MINUTES OF SPECIAL MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
JULY 29, 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, July 29, 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, each of whom participated via telephone connection by which everyone at the meeting could hear one another.

RECOGNITION OF OTHERS IN ATTENDANCE:

In attendance in person were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki and Authority Accountant, Ying Johnson. Participating via telephone connection by which everyone at the meeting could hear one another were Bob Cook, Authority Engineer, Rob Anderson, and the Authority's legal counsel, Jim Cavilia.

Also, in attendance by telephone 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 Vogt, seconded by Trustee Fagen and carried unanimously that the agenda be approved and adopted as presented.

MINUTES OF PRIOR MEETING:

It was moved by Trustee Vogt, seconded by Trustee Rice and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated June 17, 2020 be approved.

Discussion and Possible Execution of a Construction Management at Risk Guaranteed Maximum Price Contract with K.G. Walters Construction Co. Inc. for Phase 2-A of the Treatment Plant Upgrades Project in the Amount of $471,795.

Authority Manager Rob Hopkins explained that the proposed contract was for the next phase of the Treatment Plant Upgrades Project and includes the replacement of concrete slabs and related work that is better completed now, rather than in the fall. Mr. Hopkins recommended that the contract be approved as presented.

Chairman Bradford 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 Rice, seconded by Trustee Vogt and carried unanimously that staff be directed to execute the Construction Management at Risk Guaranteed Maximum Price Contract with K.G. Walters Construction Co. Inc. for Phase 2-A of the Treatment Plant Upgrades Project in the Amount of $471,795 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. The written report is incorporated in these minutes by this reference.

Mr. Hopkins indicated that after several meetings with Nevada Department of Environmental Protection (NDEP) regarding replacement of a portion of the Authority's Export Force Main, it was agreed that the Authority could utilize its emergency effluent storage reservoir at the plant.

Mr. Hopkins reported that a degraded section of six-inch diameter sewer line in the Highway 50 casino core was recently replaced with an eight-inch sewer line to accommodate future flows.

The concrete rehabilitation and coating work of aeration basins 5 through 8 was completed ahead of schedule as a result of reduced flows from the COVID-19 shutdown. Mr. Hopkins added that secondary clarifier number 4 and aeration basin number 5 were in service over the Fourth of July weekend and will remain in service to accommodate peak summer tourism flows.

Mr. Hopkins stated that inspection of the Authority's export pipeline in the Carson Valley was ongoing to address issues of access and erosion in order to ensure proper operation of the line.

Mr. Hopkins reported that on July 6th, at the request of Park Cattle Company, effluent flows were diverted to Park Ranch for irrigation purposes.

With regard to the Tahoe South Events Center, Mr. Hopkins reported that preliminary fixture counts have been completed in order to calculate connection fees. At the request of the developer, the Authority has agreed that the connection fees will be assessed at the time the project breaks ground which is anticipated to be in May of 2021.

In response to a question from Trustee Thompson, Mr. Hopkins indicated that after inspecting the facility, NDEP officials were agreeable to the Authority's temporary use of its emergency underground storage facility if necessary.

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 July 27, 2020 briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The July 27, 2020 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that he worked with Authority staff on the fixture count for the Tahoe South Events Center (TSEC) and the issuance of a conditional approval letter, as well as a boundary line adjustment related to the events center development.

Mr. Anderson indicated that his office issued a letter recommending that the TSEC be required to replace two undersized segments of existing sewer main.

With regard to the Highway 50 sewer main repairs, Mr. Anderson reported that underground work has been completed and that the Nevada Division of Transportation is requiring repaving of the full lane width of Highway 50.

Mr. Anderson stated that he has been working with Authority staff on the emergency repairs of the export force main.

With regard to the ongoing sewer metering reconciliation, Mr. Anderson indicated that they now have five months worth of data with a very good correlation between the various meters and the Plant inflow meter. Mr. Anderson indicated that an issue remained regarding the relationship of flows from Tahoe Douglas District (TDD) and Round Hill General Improvement District (RHGID). Mr. Anderson stated the TDD meter needed to be repaired or replaced. Trustee Thompson indicate that a new meter was TDD's number one priority and that they are trying to get the meter installed this summer probably after Labor Day when flows should be down. Mr. Anderson thanked Trustee Thompson for his input and indicated that it was prudent to wait until after Labor Day to install the new meter.

Trustee Fagen added that RHGID was in the process of finalizing the size of its new meter. Mr. Hopkins stated that he would continue to work with RHGID to accept the new meter upon verification of its accuracy. Andrew Hickman of RHGID added that upon a final decision being made Rob Hopkins and Rob Anderson will be informed.

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

ATTORNEY'S REPORT:

A. General Status Report

Jim Cavilia indicated that Trustee Rice's term on the Board would be expiring in October and that he had requested of Douglas County that the Douglas County Commission either reappoint Trustee Rice or appoint a new trustee from Douglas County before that time.

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 more than 10% under budget at the end of May and that even with some significant emergency repair expenses, the Authority should finish the fiscal year within its budget.

As to the status of billing, Ms. East-Janicki reported that Hard Rock and Mont Bleu had recently paid their outstanding obligations to the Authority.

With regard to the Aeration Basin and Plant Upgrades, Ms. East-Janicki indicated that a State Revolving Loan Fund draw of approximately $650,000 was recently released. Additionally, Ms. East-Janicki pointed out that the Authority would not need a more expensive audit based upon the amount of Federal funds received by the Authority in the last fiscal year.

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 $9.9 million. Ms. East-Janicki indicated that funds from recently matured Certificates of Deposit have been reinvested in the Local Government Investment Pool.

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. **It was moved by Trustee Vogt and seconded by Trustee Rice that the claims as presented be approved.**

Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment. **The motion passed unanimously.**

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

Trustee Rice indicated that Ed's Nugget in Stateline was scheduled to be reopening.

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

4823-6079-3546, v. 1

Meeting Date: July 29th, 2020

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – July 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. Several meetings have been held in the month of July related to the Emergency Replacement Project on the DCLTSA Export Force Main between Summit Drive and the intersection of Terrace View and the U.S. Forest Service easement. Discussions have involved survey needs, selection of appropriate pipe-type, inspection technology and condition assessment of the existing force main we hope to leave in place. We met with the Nevada Division of Environmental Protection to request permission to divert treated effluent to our Emergency Reservoir above the treatment plant. Doing this would greatly simplify the construction of the new force main, saving both considerable time and funds while reducing disruption to traffic flow in the neighborhood.

2. The Board-authorized emergency replacement of the gravity sewer line in the Highway 50 Casino Core was completed successfully on June 24th, 2020. The existing sewer line was very degraded, crumbling in many areas upon removal. The new section of sewer line has been increased from 6 inches in diameter to 8 to accommodate future flows better. The new line has also been covered with a cement slurry cap to reduce traffic loads placed on the line. (Photos attached)

3. Concrete rehabilitation and coating work on Aeration Basins 5 through 8 has been completed 3 to 4 months ahead of schedule. The schedule was expedited due to the lower sewer flows experienced during the COVID-19 business shut-downs in the Casino Core. On another positive note, sewer flows are returning to a more normal pattern since the restrictions have been relaxed, indicating an increase in business activity.

4. The Number 4 secondary clarifier and the Number 5 Aeration Basin were placed into service to meet the expected increase in sewer flows over the 4th of July and the coming peak-tourism weeks between now and Labor Day.

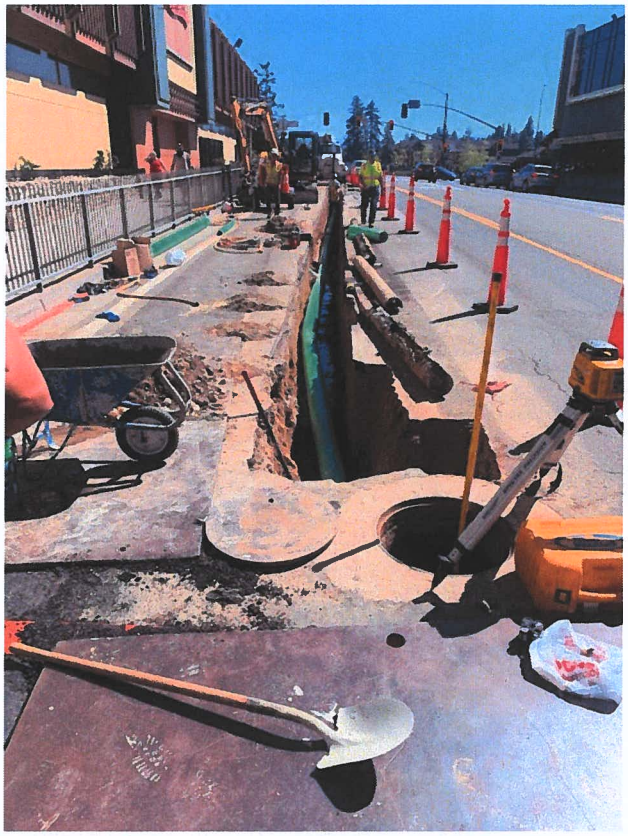
5. Inspections of the export pipeline easement on the Carson Valley side of the Sierras is underway. The easement will be inspected for access and brush cleared to maintain access to the force main. DCLTSA Air-Vacuum Relief Valves along this section of force main will also be inspected and serviced during this work. DCLTSA staff has noticed some erosion related to water discharged from a culvert under State Route 207. We will be looking to contact the appropriate personnel at NDOT to see if this erosion can be addressed before it impacts the bedding of our force main.

6. Treated wastewater effluent flows were diverted to the Park Cattle outfall for irrigation at the request of Park Ranch staff on July 6th, 2020.

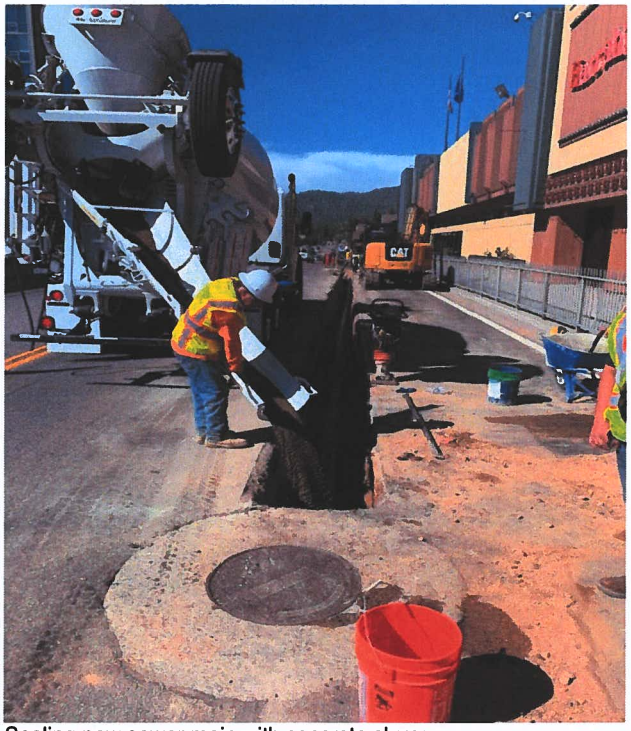
7. Preliminary fixture counts for the Tahoe South Events Center have been completed by DCLTSA staff. The fixture counts will be used to calculate potential sewer flows and the related DCLTSA connection fees. The Tahoe South Events Center developers have requested that the connection fees not be assessed to the project by DCLTSA until the project breaks ground, anticipated in May of 2021. The request appears reasonable, and DCLTSA offered no objection to the request.



Old gravity sewer main in Highway 50 Casino Core. Note condition of pipe on left side of photograph.



New 8-inch sewer main being installed on Highway 50.



Sealing new sewer main with concrete slurry.

R|O|Anderson

July 27, 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 – July 2020

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 17, 2020. During this period, we provided General Engineering Services. The following paragraphs provide a brief description of these efforts and progress related to each specific task.

General Engineering Services: R.O. Anderson Engineering, Inc. (ROA) assisted and participated with Authority personnel on various engineering-related assignments including coordination meetings, site 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:

- Tahoe South Events Center: A conditional approval letter was issued on July 6, 2020. In addition to standard administrative items, the approval is conditioned on submittal of a formal application and payment of fees by May 1, 2021, and replacement of two undersized segments of existing sewer main prior to Certificate of Occupancy. We also reviewed the proposed Boundary Line Adjustment, confirmed DCLTSA does not have nor needs any easement, and assisted Authority staff in issuing a letter to that effect.
- Highway 50 Pipe Capacity Analysis Downstream of TSEC: As directed at the last Board meeting, we issued a formal letter to DCLTSA recommending that the events center project be required to replace two undersized segments of existing sewer main.
- Highway 50 Emergency Sewer Pipe Repair: The underground work has been completed. Permanent Hot Mix Asphalt (HMA) remains to be completed and we are coordinating the requirements of this portion of the work with Authority staff, the contractor Thomas Haen Construction, and Mr. Paul Pettersen with NDOT. As anticipated and expected, NDOT has required repaving of a full lane width and required the work to be completed at night. Mr. Hopkins may expand on this topic in his report.
- Export Force Main Emergency Repairs): We have assisted the Authority's Management Team and the Design Team by preparing a detailed topographic survey of the project area inclusive of the alignment of those portions of the

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export main now planned to be removed and replaced under this contract. We have also attended and participated as appropriate in the various design coordination meetings, as necessary.

- Metering Reconciliation (February 19, 2020 – July 23, 2020):

  With the assistance of the Authority's Controller, we have been monitoring the flow data registered at each respective meet since RHGID's LaserFlow was adjusted on February 18th, a period of just over five months. Attached please find two charts that together provide a graphical summary of the meter readings collected for this date range from the five existing sewer flow meters: KGID, Beach Pump Station (BPS), Tahoe Douglas District, Round Hill GID's LaserFlow meter and the Plant meter. For this period, the combined total flows as measured at KGID, BPS and the LaserFlow meter are within 4.6% of the total flows as measured at the plant meter.

  However, during this period, there exists some dates with inexplicable flow results. Specifically, for the 30+ days after June 19th, the flows from RHGID seem to be too low, and the flows from TDD are remarkably and unexpectedly high. For instance, on July 4th and 5th, when the flows reported from TDDs meter are deducted from the flow that registered at the LaserFlow meter, RHGID would have had -5,754 gallons and 1 gallon of flow those dates, respectively. Those flow values are not possible. During the most recent 30-day period there were two dates (June 4th and June 5th) where the flow volume deduced for Round Hill GID was somewhat lower than what would be expected. The low flows on these dates are visible on the attached graphs and, as you would expect from the method used to calculate the flows from RHGID, there is a corresponding increase in flow measured and reported by the TDD meter. After speaking with Paula about these results, I have confirmed that the flows measured at the LaserFlow meter are well within the pipe's capacity and that meter's effective range.

  The attached chart that compares flow measured at the Plant meter to the combined metered flows of KGID, Beach Pump Station and the RHGID's LaserFlow meter, clearly shows the flow trends and very consistent and highly correlated. In fact, this chart clearly shows the spike in total volume on both the Fourth of July weekend, as well as the spike of flow volumes during the recent Celebrity Golf Tournament weekend. This chart also shows that while the flows from all other contributing Districts are generally increasing during the last 30 days, flows attributed to RHGID are decreasing, which is not reasonable nor intuitive.

I will be present during 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.

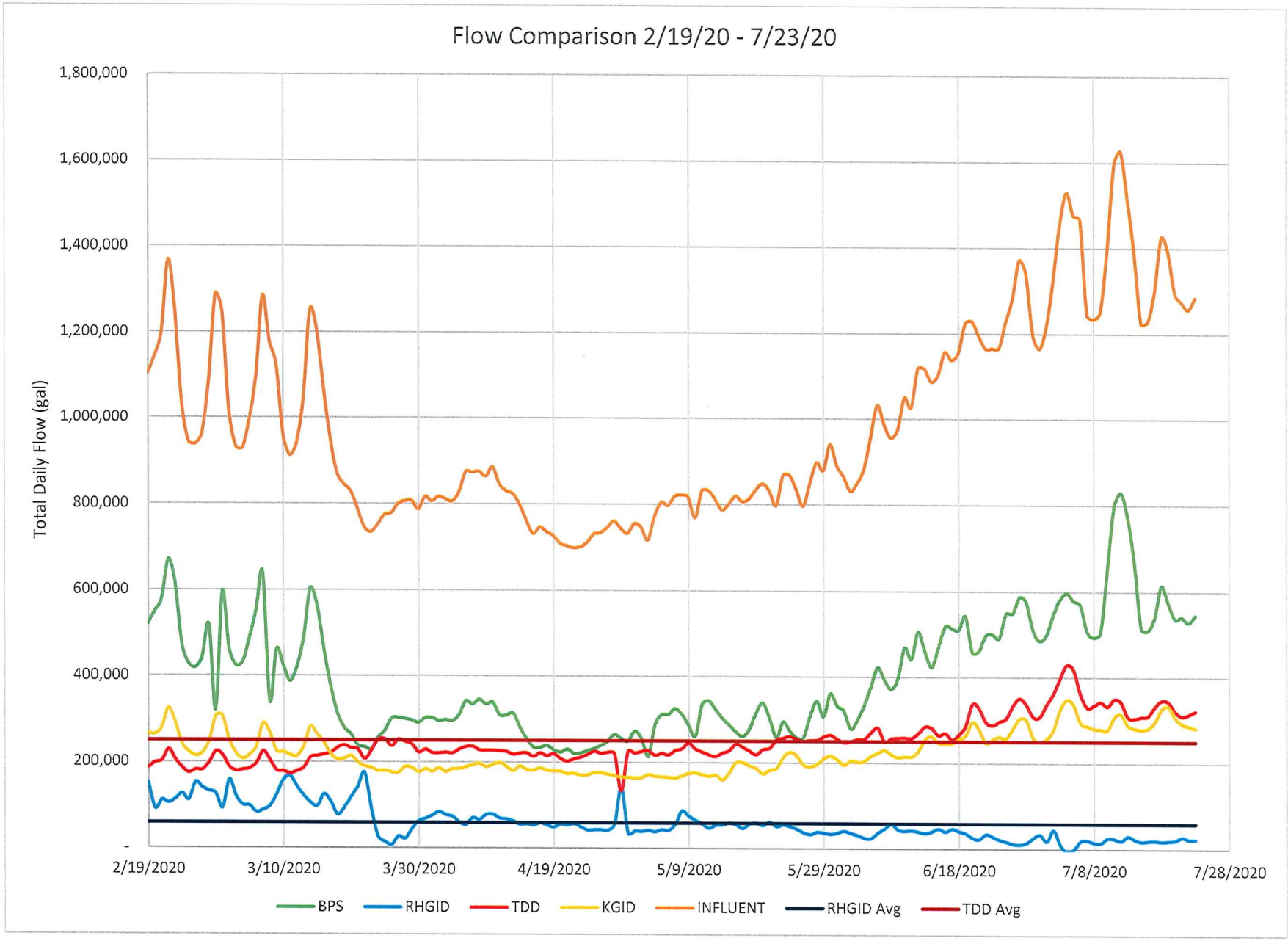
Yours faithfully,

R.O. ANDERSON ENGINEERING, INC.

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

Attachments

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


Flow Comparison 2/19/20 - 7/23/20
Total Daily Flow (gal)
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
2/19/2020
3/10/2020
3/30/2020
4/19/2020
5/9/2020
5/29/2020
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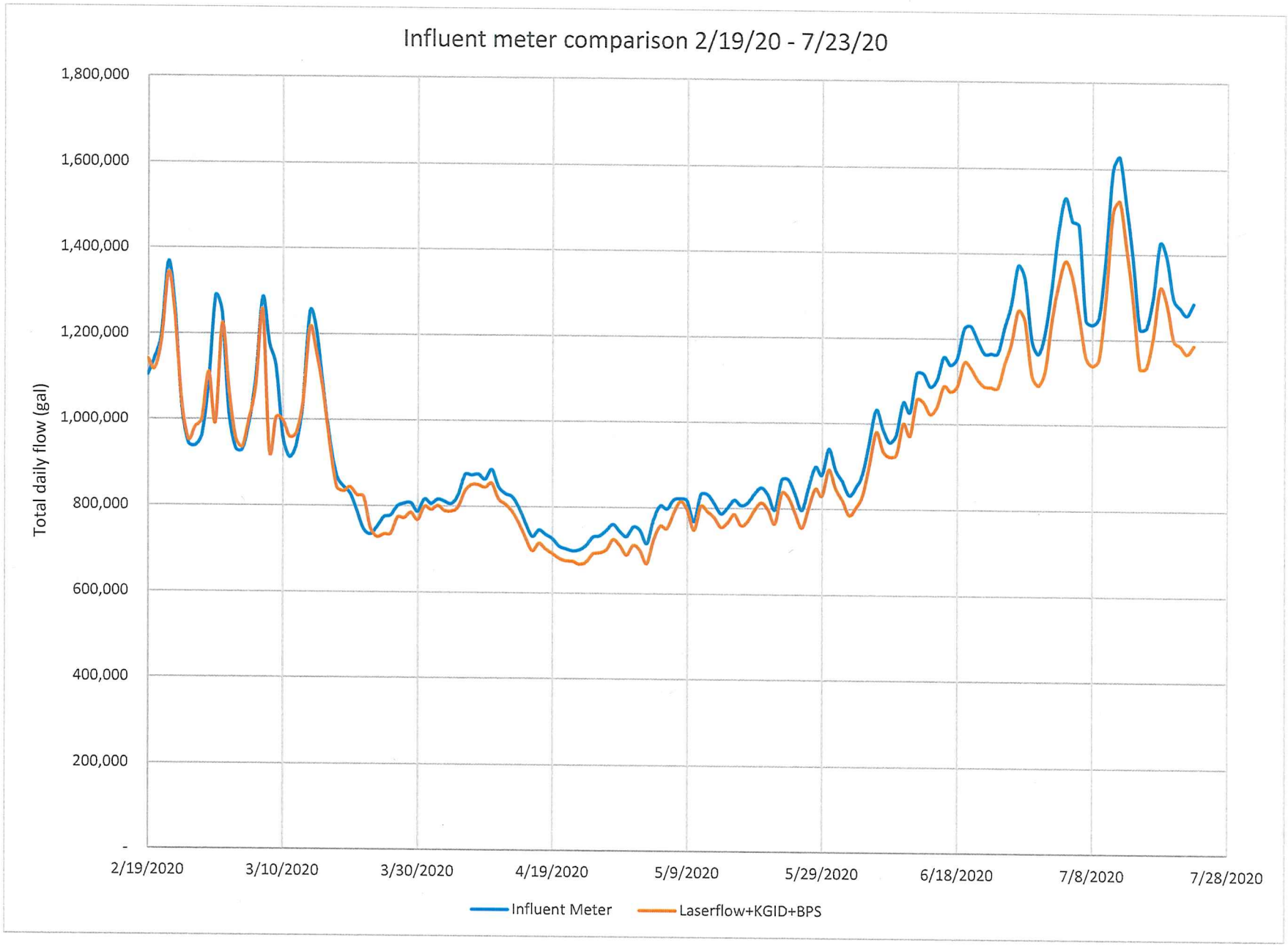
INFLUENT
RHGID Avg
TDD Avg


Influent meter comparison 2/19/20 - 7/23/20
Total daily flow (gal)
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
-
2/19/2020
3/10/2020
3/30/2020
4/19/2020
5/9/2020
5/29/2020
6/18/2020
7/8/2020
7/28/2020
Influent Meter
Laserflow+KGID+BPS

AUTHORITY CONTROLLER'S

BOARD REPORT – July 29, 2020

General Status Report

At the end of May, our operating expenses were still more than 10% under budget. While we don't have all the bills in for June, it appears that even with the emergency expenses we will come in on target with the original budgeted expenses.

Status of Billing

As the bills we sent out on July 1 are not due until August 1, it's too early to tell what the first quarter In-District sewer revenue cash flows will be like. As of Friday, July 25, Harrah's, Harvey's and Mont Bleu have not yet paid their bills for this quarter, but they typically wait until close to the due date. The good news is the Hard Rock paid their sewer fees current, even though they signed a Forbearance Agreement with us after the Governor's Emergency Declaration.

Aeration Basin and Plant Upgrades Project

The COVID shutdown has significantly slowed down how quickly the State Revolving Fund processes our draw requests. It used to be that from the time I submitted a request to the time they released funds was about two weeks. It's currently running at 4 weeks each for the last two requests, so the amount drawn down now, $1,102,261, is the same as I reported to you last month. There is an approximate $650,000 draw request due to be released any day. That amount represents bills already paid on the Aeration Basin and Plant Upgrades project that have not yet been reimbursed. We received a notification

from NDEP that of the $1.1 mil received in the last fiscal year, only $223,000 was from Federal funds. That's good news in that, since it is under the $750,000 threshold, we will not need to have what's called a "single audit" costing $8,000 more than the normal annual audit.

Investment Report

We have a little more than $9.9 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. In the last month, I moved $600,000 from the money market holding account where it was earning .0015% interest to the checking account to pay ongoing construction and emergency expenses. Monies placed in our checking accounts offset the bank service charges, which run as high as $1,600 per month. As soon as the rest of the emergency expense bills regarding the Highway 50 and Effluent Line Breaks are received, the rest of the $600,000 will be moved to LGIP accounts.

Claims and Check Register

I put copies of the wires and check register from June 15 through July 17, 2020 in the Board packet. If there are no questions, when we can get together again, I will ask that the Treasurer sign them and return them to me for our records.