MINUTES OF MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
January 18, 2023

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, January 18, 2023, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ACKNOWLEDGMENT OF APPOINTMENT OF TRUSTEE FROM TAHOE DOUGLAS DISTRICT:

Andrew Huckbody was welcomed and sworn in as the Trustee to the Authority's Board representing Tahoe Douglas District.

ROLL CALL:

Present were Trustees Wes Rice, John McLaughlin, Andy Huckbody and Jodie Nelson.

RECOGNITION OF OTHERS IN ATTENDANCE:

Also present were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Accountant Ying Johnson, Authority Engineer, Rob Anderson and the Authority's legal counsel, Jim Cavilia.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

It was moved by Trustee Rice, seconded by Trustee McLaughlin and carried unanimously (4-0) that the agenda be approved and adopted as presented.

MINUTES OF PRIOR MEETING:

It was moved by Trustee Rice, seconded by Trustee Nelson and carried unanimously (3-0) (Trustee Huckbody abstained) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated November 16, 2022, be approved as presented.

DISCUSSION AND APPOINTMENT OF BOARD OFFICERS:

Mr. Cavilia introduced this item explaining that based upon the recently appointed Trustees to the Board, it was necessary at this time to appoint new officers of the Board. Following a brief

discussion among the Trustees about the willingness of Trustees to serve in various positions **it was moved by Trustee Huckbody and seconded by Trustee Nelson that Trustee Nelson serve as Secretary, that Trustee Rice serve as Treasurer and that Trustee McLaughlin serve as Chairman.** Mr. Cavilia opened the floor to public comment regarding the matter. There was no public comment. **The motion carried unanimously (4-0).**

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 reported that the annual dam safety inspection of the Authority's Buckeye effluent storage reservoir dam was recently completed by the Nevada Division of Water Resources and that the dam passed with some minor repairs and vegetation removal being required.

Mr. Hopkins stated that he, Authority staff and the Authority engineer participated in a meeting with personnel of the Nevada Tahoe Conservation District (NTCD) with regard to the recontouring of Burke Creek and the removal of paved access to the Authority's Beach Pump Station. Mr. Hopkins indicated that staff and Mr. Anderson are working with the United States Forest Service (USFS) to ensure that appropriate access is maintained to the Authority's facilities to provide for ongoing maintenance and operation. The Authority Engineer, Rob Anderson, added that he was working on alternative access to the Authority's facility from the Nevada Beach campground and that he was confident that adequate access would be maintained after the NTCD and USFS modifications are completed.

As part of the Burke Creek project, Mr. Hopkins explained that Authority staff has completed inspections of the Authority's manhole in Kahle Drive and that the planned resurfacing of Kahle Drive this summer will provide the Authority with the opportunity to repair and upgrade the manholes. Trustee Rice added that the improvements to Kahle Drive are being funded with federal funds thanks to the work of Congressman Mark Amodei.

Mr. Hopkins indicated that the Authority was in the process of sharing data from the Authority's groundwater monitoring wells near the Buckeye Effluent Storage Reservoir with a groundwater specialist from the United States Geological Survey (USGS) as part of an ongoing study of the Carson Valley groundwater basin.

Mr. Hopkins reported that the data necessary for the Authority's 2022 Annual Discharge Monitoring Report for the Nevada Division of Environmental Protection (NDEP) has been provided to the Authority engineer, who will prepare the report for submission to NDEP.

Finally, Mr. Hopkins thanked the Authority staff for the many hours spent on snow removal at the plant and other Authority facilities over the last several weeks. Mr. Hopkins explained that the

significant precipitation as well as the number of tourists at the Lake resulted in a peak sewage flow of 2.512 million gallons on New Year's Eve and that the plant continues to operate very well.

Chairman McLaughlin 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, Authority Engineer, Rob Anderson, presented correspondence dated January 17, 2023, briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The January 17, 2023, correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that his office will be continuing its work with the NTDC and the USFS to ensure that adequate access is maintained to all of the Authority's facilities.

With regard to flow meter reconciliation, Mr. Anderson indicated that he has been working with the Authority Controller, Paula East-Janicki, and that the correlation between the plant inflow meter and sister district's meters was within 1.5% which is excellent. Mr. Anderson indicated the flow data has been shared with the other districts. The Authority had an average daily flow of 1.2 million gallons during the last quarter of 2022. Mr. Anderson stated his opinion that flow to the plant is impacted significantly by inflow and infiltration as the result of precipitation.

In response to an inquiry from Trustee Huckbody, Mr. Hopkins indicated that the plant is permitted to treat up to 4.3 million gallons of sewer per day.

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

B. Discussion and Possible Acceptance of East Fork Roofing, LLC's bid for the Mechanical Building Re-Roofing Project in the amount of Two Hundred Forty-One Thousand Seven Hundred and Sixty Dollars ($241,760.00).

Mr. Anderson reported that the Authority received one bid for the Mechanical Building Re-Roofing Project, and he recommended that the Board accept the bid and award the project to East Fork Roofing, LLC. Following a brief discussion among the Trustees, **it was moved by Trustee Nelson and seconded by Trustee Huckbody that a contract for the Mechanical Building Re-Roofing Project be awarded to East Fork Roofing, LLC's bid in the amount of Two Hundred Forty-One Thousand Seven Hundred and Sixty Dollars ($241,760.00).** Chairman McLaughlin opened the floor to public comment regarding the matter. There was no public comment. **The motion carried unanimously (4-0).**

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

Ms. East-Janicki reported that the Authority's operating expenses through November were approximately 9.5% under budget and that the cost of the camera inspection of the collection system is anticipated to be approximately $70,000.

Ms. East-Janicki explained that based upon the Board's action in November, pay increases were awarded to all employees in the amount of 4.25% as of December 1, 2022. Ms. East-Janicki stressed, and Mr. Hopkins confirmed that, as a result of automation and off-site monitoring, work is getting done with fewer employees than in the past.

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

B. Discussion regarding and possible designation of Eide Bailly as the Auditor for Fiscal Year 2023, for the maximum price of Forty-Four Thousand Dollars ($44,000).

Ms. East-Janicki recommended to the Board that Eide Bailly be designated as the Authority's auditor for fiscal year 2023 for the maximum cost of $44,000. Ms. East-Janicki explained that Eide Bailly has been the Authority's auditor for the last five years, that she has a good relationship with Eide Bailly and that the maximum cost is only 3.5% above the previous year. Following a brief discussion among the Trustees, **it was moved by Trustee Rice and seconded by Trustee McLaughlin that Eide Bailly be designated as the Authority's Auditor for Fiscal Year 2023, for the maximum price of Forty-Four Thousand Dollars ($44,000). Chairman McLaughlin opened the floor to public comment regarding the matter. There was no public comment. The motion carried unanimously (4-0).**

C. 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 and that the only change from her last report is the addition of interest income. Ms. East-Janicki indicated that approximately $2,205,000 is held in laddered certificates of deposit (CDs) with most of the balance of the investments in the Local Government Investment Pool. Ms. East-Janicki also provided the Board with a brief summary of the Authority's three funds, indicating that the Authority's general fund is utilized for general operating expenses, the plant emergency fund is restricted to use for emergency repairs and plant expansion and the construction fund is restricted to projects on the Authority's Capital Development Plan.

Chairman McLaughlin 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, Ms. East-Janicki explained the details of payroll are not in the monthly reports because payroll is completed by a third-party payroll company.

Chairman McLaughlin 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 and seconded by Trustee McLaughlin and approved unanimously (4-0) that the claims as presented be approved.**

REPORTS/UPDATES FROM BOARD OF TRUSTEES CONCERNING THE AREAS OR DISTRICTS THEY REPRESENT:

Trustee Huckbody reported that Tahoe Douglas District (TDD) was currently planning to install generators for each of TDD's five lift stations this spring. Trustee Huckbody also indicated that the TDD Board has had one meeting thus far with its three new board members.

Trustee Nelson reported that Kingsbury General Improvement District (KGID) met on January 17th and that based on a recent Farr West Engineering report, KGID has approximately $5.5 million in upcoming infrastructure need. The KGID Board will consider various ways of meeting this financial need over the next ten years.

Trustee McLaughlin inquired about the ongoing discussions with the Elk Point Sanitation District (EPSD) and the need to upgrade certain EPSD infrastructure. Authority legal counsel, Jim Cavilia, indicated that he was working with Mr. Hopkins and Ms. East-Janicki to prepare an updated agreement with EPSD that will adequately provide for the operation and maintenance of the EPSD collection system. Trustee McLaughlin requested that the subject of EPSD be placed on future Board meeting agendas to keep the Board informed as to the status.

Trustee Rice reported that the Douglas County Commission recently appointed new members to the Douglas County Planning Commission and that two of the new planning commissioners are from Lake Tahoe. Trustee Rice expressed his optimism about the current County Commission, specifically mentioning that Sharla Hales is a great addition to the Commission.

Trustee McLaughlin reported that the Tahoe South Events Center (TSEC) is on track to open in July and that the response to events being planned in the fall has been great. With regard to the casino core. Trustee McLaughlin stated that the timing of winter storms on the weekend made January a difficult month.

Chairman McLaughlin 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 10:45 a.m.

APPROVED

4875-2796-3984, v. 1

Meeting Date: January 18th, 2023

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – December 2022 / January 2023
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. The Nevada Division of Water Resources (NDWR) conducted annual dam safety inspections at the mothballed Buckeye Effluent Storage Reservoir dams, located in the Carson Valley, in early December. DCLTSA continues the inspections to keep the existing permits open and valid. Our dams passed inspection, with some minor repairs and some vegetation removal called out as "need-to-do's".

2. A meeting was held between Nevada Tahoe Conservation District personnel, DCLTSA staff and our Engineer, R.O. Anderson to discuss requested updates to the existing Special Use Permit we have with the U.S. Forest Service for the access, operation, and maintenance of our Beach Pump Station facility, located at Nevada Beach. Renegotiation of the S.U.P. will be needed due to the upcoming reconstruction of the Burke Creek watershed, adjacent to the Beach Pump Station. This creek-bed relocation will involve removal of an existing paved road and easement that provides access to our pump station. The U.S.F.S. wishes to minimize the paved footprint around the pump station and negotiations are underway as to what amount of paved space will allow adequate maintenance access as well as provide plenty of staging area for emergency and construction equipment in the future. Our Engineer, Mr. Anderson, can provide additional detail if needed.

3. DCLTSA staff conducted manhole inspections along Kahle drive, also as part of the Burke Creek Project. Relocation and resurfacing of sections of Kahle Drive as part of the project will offer DCLTSA a good opportunity to perform needed repairs and upgrades to the aging manholes in Kahle Drive. Resurfacing work on Kahle Drive is anticipated to occur this summer.

4. DCLTSA was approached by Philip Gardner, a Ground Water Specialist with the United States Geological Survey – Nevada Water Science Center, with a request

for any well depth sounding data from our field of monitoring wells which surround our mothballed Buckeye Effluent Storage Reservoir site, located in the Carson Valley. The DCLTSA well sounding records will be rolled into a larger USGS project which is tracking the behavior of the Carson Valley aquifer over the last several decades.

5. The 4th Quarter 2022 Discharge Monitoring Report has been submitted and passed by the Nevada Division of Environmental Protection. We have submitted all related laboratory, flow and biosolids data to our Engineer, R.O. Anderson for completion of the comprehensive 2022 DCLTSA Annual Discharge Monitoring Report and for our Annual Biosolids Report, due to the Environmental Protection Agency at the end of January 2023.

6. Kudos to our staff, who have put in many long hours keeping the Sewer Authority operating during this long series of Atmospheric River rain and snow events. Peak daily flow for calendar year 2022 occurred on New Years Eve coming in at 2.512 million gallons. While some of the high flows are attributable to additional people in town for the festivities, the additional inflow and infiltration from the rain-on-snow events was a key driver of the peak in flow. An interesting factoid from the Tahoe Fund: In the week spanning Christmas to New Years Day, the level of Lake Tahoe rose by almost 1 foot.



R O Anderson

January 17, 2023

Via Email

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

Authority Engineer's Monthly Report – January 2023

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. We have been engaged in discussions with representatives of Tahoe Conservation District on the interface of their design of Kahle Drive improvements with Authority facilities as well as discussions with them regarding USFS' desire to remove the Authority's access road from Kahle Drive to the Beach Pump Station. And, from correspondence with Douglas County we are expecting the re-design of Tahoe Beach Club III to be resubmitted soon.

A summary of project-specific services provided this month include.

Fourth Quarter Flow Meter Reconciliation: In cooperation with Paula, we have reviewed and updated the flow meter data for each respective contributing District and compared those flows to the Authority's Plant meter. The chart that summarizes this data is attached.

Over the past 12 months, there have been a few operational problems with the data from a couple of the meters that introduce some uncertainty in the results. However, that is not unexpected for mechanical equipment in this environment. Preliminarily and subject to further review, for the period of January 1st through December 31st, 2022, the combined flows from the contributing Districts' meters is within 1.5% of the flow volume measured at the Plant Meter. This cumulative variance in flows between these meters remains surprisingly close and within the combined accuracy of the metering devices.

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As of December 31st, again, subject to final review, the flow percentages from each contributing district compared to flows measured at the Influent Meter are:

- Elks Point Sanitation District: 0.42%
- Tahoe Douglas District: 19.86%
- Kingsbury General Improvement District 20.34%
- Round Hill General Improvement District 11.50%

The remaining 47.88% is attributable to flows from the casino core area including Edgewood.

For the year, the average daily flow was 1.12 MGD and the maximum day flow was 2.512 MGD (New Year's Eve). The peak day factor is therefore 2.24. The average day flow is somewhat higher than 2021 (1.05 MGD) but the maximum day flow (2.512 MGD) was 58% higher than 2021 (1.58 MGD). To the best of my knowledge and recollection, 2.5 MGD is the highest daily flow processed through the plant since I have been associated with the Authority (2007).

For context, the attached chart summarizes the flow by contributing district, by date and is overlaid with major holidays as well as local precipitation totals. As each of you are aware, at the end of December and continuing now through the middle of January, the Tahoe Basin received considerable precipitation in the form of both rain and snow. As one measure of the volume of precipitation received, from December 27th through December 31st the water surface elevation of Lake Tahoe rose 0.75 feet, and through January 16th, the lake's level has risen 1.5 feet. Within the districts, the influence of precipitation on sewer flows in the form of infiltration and inflow has not been quantified. Anecdotally, though, the comparison of precipitation totals to flows seems to suggest that the relationship could be significant. This observation is most notable when there are successive storms that function first to increase soil moisture content and once soils are saturated, flows tend to increase through the meters.

2023 Mechanical Building Re-roof Project: On December 13, the Authority received one bid for the subject re-roofing project. The bid was from East Fork Roofing and was in the amount of $241,760. This amount is in line with our estimate of the probable cost of the project in this current bidding environment.

We have reviewed the references and qualifications of East Fork Roofing and find them to be properly licensed and qualified to complete the work. Accordingly, we recommend that the Board award the project to East Fork Roofing in the listed bid amount of $241,760.

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,

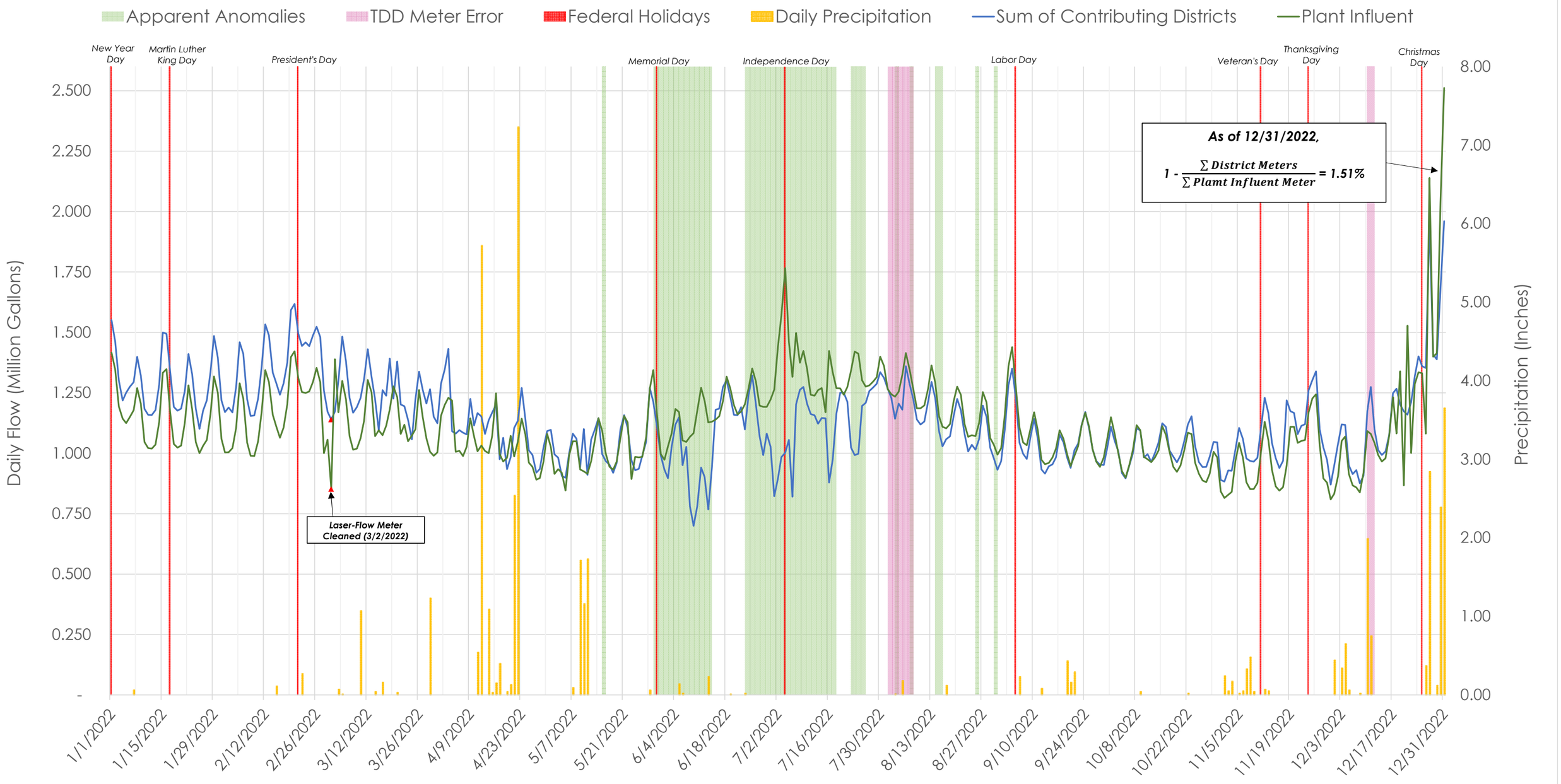
R.O. ANDERSON ENGINEERING, INC.

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

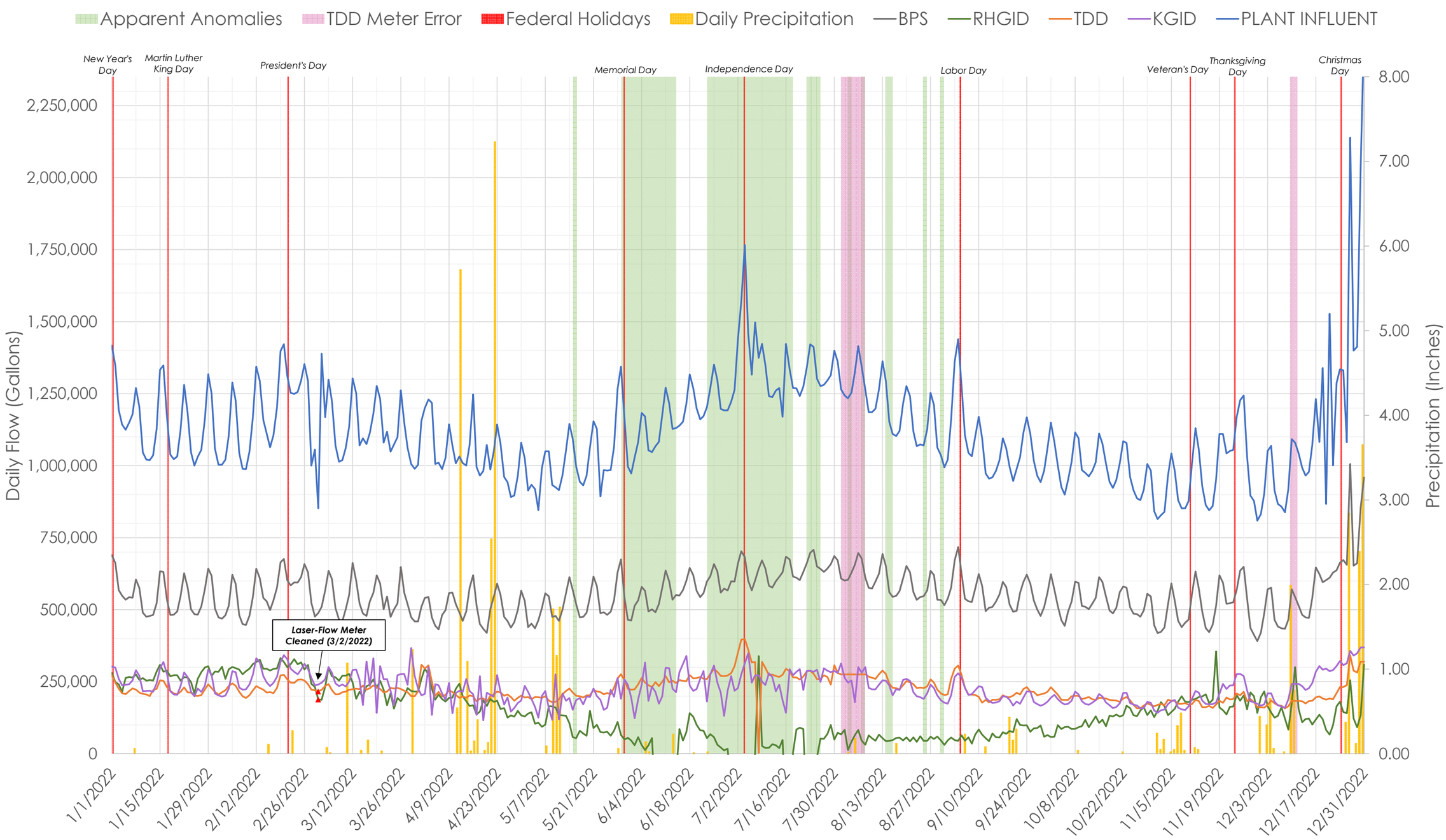
Attachments

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

Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
01/01/2022 - 12/31/2022



DCLTSA Flow Comparison with Daily Precipitation
01/01/2022 - 12/31/2022



CONTROLLER'S GENERAL STATUS REPORT

January 18, 2023

- There is a Budget to Actual spreadsheet in the Board packet that shows operating expenses through November were more than 9.5% under budget. Most of that underage comes from the Salaries and Benefits category. We have not received any bills yet related to the camera inspection of our sewer lines, because the work is not complete. I expect that bill to be approximately $70,000 when it comes in.

- Last month the Board authorized a mid-year adjustment to the salaries of all employees in an amount to be determined by the Authority Manager, so that the aggregate of the average merit increase and the instant salary adjustment not to exceed 8.7%. To implement that, the average merit raise of the employees who had received such increases was determined to be approximately 4.4%. Therefore, the salary adjustment given on December 1, 2022, was 4.25%.

- **Discussion and possible action to designate Eide Bailly as the Auditor for the current year**

  The State Department of Taxation requires each entity to designate their auditor no later than March 30 of each year. Normally, we bring our recommendation to the Board at the February meeting. However, last week Beth Farley of Eide Bailly contacted me to say that, within Eide Bailly, she would no longer be doing government audits. Beth is the person we have dealt with for the past 4 years.

In February of 2019, The Authority entered into a 5-year Maximum Price Agreement with Eide Bailly, and this is the 5th year. Given the change in primary auditor, Beth indicated that the Authority could put the audit back out to bid if it wished, rather than sticking to the Agreement.

The Agreement calls for a maximum price of $44,000 this year, only a 3.5% increase over last year. Beth is turning her duties over to Tiffany Williamson, who was our auditor for years with Grant Thornton. She also is responsible for KGID's audits. I found her easy to work with and given the small cost increase in the current inflationary environment, it is our recommendation that the Board designate Eide Bailly as the Authority's auditor for the upcoming cycle.

- **Investment Report**

The Authority's investments still total a little more than $14.2 million. Since the last Board meeting, the only change has been the interest added. Of that amount, $2,205,000 is 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 3.2% in December.

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

  - $6,146,816 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.

- $3,955,830 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.
- $4,161,535 in the Construction Fund, restricted by Ordinance for projects on the five-year 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.