MINUTES OF THE REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
November 16, 2022

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, November 16, 2022 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees Rick Gardner, John McLaughlin and Jodie Nelson.

RECOGNITION OF OTHERS IN ATTENDANCE:

Also present were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Accountant Ying Johnson and Authority Engineer, Rob Anderson. The Authority's legal counsel, Jim Cavilia, as well as Beth Farley and Nielsine Shirk of Eide Bailly were present via audio and video internet connection by which they could hear everyone at the meeting, and everyone could hear them.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

It was moved by Trustee McLaughlin, seconded by Trustee Nelson and carried unanimously (3-0) that the agenda be approved and adopted as presented.

MINUTES OF PRIOR MEETING:

It was moved by Trustee McLaughlin, seconded by Trustee Nelson and carried unanimously (3-0) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated October 19, 2022, be approved as presented.

Presentation of Audited Financial Statements for Fiscal Year 2021-2022 by Auditing Firm Eide Bailly

During the presentation of the financial statements, Trustee Keith Fertala joined the meeting via audio and video internet connection by which he could hear everyone at the meeting, and everyone could hear him.

Nielsine Shirk of Eide Bailly presented the Board with the audited financial statements of the Authority, indicating that the auditor has issued an "unmodified opinion" which is the highest level opinion. In providing a summary of the financial statements, Ms. Shirk pointed out that as a result of capital improvements in the last year, the Authority's capital assets have increased by $1.9 million.

In response to an inquiry from Trustee Nelson, Ms. Shirk explained that new Authority improvements are not capitalized in the financial statements until the projects are completed.

In presenting her summary of the financial statements, Ms. Shirk pointed out that, although the letter to the Board identifies a few "significant risks" that were required to be identified, the Authority has no major issues to be concerned about. Finally, Ms. Shirk explained the fair market adjustment made with regard to the Local Government Investment Pool and emphasized that the auditor has no disagreements with management of the Authority.

Chairman Gardner 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 McLaughlin, seconded by Trustee Nelson and carried unanimously (4-0) that the audited financial statements as presented be adopted.**

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 some items in the written report. The written report is incorporated in these minutes by this reference.

Mr. Hopkins indicated that work on upgrading and replacing the high-pressure check valves and seals on the Authority's export pumps was continuing, with three of the four valves having been replaced.

Mr. Hopkins stated that Authority staff was working with Wasatch Electric to ensure that replacement of power poles within the Elks Point Sanitation District (EPSD) does not impact the EPSD sewage pump stations. In response to an inquiry from a Trustee, Mr. Hopkins briefly explained the Authority's relationship with EPSD and the fact that upgrades to the EPSD's facilities may be necessary in the near future.

With regard to the upsizing of the Authority's sewer mains as part of the Tahoe South Events Center (TSEC) project, Mr. Hopkins indicated that the work has been satisfactorily completed.

Mr. Hopkins reported that the Nevada Division of Water Resources (NDWR) recently conducted the annual dam safety inspection at the Authority's emergency effluent storage reservoir and that the dam passed the inspection with some minor repairs and vegetation removal requested. Mr.

Hopkins added that, despite the Authority's effluent storage reservoir in the Carson Valley not being utilized at this time, NDWR will inspect that facility as well in order to keep the current permit in place.

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

B. Discussion and consideration of a one-time mid-year Cost-of-Living Adjustment (COLA) for DCLTSA personnel in an amount to be determined, if any, by the Board of Trustees

Mr. Hopkins provided the Trustees with the Authority's recent history with regard to staffing and explained that through the cross-training of employees and increased automation, the Authority has been able to reduce the total number of employees. Specifically, Mr. Hopkins detailed how a long-term employee that retired earlier this year has not been replaced; thereby reducing the Authority's employee costs. Mr. Hopkins additionally described how the Authority had historically had a salary survey conducted on a regular basis by Public Sector Personnel Consultants (PSPC) in order to provide the Trustees with guidance in setting staff salaries. Mr. Hopkins stated that the PSPC survey was last conducted in early 2019.

Based upon the reduced staffing level, the time since the last survey and the significant inflation of 2022, Mr. Hopkins recommended to the Board that a one-time COLA increase of 9.7% be approved for all Authority employees. In response to an inquiry by Trustee McLaughlin, Ms. East-Janicki explained that because the Authority has, in recent years, budgeted for and generally granted merit pay increases based on the salary survey, a COLA had not been implemented at the Authority since 2011.

Following a discussion among the Trustees, Chairman Gardner expressed that the consensus of the Board was to provide a mid-year pay increase, but that an increase of 9.7% was probably a little high. Trustee Nelson added that what was probably more appropriate than an across-the-board increase was a restructuring of salaries based upon the elimination of a position and the reassignment of duties. Trustee Fertala suggested the possibility of a bonus for employees at this time with salary adjustments next year based upon additional data.

Based upon the discussion of the Trustees, Mr. Hopkins suggested that a mid-year, merit-based salary increase be approved in an amount not to exceed the total savings realized from the former employee not being replaced.

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

Following the comments from the Trustees and the input from Mr. Hopkins and Ms. East-Janicki, **it was moved by Trustee McLaughlin, seconded by Trustee Nelson and carried unanimously (4-0) that Authority salaries be increased as of December 1, 2022 in an amount to be determined by the Authority Manager in his discretion, with the aggregate of the average merit increase and any cost of living adjustment not to exceed 8.7%.**

ENGINEER'S REPORT:

A. General Projects Status Report

In addition to his participation in the Manager's Report, Authority Engineer, Rob Anderson, presented correspondence dated November 15, 2022, briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The November 15, 2022 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that he participated with Authority personnel in a meeting with South Tahoe Public Utility District (STPUD) regarding long-term alternatives for the exportation and disposal of effluent. Mr. Anderson indicated that the Authority shared information regarding its effluent disposal with STPUD officials.

With regard to the Mechanical Building re-roofing project, Mr. Anderson stated that the project is currently in the bid process and that one contractor attended the pre-bid conference.

Mr. Anderson provided the Trustees with charts of data from the various influent flow meters used to determine the flow of sewage from the participating districts. Mr. Anderson reported that cumulatively the data is very good showing less than a 1% discrepancy between the various districts' meter and the authority meter at the plant. Trustee Fertala added that RHGID's new meter is now scheduled to be installed in the spring of 2023. A general discussion of historic flows followed with Mr. Anderson pointing out that overall flows in the past year have increased from the previous year.

Chairman Gardner 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 the Authority's operating expenses through September were approximately 10% under budget and that she was pleased with the results of the annual audit.

Chairman Gardner 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, stating that the Authority has approximately $14.2 million invested indicating that in the last month the Authority purchased three certificates of deposit (CDs) with the Authority now having $2,205,000 invested in laddered CDs. Ms. East-Janicki also explained how the Authority's investments are segregated

among the Authority's general fund ($6,120,833), plant emergency repair fund ($3,686,606) and construction fund ($4,401,447) and how each fund is designated for particular uses.

Chairman Gardner 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. In response to a question from Trustee Nelson, Mr. Hopkins explained the payments made to Summit Plumbing as reflected in the list of claims. Chairman Gardner indicated that he had signed off on the claims.

Chairman Gardner 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 Fertala stated that the RHGID Board of Trustees did not meet this month.

Trustee McLaughlin reported that summer revenue in the casino core was very good, and the Villas at Edgewood recently opened with the next two buildings scheduled to be completed in August or September of 2023. Trustee McLaughlin indicated that Transient Occupancy Tax (TOT) collections are running at 30% over budget and that the TSEC is scheduled to open in July. In response to a question, Trustee McLaughlin explained that the size of events at the TSEC during the summer months would be limited as a means of protecting existing summer events.

Trustee Nelson reported that KGID recently welcomed a new trustee and that KGID is working with a mobile home park in KGID about the possibility of taking over the water system that has not been adequately maintained. Trustee Nelson explained that KGID is seeking funding from the State of Nevada to assist with upgrading that system. Finally, Trustee Nelson indicated that KGID was in the process of developing a stormwater plan for the district.

Trustee Gardner reported that Tahoe Douglas District (TDD) has not had a meeting recently, but that it was going to be necessary for the TDD Board to appoint one trustee in January.

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

PUBLIC COMMENT:

None.

ADJOURNMENT:

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

APPROVED

4891-7485-6770, v. 1

Meeting Date: November 16th, 2022

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – November 2022
A. General Status Report

Staff Recommendation:

None. This is an informational item only.

Discussion/Report:

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

1. DCLTSA staff is continuing with work to upgrade and replace the high-pressure check valves and mechanical seals on the Export pumps. To date, two of the four Export pumps have received upgraded check valves and seals. The project is anticipated to be complete in December 2022. (Photo attached)


Staff replacing export pump check valve

2. Wasatch Electric will be replacing power poles in the Elks Point Sanitation District, where DCLTSA maintains two small sewage pump stations. DCLTSA is coordinating with Wasatch to assure that we maintain both access and backup power to the sewer stations while Wasatch completes the pole replacements.

3. Work to upsize DCLTSA gravity sewer mains as part of the Tahoe South Events Center Project has been fully completed. The upsizing of the sewer lines was

necessary to accommodate the anticipated increase in sewer flow that will be generated by the new Events Center facility. DCLTSA contractor Summit Plumbing performed closed circuit television inspection of the new line to verify that no construction defects exist or were created after backfilling and compacting the trench. (Photo attached)



SNC Construction installing sewer main at TSEC site.

4. The Nevada Division of Water Resources (NDWR) conducted annual dam safety inspections at the Round Hill Effluent Storage Reservoir on site here at the Treatment Plant. The on-site reservoir is permitted for emergency use only, as it is un-lined, however, DCLTSA continues to have the dam inspected annually to maintain the emergency use permit. Our dam passed inspection, with some minor repairs and some vegetation removal called out as “need-to-do’s”.

5. NDWR will be inspecting the mothballed Buckeye Effluent Storage Reservoir dams, located in the Carson Valley, in late November or early December. DCLTSA continues the inspections to keep the existing permits open and valid.

Meeting Date: November 16th, 2022

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Consideration of a one-time, mid-year Cost-of-Living Adjustment (COLA) for DCLTSA personnel – for discussion and possible action

Staff Recommendation:

Authorize staff to implement a Cost-of-Living Adjustment in an amount to be determined by DCLTSA Board of Directors

Discussion/Report:

DCLTSA staff is requesting that the Board consider a one-time Cost of Living Adjustment (COLA) for DCLTSA staff.

Historically, prior to 2012, COLA raises based on the Consumer Price Index for Urban Wage Earners and Clerical Worker (CPI-W) were given annually by then-DCSID, with half of any PERS rate increase backed out.

In 2012, the Board commissioned the first salary study, and it was their intention at that time to update it regularly to keep pace with inflation, thereby eliminating the need for an annual COLA adjustment. Public Sector Personnel Consultants were hired to perform a salary survey and generate a merit-based wage matrix based upon job category and time-in-service at the District. The last salary survey was done in June of 2019.

Until the second quarter of 2021, the annual merit-based salary adjustments within the Performance Evaluation process at DCLTSA were enough to keep staff level or even ahead of the cost of living in Northern Nevada.

However, the past twelve months have seen unprecedented inflationary pressure placed upon every good and service used in the local economy, impacting all our budgets. Our latest CPI figure is based upon the CPI-W, a copy of which is being sent with this report. The index indicates that from September of 2021 through September of 2022, inflation has risen by **9.8%** year-over-year, vastly outpacing the DCLTSA salary brackets as approved in the June 2019 Salary Survey, conducted by Public Sector Personnel Consultants.

Therefore, DCLTSA management respectfully requests that the DCLTSA Board consider a one-time COLA for staff, in the amount of the current CPI-W of **9.8%**, or in a different amount as agreed upon by the Board, to take effect with the payroll period beginning December 4, 2022.

Authority Controller East-Janicki has performed a budget analysis regarding the impact of the proposed 9.8% COLA, which is attached. The analysis points out that the proposed COLA is revenue neutral to the approved DCLTSA 2022 budget. The surplus is largely due to DCLTSA deciding not to fill an Operator position vacated early this summer due to an employee retirement. This allowed DCLTSA to realize a net savings on payroll costs for the remainder of the fiscal year.

Staff has spent several months adjusting work tasks and crew scheduling to determine if DCLTSA could operate without backfilling the recently vacated position, and we have determined that there is no negative impact to staff or to service levels by not filling the vacated position.

Therefore, DCLTSA management respectfully requests that the savings in personnel costs from the retired Operator position be applied as a COLA adjustment to remaining staff to mitigate the high rate of inflation over the past year.

As a side note, DCLTSA staff has been in contact with Public Sector Personnel Consultants, and they have indicated that they may be able to schedule DCLTSA for an update to our salary survey by mid-summer 2023, as the company is very busy with other clients, updating their salary surveys, for the same reasons.

Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W): Selected areas, all items index, not seasonally adjusted
(1982-84=100 unless otherwise noted)

Area (Links provide news releases)	Back data	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Percent change to Sep 2022 from Sep 2021	Percent change to Sep 2022 from Jul 2022	Percent change to Sep 2022 from Aug 2022	Percent change to Aug 2022 from Aug 2021	Percent change to Aug 2022 from Jun 2022	Percent change to Aug 2022 from Jul 2022
U.S. City Average		292.542	292.219	291.629	291.854	8.5	-0.1	0.1	8.7	-0.3	-0.2
West region(1)		307.063	307.269	307.003	307.937	8.5	0.2	0.3	8.4	0.0	-0.1
West - Size Class A (over 2.5 million)		314.046	313.747	313.057	314.164	8.2	0.1	0.4	8.1	-0.3	-0.2
West - Size Class B/C (2.5 million or less)(2)		184.457	184.879	184.964	185.435	8.7	0.3	0.3	8.7	0.3	0.0
Mountain(3)		125.518	126.047	126.066	126.443	9.8	0.3	0.3	9.8	0.4	0.0
Pacific(3)		122.522	122.454	122.304	122.678	8.0	0.2	0.3	7.9	-0.2	-0.1
Metropolitan areas published monthly											
Los Angeles-Long Beach-Anaheim, CA		305.577	304.441	304.137	305.414	7.8	0.3	0.4	7.6	-0.5	-0.1
Metropolitan areas published in January, March, May, July, September, and November											
Phoenix-Mesa-Scottsdale, AZ(4)		172.827		173.148					13.1	0.2	
San Francisco-Oakland-Hayward, CA		328.137		325.932					6.0	-0.7	
Seattle-Tacoma-Bellevue, WA		321.626		322.664					9.2	0.3	
Urban Alaska		265.859		257.738					7.6	-3.1	
Metropolitan areas published in February, April, June, August, October, and December											
Riverside-San Bernardino-Ontario, CA(3)			126.084		125.762	8.2	-0.3				
San Diego-Carlsbad, CA			331.914		334.068	8.3	0.6				
Urban Hawaii			318.257		319.481	6.8	0.4				

Footnotes
(1) The West region includes the Mountain and Pacific divisions.
The Mountain division includes Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming.
The Pacific division includes Alaska, California, Hawaii, Oregon, and Washington.
(2) December 1996=100.
(3) December 2017=100.
(4) December 2001=100.

Source: Consumer Price Index
The Consumer Price Index (CPI) measures changes in prices of all goods and services purchased for consumption by urban households.

11/8/2022

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
-WASTEWATER RECLAMATION PLANT-

BUDGET FINAL COMPARED WITH POTENTIAL COLA CHANGES

ACCOUNT NUMBER	DESCRIPTION	2022-2023 BUDGET	WITH 9.8% COLA INCREASE	AMOUNT DIFFERENCE - +/-	COMMENTS
SALARIES & BENEFITS					
401.11	BASE SALARIES	1,209,681	1,257,590	$ 47,909	Removed Retiree/Added COLA
403.11	OVERTIME	35,081	36,470	$ 1,389	COLA Added
405.11	HOLIDAY	21,638	19,849	$ (1,789)	Removed Retiree
408.11	STAND-BY PAY	15,964	17,212	$ 1,248	Stand-By Hours Increased
409.11	LONGEVITY	1,880	1,880	$ -	
413.11	HEALTH INSURANCE	329,802	288,807	$ (40,995)	Retiree Removed/Smaller Increase Than Projected
415.11	STATE RETIREMENT	365,189	379,813	$ 14,624	
416.11	OPEB EXPENSE	30,000	30,000	$ -	Estimated
417.11	SIIS	47,837	17,904	$ (29,933)	Smaller Increase Than Projected
418.11	MEDICARE TAX	18,622	19,329	$ 707	
419.11	UNEMPLOYMENT INS	11,700	11,700	$ -	
496.11	CONTRACT SVCS.	0		$ -	
TOTAL SALARIES & BENEFITS		**2,087,394**	**2,080,554**	**$ (6,840)**	

R|O|Anderson

November 15, 2022
(Revised and Updated)

Via Email

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

Authority Engineer's Monthly Report – November 2022

Dear Members of the Board:

The following report presents a summary of activities undertaken on behalf of the Sewer Authority since our last meeting together on October 19, 2022. During this period, we provided general engineering support and project review services on various projects as assigned. 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 engineering-related assignments on an as-requested basis. A summary of the services provided this month follows.

As noted in a previous report, South Tahoe Public Utility District contacted the Authority to discuss their on-going feasibility study and evaluation of long-term alternatives for effluent disposal. A coordination meeting with STPUD was then scheduled that Mr. Hopkins and I participated in. Following that meeting, the representatives of STPUD posed several questions and requested supplemental documentation and information from the Sewer Authority. During this period, we assimilated the requested documents and responded to each of their questions.

2023 Mechanical Building Re-roof Project: During this period the contract documents were updated as needed to reflect the Authority having separately acquired the roofing materials. The Invitation to Bid this project was published in the legal notices of the local newspaper, which officially commenced the bid solicitation process. To date there is only one official plan holder (East Fork Roofing). We have, however, sent the Invitation to Bid to each of the plan holders (excepting Sierra Coastal Roofing) from when it was bid in 2021. The Pre-bid conference is scheduled for later today, and the Bid Opening is set for December 13th.

Third Quarter Flow Meter Reconciliation: In cooperation with Paula, we have reviewed and updated the flow meter data for each respective contributing District and

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compared those flows to the Authority's Plant meter. The charts summarizing this data are attached for your review and consideration. While there have been a few operational problems with the data from a couple of the meters, for the period of January 1st through October 31st 2022, the combined flows from the contributing Districts' meters is within 1% of the flow volume measured at the Plant Meter. This variance in flows between these meters remains surprisingly close and within the cumulative accuracy of the metering devices.

As of October 31st, the relative flow percentages from each contributing district compared to the Influent Meter are:

- Elks Point Sanitation District: 0.45%
- Tahoe Douglas District: 20.26%
- Kingsbury General Improvement District 20.21%
- Round Hill General Improvement District 9.95%

For the year to date, the average daily flow has been 1.13 MGD and the maximum flow was 1.77 MGD. The peak day factor is therefore 1.56. These values are somewhat higher than 2021 when the average day flow was 1.05 MGD and the maximum daily flow was 1.58 MGD (Peaking factor of 1.50).

I will be present at the Board meeting and available then to review this information in greater detail, as well as address any specific questions or concerns Board members might have relative to these subjects. Thank you for your continued confidence and the opportunity to provide these services.

Yours faithfully,

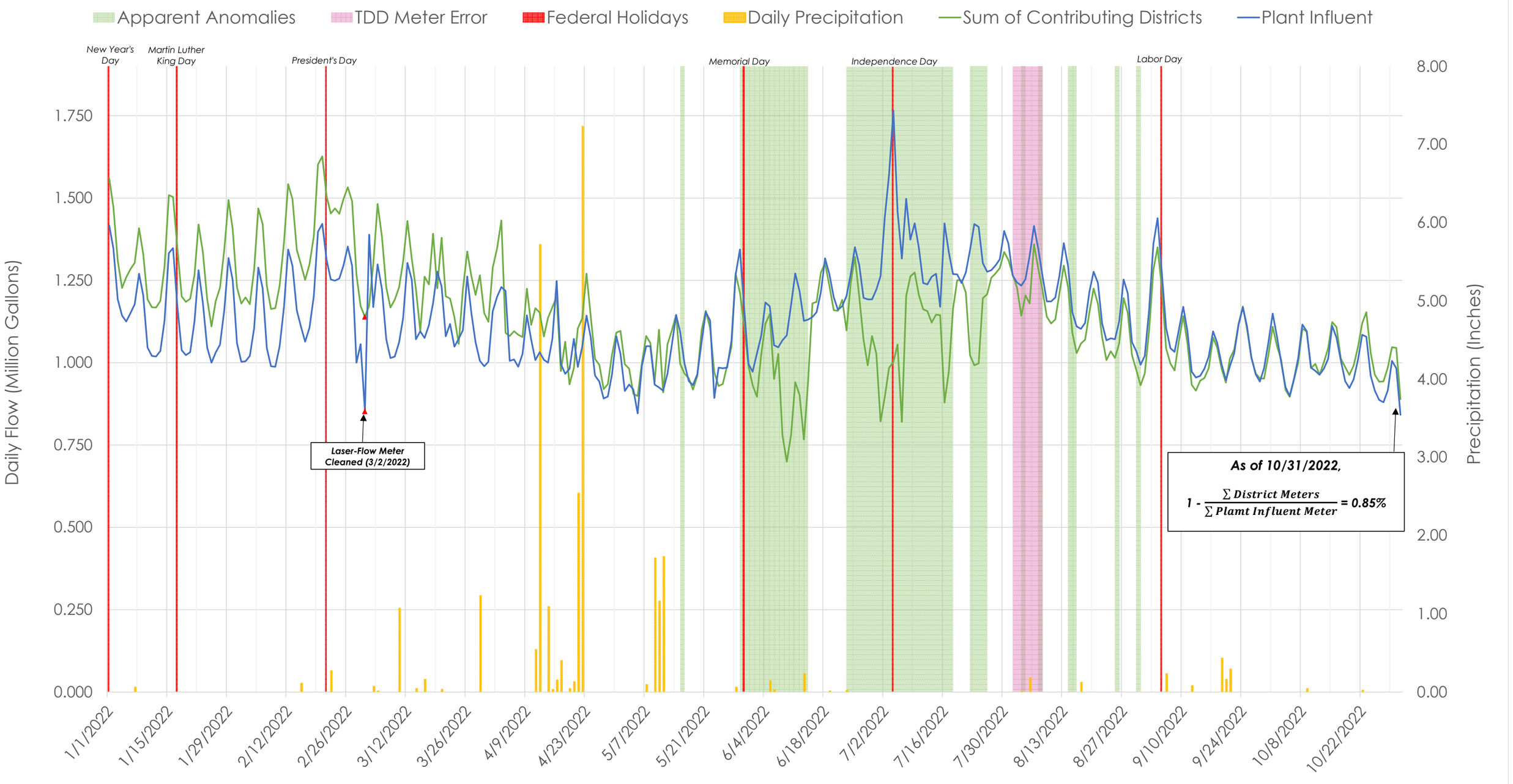
R.O. ANDERSON ENGINEERING, INC.

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

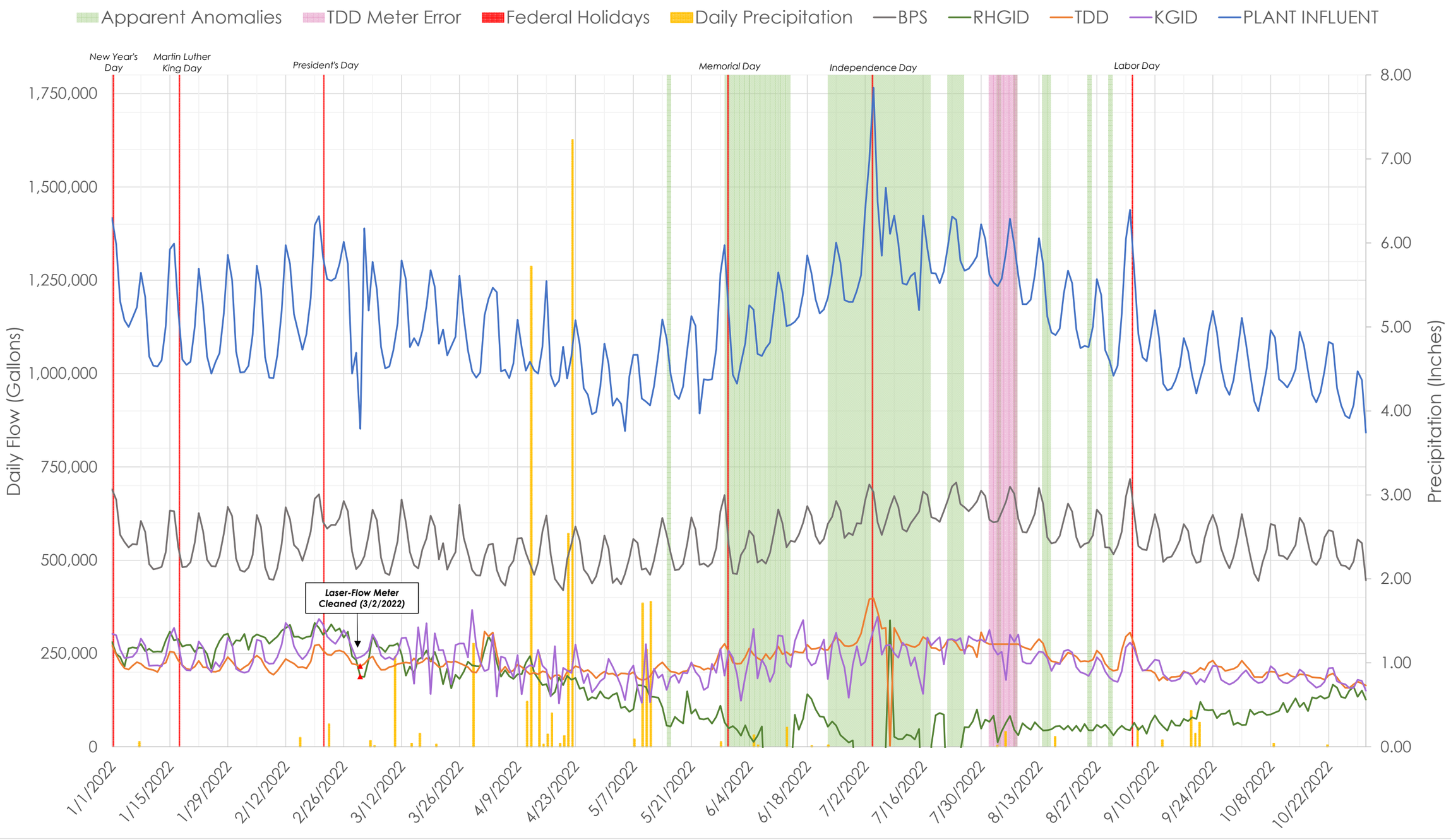
Attachments

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

Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
01/01/2022 - 10/31/2022



DCLTSA Flow Comparison with Daily Precipitation
01/01/2022 - 10/31/2022



CONTROLLER'S GENERAL STATUS REPORT

November 16, 2022

- There is a Budget to Actual spreadsheet in the Board packet that shows operating expenses through September were more than 10% under budget. While the bulk of that comes from the Salaries and Benefits category, expenses in every category except Utilities are under budget. Since our highest flows are in July, August and September, and expenses for electricity directly correlate to flow levels, I would expect the Utilities line item to come closer to budget in the coming months.

- **Investment Report**

The Authority's investments now total a little more than $14.2 million. Since the last Board meeting, I moved $245,000 from our General Fund checking account and $490,000 from the Investment Checking account to purchase three CDs a 15-month one at 4.45%, an 18-month one at 4.65% and a 2-year one at 4.7%. There is a CD Maturity schedule in the Board packet, showing a total of $2,205,000 now invested in laddered CDs with an average interest rate of 3.12%.

The balance of the investments, approximately $12 million, is liquid in Wells Fargo investment accounts and the Local Government Investment Pool (LGIP). The LGIP investments earned 2.46% this past month.

The investments are segregated as to use and purpose as follows:

  - $6,120,833 in the General Fund designed for operating expenses and day to day replacement of equipment (not

capital projects). The General Fund is fed by the Operations and Maintenance portion of sewer rates.

- $3,686,606 in the Plant Emergency Repair Fund, restricted by Ordinance for emergency repairs and plant expansion. The Plant Repair Fund is fed only by interest earned on its investments.
- $4,401,447 in the Construction Fund, restricted by Ordinance for projects on the five Capital Development Plan. These are larger construction and replacement projects. The Construction Fund is fed by the Special Assessment portion of sewer rates, $2.25 million per year spread by flow share among the Authority and its Participating Districts.

Claims and Check Register

The check register and wires since the last meeting are in the Board packet. If there are no questions, I will ask the Board Treasurer to sign them and return them to me for our records.