MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
SEPTEMBER 16, 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, September 16, 2020 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada. At the outset of the meeting, Chairman Bradford announced that Trustee Grant Thompson had recently and unexpectedly passed away. All in attendance joined Chairman Bradford in expressing their condolences to Trustee Thompson's family.

ROLL CALL:

Present were Trustees Mike Bradford, Darya Vogt, 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 were Andrew Hickman of Round Hill General Improvement District (RHGID) and Janet Murphy of Tahoe Douglas District (TDD).

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

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

MINUTES OF PRIOR MEETING:

It was moved by Trustee Rice, seconded by Trustee Vogt and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated July 26, 2020 be approved.

MANAGER'S REPORT:

A. General Status Report

Authority Manager Rob Hopkins presented the Board with a written summary of various general matters related to the Authority and briefly summarized each item in the written report. The written report is incorporated in these minutes by this reference.

Mr. Hopkins reported that work on the emergency replacement of the export force main in the Kingsbury Grade area was continuing with the potholing being done to verify the location of other utilities. Mr. Hopkins indicated that a Kingsbury General Improvement District (KGID) water main was being relocated to accommodate the sewer force main alignment. Mr. Hopkins expressed his appreciation for KGID's cooperation with this project.

With regard to the treatment plant upgrades, Mr. Hopkins stated that work was progressing with a concreted slab being poured for relocation of the Authority's carbon odor scrubber.

Mr. Hopkins stated that a will-serve letter was recently issued for Phase II of the Tahoe Beach Club project.

Mr. Hopkins also reported that the Authority recently learned that fraudulent unemployment claims have been made on behalf of Authority employees. These incidents have reported to the Authority's insurance carrier, POOL/PACT.

Mr. Hopkins stated that a minor boundary line adjustment within the Tahoe Beach Club was reviewed by R.O. Anderson Engineering on behalf of the Authority to ensure that there were no conflicts with the Authority's easements in the area.

With regard to the Tahoe Beach Club, Mr. Hopkins reported that R.O. Anderson Engineering and Authority staff reviewed a request that the Authority abandon an existing public utility easement. Mr. Hopkins explained that based upon the latest Tahoe Beach Club plans, the easement was no longer needed by the Authority.

Mr. Hopkins also explained that piping improvements were installed at the Treatment Plant Emergency Storage Reservoir to allow for complete drainage of the reservoir without the need for pumping.

Finally, Mr. Hopkins reported that Authority staff has been quite busy on various projects, including the repair and replacement of the roof on the Authority's office.

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

B. Discussion and possible action to direct staff to engage Axion Engineering for engineering and design services for replacement of the Emergency Underground Storage Tank System, tasks 1.0 through 4.0 in an amount not to exceed $82,190.

Mr. Hopkins explained that as part of the ongoing litigation related to the Emergency Underground Storage Tank, he was recommending that the Board approve a contract with Axion Engineering for a design to replace the failed system. Mr. Hopkins indicated that this design will allow the Authority to obtain bids for the replacement that will help to delineate the Authority's damages. Following Mr. Hopkins explanation, i**t was moved by Trustee Vogt and seconded by Chairman Bradford that staff be directed to engage Axion Engineering for engineering and design services for replacement of the Emergency Underground Storage Tank System, tasks 1.0 through 4.0 in an amount not to exceed $82,190.** Chairman Bradford opened the floor to public comment regarding the matter. Janet Murphy asked if the contract amount was in addition to the original cost of the project. Chairman Bradford stated that this cost was in addition to the original project price and that it was necessary in order to determine the appropriate fix for the project. There was no further public comment. **The motion passed unanimously.**

ENGINEER'S REPORT:

A. General Projects Status Report

In addition to his participation in the Manager's Report, Sue McReavy of R.O. Anderson Engineering presented correspondence dated September 14, 2020 briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The September 14, 2020 correspondence is incorporated in these minutes by this reference.

Ms. McReavy reported that relocation of the Authority sewer main at Edgewood was being reviewed and that a draft review letter would be prepared for the Authority staff.

With regard to the Tahoe South Events Center, Ms. McReavy indicated that R.O. Anderson was working with Authority staff on various matters related to the project which is now under construction.

Ms. McReavy reported that R.O. Anderson has been involved in the review of various matters related to Phase II of the Tahoe Beach Club, including the abandonment of a utility easement.

Ms. McReavy indicated that R.O. Anderson was continuing to coordinate with the Nevada Division of Transportation (NDOT) on permitting related to emergency sewer pipe repair in Highway 50. Ms. McReavy added that paving was scheduled for the last week of September.

Ms. McReavy reported that R.O. Anderson had recently begun updating the Authority infrastructure map book to account for the most recent projects served by the Authority.

With regard to the Export Force Main emergency repairs, Ms. McReavy stated that R.O. Anderson has continued to work with Authority staff on permitting and coordination with other agencies.

Finally, Ms. McReavy indicated that work on sewer flow meter reconciliation was ongoing with a very good correlation of overall flows now being reported. Ms. McReavy stated that flows from TDD still appear to be higher than expected and RHGID's flows appear to be lower than would be expected.

On this subject, District Controller Paula East-Janicki indicated that TDD was planning to replace its meter. This was confirmed by Janet Murphy of TDD. Andrew Hickman of RHGID also reported that RHGID was planning to install a meter so that RHGID's flows can be independently measured.

Chairman Bradford mentioned that is was good news that the overall correlation of the metering was within 5%.

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

ATTORNEY'S REPORT:

A. General Status Report

Mr. Cavilia had nothing additional to report. Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

Ms. East-Janicki reported that operating expenses were 1.5% over budget through the end of July. Ms. East-Janicki added that this was the result of some one-time expenses and that this will not likely continue.

Ms. East-Janicki indicated that she and Authority Accountant, Ying Johnson, were preparing for the Authority's annual audit that is to begin on September 21st.

With regard to billing, Ms. East-Janicki reported that receivables on In-Authority accounts were only $7,337 with the Authority having liens for $5,900 of that amount.

In reporting on the Construction Fund, Ms. East-Janicki stated that the 7th draw against the State Revolving Fund loan has been made bringing the total amount borrowed to $2,432,127. Ms. East-Janicki also provided the Board with a summary of payments from the Construction Fund for the first two months of the fiscal year, which has a current balance of $2,045,765.

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

B. Investment Report

Ms. East-Janicki had a written summary of the Authority's investments available, showing a total of approximately $10.4 million in Wells Fargo, the Local Government Investment Pool and longer-term certificates of deposit (CDs). Ms. East-Janicki indicated that less and less of the Authority's investment is in CDs as the rates have continued to be very low.

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. Chairman Bradford indicated that he would sign off on the claims.

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

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

Trustee Rice reported that the Tahoe Transportation District (TTD) recently announced a plan to charge user fees for vehicles driven in the Tahoe Basin. Trustee Rice expressed his opposition to this plan and indicated that it was unlikely to receive support from any of the local jurisdictions at Lake Tahoe.

PUBLIC COMMENT:

There was no public comment.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:15 a.m.

Dana Vogt

APPROVED

Mike Bradford

4823-3849-2110, v. 1

Meeting Date: September 16th, 2020

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – August and September 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. Work on the Emergency Replacement Project on the DCLTSA Export Force Main on Summit Drive and Terrace View in Kingsbury Grade continues to proceed. Potholing work to field-verify potential conflicts with other utilities has been completed. White Rock Construction will begin relocating approximately 300 feet of KGID water main away from the Sewer Force Main Alignment near Burke Creek and along Terrace View in the next few days.

2. Progress on the Treatment Plant Upgrades Project continues. K.G. Walters crews will be pouring a concrete slab to relocate the Carbon Odor Scrubber out of the old Dissolved-Air Flotation building to begin preparing that building to receive the Package Headworks equipment.

3. DCLTSA issued a will-serve letter for Phase II of the Tahoe Beach Club project.

4. DCLTSA was made aware that fraudulent unemployment claims are being made using what appears to be cyber attacks on public agency information system architecture. DCLTSA contacted and utilized cyber-security resources available through POOL / PACT to have our web security tested and inspected. Recommendations made by POOL / PACT professionals are being implemented at DCLTSA.

5. DCLTSA Engineer R.O. Anderson staff reviewed minor Boundary Line Adjustments (BLA) on four existing parcels of record within the Tahoe Beach Club footprint for any conflicts with DCLTSA easements. None were found. Details may be contained in the Engineers report.

6. DCLTSA Engineer R.O. Anderson staff reviewed a request from Tahoe Beach Club to abandon the existing Public Utility Easement (PUE) that currently runs

down the main access road at Tahoe Beach Club. Changes in building plans at Tahoe Beach Club negated the need for the easement, and it presented no issues for DCLTSA. Details may be contained in the Engineers report.

7. DCLTSA Maintenance staff made improvements to the Emergency Storage Reservoir plumbing / piping to facilitate fully draining the reservoir contents via gravity, rather than having to pump out the final few feet of effluent utilizing gas-driven trash pumps. This work will save the Authority money and time when the reservoir is drained back to the Treatment Plant after the Emergency Force Main Replacement Project is completed.

8. DCLTSA Maintenance staff have been quite busy the last several weeks replacing and repairing the roof on the DCLTSA offices and conference room. Doing the work with in-house talent will save the Authority considerable funds (Photo attached).



Meeting Date: September 16th, 2020

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

B. Discussion and possible action to direct staff to engage Axion Engineering for Engineering and Design Services for replacement of the Emergency Underground Storage Tank system, Tasks 1.0 through Task 4.0 in an amount not to exceed $82,190.00 – **for possible action.**

Staff Recommendation:

Staff recommends Board authorize DCLTSA staff to engage Axion Engineering for Engineering and Design Services for replacement of the Emergency Underground Storage Tank system, Tasks 1.0 through Task 4.0 in an amount not to exceed $82,190.00.

Discussion/Report:

The proposal by Axion Engineering will develop design and technical specifications for the replacement of the failed Emergency Underground Storage Tank system with a poured-in-place concrete storage tank with similar storage capacity. The requested $82,190.00 will cover plans up to 90% final design. The remaining Tasks 5.0 through 7.0 in the attached proposal may be undertaken when seasonal construction timing and DCLTSA funding sources are determined.

Fiscal Impact:

The requested $82,190.00 would be drawn down from the DCLTSA Construction Fund for Fiscal Year 2020-21.

R|O|Anderson

September 14, 2020

Via E-mail

Board of Directors
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
P.O. Box 578
Zephyr Cove, NV 89448

Authority Engineer's Monthly Report – September 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 July 29, 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:

- Edgewood Lodge Project Review: A couple of weeks ago we received updated plans from the project's design team, and we are currently reviewing the drawings. We expect to conclude our review this week and provide a draft letter to Authority staff for their review and approval.
- Tahoe South Events Center Project Review: We assisted Authority staff in responding to a request from Welsh Hagen, the civil engineers for the project, that DCLTSA sign an application to NDOT for encroachment in the ROW for the new manhole installation.
- Tahoe Beach Club Phase II Project Review: The second phase of the TBC development is proceeding through design and permitting. During this period, we reviewed the proposed Boundary Line Adjustment and recommended to DCLTSA staff how to complete the requested Utility Statement for the project's Douglas County application process. DCLTSA has an existing easement over the existing main that must be perpetuated. We will also be reviewing this recent set of plans soon.
- Highway 50 Emergency Sewer Pipe Repair: We continue to coordinate the NDOT permit requirements for the permanent paving with Authority staff, the contractor Thomas Haen Construction, and Mr. Paul Pettersen with NDOT. This coordination includes disseminating site meeting minutes, tracking action items, and contracting with Black Eagle Consulting for geotechnical inspection services

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during construction. Paving is currently forecasted for the week starting September 28.

- DCLTSA Map Book: We have initiated work on updating certain pages of the existing map book to incorporate projects that have been completed in the last few years such as Sierra Colina and Tahoe Beach Club Phase I. This process is expected to be ongoing over the winter.
- Export Force Main Emergency Repairs: We continue to assist the Authority's Management Team and the Design Team by participating in the various design coordination meetings and calls, as necessary. Work this period included updating the topographic survey with additionally requested information, NDEP application and approval coordination with Jim Balderson and the project team, and successfully obtaining confirmation from Douglas County that the project does not need a permit from their agency.
- Metering Reconciliation (February 19, 2020 – September 10, 2020):

  With the assistance of the Authority's Controller, we continue to monitor and evaluate the flow data registered at each respective meter since RHGID's LaserFlow was adjusted on February 18th, a period that now approximates 7 months of data. 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: Kingsbury GID, Beach Pump Station (BPS), Tahoe Douglas District (TDD), Round Hill (RH)GID's LaserFlow meter and the Plant meter.

  For this 7-month period, the combined total flows as measured respectively at KGID, the BPS and the LaserFlow meter[1] are within 5% of the total flows as measured at the plant meter (Influent Meter Comparison, 2/19/20 – 7/10/20). This continues to be a very good and acceptable correlation of this flow data and confirms the veracity of the data collected and reported for these four meters.

  The second chart (Flow Comparison, 2/19/20 – 7/10/20) provides a graphical representation of the flow measurements of each respective meter including TDD's metering data. As noted in prior reports, RHGID's flow data is derived by deducting TDD's reported meter readings from the readings measured and reported at the LaserFlow meter. As you review this chart you will notice that the flow volumes derived for RHGID (blue line) have been consistently below the calculated average daily flow (purple line=50,266 GPD) since mid-May 2020. In fact, there have been no less than 13 dates where the flow has been below this

[1] The LaserFlow meter registers the combined flows from TDD and RHGID. For this reason, flow readings from TDD and RHGID are not otherwise separately reported in this chart.

average daily by more than 80%. That is, almost 8% of the dates have flow readings that are less than 80% of the average daily flow amount.

In contrast, since mid-May 2020, the actual flow volumes reported by the TDD meter (variable red line) have been consistently above their computed average daily flow (fixed red line=267,576 GPD). For further comparison purposes, during this time period (2/19/20 – 7/10/20), flows measured at the TDD meter are calculated to be 24.7% of the flow registered at the influent meter. During this same time period, the total flow derived for RHGID represents about 4.7% of the flow registered at the influent meter. Within the 2019 Flow Report, the flow estimates for these two districts were estimated to be 8.8% and 18.8%, respectively.

Based on these observations we conclude that the flow volumes being reported by the TDD meter are in excess of the actual volume of flow generated within that district. Over reporting flows at the TDD meter has the direct effect of reducing the flows attributed to RHGID.

Regrettably (at least for me) the date of this Board meeting falls on a date when I am out of town and unavailable to participate in the meeting. In my absence Ms. Sue McReavy, PE, will present our report and be 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. We appreciate greatly your continued confidence and the opportunity to provide these services.

Yours faithfully,

R.O. ANDERSON ENGINEERING, INC.

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

Attachments

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

AUTHORITY CONTROLLER'S

BOARD REPORT – September 16, 2020

General Status Report

At the end of July, our operating expenses were 1.5% over budget. This is largely due to annual permit costs and the Smartcover support agreement coming out in this first month of the year. I expect the amount of salaries expense that we're over to smooth at the first quarter in September.

Ying and I are preparing for the annual audit which begins on September 21, 2020. Due to COVID restrictions, rather than being on site for the whole week, they plan on doing much of the work long distance. It sounds like they might physically be here two days.

Status of Billing

Because so many customers paid their entire bills up front this year, as of September 11, 2020, our In-District receivables were only $7,337. Of that, we hold liens on $5,900 worth.

Construction Fund Update

Regarding the Aeration Basin and Plant Upgrades project, I expect the Treasurer's office to release funds for our 7th draw against the $9,000,000 loan, which will bring the total amount borrowed to date to $2,432, 127.

Construction Fund expenditures have been made in the first 2 months of this fiscal year as follows:

- Aeration Basins and Plant Upgrades Project $153,301
- Underground Storage litigation $39,843

- Emergency Export Pipeline Replacement $22,019

$215,163

The Construction Fund Balance as of this date is $2,045,765.

Investment Report

We have a little more than $10.4 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. All but $2,450,000 of the invested amounts are entirely liquid now, as our CD's continue to get called. LGIP paid .63% interest last year, which is 6 times what we could get to invest in CD's now.

Claims and Check Register

I put copies of the wires and check register from July 17 through September 15, 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.