 Other:

6.1 Terms and Conditions: Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

This Task Order is executed this _____ day of September 2018.

Douglas County Lake Tahoe Sewer Authority

By: _____

Name: Rob Hopkins
Title: District Manager
Address: P.O. Box 578
Zephyr Cove, NV 89448
775-588-3558
rhopkins@DCSID.com

R.O. Anderson Engineering, Inc.

By: _____

Name: Robert O. Anderson, P.E., CFM, WRS
Title: President/Principal Engineer
Address: P.O. Box 2229
Minden, NV 89423
775-782-2322
randerson@ROAnderson.com

GENERAL STATUS REPORT – September 19, 2018

General Status Report

I've given you a spreadsheet that shows at the end of July, one month into the new fiscal year, our operating expenses were a little more than 3.3 percent over budget. However, that's only $9,350 and the entire year's permit fees and the Smart Cover Warranty and Support fees paid once per year, are $13,200 by themselves. Therefore, the overage we're seeing now will adjust .

The auditors from Grant Thornton were here for four days. The field work went smoothly and they were pleased. There's a lot left to be done before financial statements can be issued and the audit wrapped up. Typically that happened mid-November, in time for that Board meeting.

Status of Billing and Issues Encountered

Of the first quarter fiscal year billings, mailed on July 3, 2018, 87 customers or 15% have not yet paid, in the amount of $15,628. The second quarter bills will go out on October 1, and be due on November 1. That leads to the next item on the agenda, the handling of late payment fees.

Resolution Regarding Billing Practices:

Following MGSD's billing practice, which most closely aligns with ours in that they invoice quarterly, I would recommend that we charge 1.5% of the outstanding balance per month if the bill is not paid within five days of the due date. Further, I would recommend a $15 returned check fee,

and putting a lien on properties nine months in arrears. The charge for that would be 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. I would recommend that the Board adopt these practices beginning with the next billing cycle on October 1, 2018.

Investment Report:

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.

Claims:

I sent you copies of the check register and wires sheet for the period of August 15 through September 14, 2018. If there are no questions about those, I would ask that the Treasurer sign them and return them to me for my records.