MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
May 17, 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, May 17, 2023, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

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

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, the Authority's legal counsel, Jim Cavilia, and Mike Bradford.

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

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

MINUTES OF PRIOR MEETING:

It was moved by Trustee Rice, seconded by Trustee Huckbody and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated April 19, 2023, be approved as presented.

PUBLIC HEARING on the Final Budget for Fiscal Year 2023-2024

The Authority Controller, Paul East-Janicki, presented the Board with a proposed budget for fiscal year 2023-2024, explaining that the revisions from the tentative budget include increased electrical costs based on rate increases of approximately 100% in the last two years. Ms. East-Janicki stated

that operating costs have increased by approximately $47,000 a year based on the cost of electricity alone.

Ms. East-Janicki added that operating revenues in the budget have been increased by approximately $260,000 in order to cover expenses and that the revenues include the Authority's annual capital assessment portion of rates. Ms. East-Janicki explained that the budgeted salaries have increased based upon a Public Employee Retirement System increase of 3.75%. Ms. East-Janicki indicated that utility expenses are up approximately $130,000 based on increased electrical rates and taking into account lower water usage as a result of recent plant upgrades.

The budget includes approximately $112,000 for HDR's assessment of the Authority's collection system and an increase of approximately $13,000 for fuel and lubricants. Ms. East-Janicki indicated that the total operation and maintenance budget was up approximately $268,000 or 7.73% over the current year. Ms. East-Janicki explained that the budget conforms with the Capital Development Plan approved by the Board in the previous month.

Finally, Ms. East-Janicki reported that the budgeted change in rates had been communicated to each of the contributing districts with Round Hill General Improvement District's (RHGID) rates increasing by .68%, Tahoe Douglas District's (TDD) rates increasing by 1.86% and Kingsbury General Improvement District's (KGID) rates going down 1.58%. The rate per gallon for in-Authority commercial users was going down, but based on increased flows the total costs are budgeted to increase. Ms. East-Janicki recommended that the budget be adopted as presented.

Following a brief discussion among the Trustees, **it was moved by Trustee Huckbody, seconded by Trustee Rice and carried unanimously (3-0) that the Fiscal Year 2023-2024 Budget be adopted as presented.**

Discussion and possible action regarding access to the Authority's Beach Pump Station and a request by the United States Forest Service (USFS) that the Authority abandon its current right to access via Kahle Drive/Beach Club Drive as part of improvements to Burke Creek being considered by the USFS and the Nevada Tahoe Conservation District.

Authority Manager Rob Hopkins indicated that as part of the improvements to Burke Creek by the USFS and the Nevada Tahoe Conservation District (NTCD), it has recently been requested that the Authority abandon its historic access to the Beach Pump Station from Kahle Drive/Beach Club Drive to the south. Mr. Hopkins explained that he has been working with the Authority Engineer, Rob Anderson, to communicate the importance of this access to the Beach Pump Station from the south. Mr. Anderson stated that the Authority's right to access the Beach Pump Station is the result of a Special Use Permit issued by the USFS and that the Authority has utilized such access since prior to 1969.

Mr. Anderson explained that NTCD wishes to improve Burke Creek and that the Authority has been cooperating in those plans, but as the recent flooding at the Beach Pump Station showed, it is very important that the Authority have adequate access to the pump station. Mr. Anderson

indicated that he and Authority staff were seeking the Board's input about the importance of maintaining adequate access to the Beach Pump Station.

In meeting with representatives of the USFS, Mr. Anderson indicated that the USFS District Ranger has been very professional and appears to understand the importance of the Authority maintaining its access from the south. Additionally, Mr. Anderson stated that the USFS understands that it is not likely that the planned improvements to Burke Creek can be completed this year.

Mr. Hopkins reported that the Authority has spent more than 300 man hours in making repairs to damage at the Nevada Beach Campground that was caused this winter, in part, as a result of the Authority having to access the Beach Pump Station from the Campground this winter. Mr. Hopkins explained that the Authority voluntarily agreed to make these repairs at the request of the USFS, but that it was not desirable or feasible to only have access to the Beach Pump Station through the Campground.

Based on the importance of the Beach Pump Station and its proximity to Lake Tahoe, Mr. Hopkins and Mr. Anderson recommended that the Board deny the request that the Authority abandon the historic access from the south. Mr. Anderson added that he appreciates the environmental benefits of improving Burke Creek, but that such improvement should not prohibit or restrict the Authority's access to the Beach Pump Station.

Mike Bradford added that it was important to retain the historic access from the south for fire and emergency services purposes.

Chairman McLaughlin expressed his appreciation for the improvement to Burke Creek, but agreed that such improvements must not restrict the Authority's access to the Beach Pump Station. Chairman McLaughlin indicated his willingness to consider Burke Creek improvement options that do not restrict the Authority's access. Following a discussion among the Trustees a consensus was reached for the Authority to work with the USFS and the NTCD on the Burke Creek improvements so long as the Authority's access to the Beach Pump Station from the south is maintained.

Chairman McLaughlin opened the floor to public comment regarding the matter. Mr. Bradford stressed that access to the Beach Pump Station needs to be maintained not just for the Authority but also for the USFS and the local fire professionals as well.

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 Authority staff have been working with NV Energy to apply an agricultural rate for the Authority's effluent export pumping. Mr. Hopkins explained that because the exported effluent is utilized for agricultural irrigation, it is appropriate that the agricultural rate be applied.

Mr. Hopkins indicated that the Mechanical Building Re-Roofing project is progressing with some weather delays, and that the first progress payment in the amount of $161,000.00 was recently made to the contractor.

Mr. Hopkins stated that the Authority is working with the Nevada Department of Transportation (NDOT) to modify and adjust Authority manholes as part of NDOT's repaving of Highway 50 form the state line to Spooner Summit.

Mr. Hopkins reported that as of June 1, 2023, NV Energy is changing its Time of Use (TOU) criteria and that the change will result in the elimination of the mid-peak charges. Because of this, the Authority is in the process of adjusting its system operations in order to minimize electrical costs by operating equipment during off-peak periods as much as possible.

With regard to the Tahoe Beach Club (TBC), Mr. Hopkins indicated that the developer approached the Authority about discharging water from the TBC construction site to the Authority's sewer. Mr. Hopkins stated that, based on pre-testing of the water, TBC has installed a pre-treatment plant on-site that will filter the water before it is discharged to the Authority's system.

As discussed earlier, Mr. Hopkins reported that the Authority has voluntarily completed repairs requested by the USFS at the Nevada Beach Campground. Mr. Hopkins expressed his appreciation for how quickly Authority staff completed the repairs.

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 May 16, 2023, briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The May 16, 2023 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that the re-roofing of the mechanical building was progressing and was scheduled to be completed prior to Memorial Day.

Mr. Anderson indicated that sewer flows for the year are up when compared to last year and that much of that increase is likely attributed to the flooding that took place at the Beach Pump Station on May 10th.

With regard to the Tahoe Beach Club, Mr. Anderson stated that the Phase 2 final map, consisting of six buildings, was recently submitted for review.

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

ATTORNEY'S REPORT:

A. Discussion and Possible execution of Amended and Restated Agreement between the Authority and Elk Point Sanitation District.

The Authority's legal counsel, Jim Cavilia, reported that the Amended and Restated Agreement that he prepared between Elk Point Sanitation District (EPSD) and the Authority had been reviewed and apparently approved, by the EPSD Board, but the Authority had not yet received a signed copy of the agreement. Mr. Cavilia recommended that the Board approve the Amended and Restated Agreement as written contingent upon receiving an executed copy of the agreement from EPSD.

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 Huckbody, seconded by Trustee Rice and carried unanimously (3-0) that the Amended and Restated Agreement with EPSD be approved as presented contingent upon receipt of an executed copy of the Agreement from EPSD.**

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

Ms. East-Janicki reported that the Authority's operating expenses are approximately 6.35% under budget through March, mainly as the result of lower payroll expenses. Ms. East-Janicki also reported that it would likely be necessary to augment the budget in upcoming months, not to increase the total budget, but rather to move expenses among various line items.

Ms. East-Janicki indicated that she anticipates receiving the salary survey being conducted by Public Sector Personnel Consultants sometime in June.

With regard to the recent increase in sewage flows, Ms. East-Janicki stated that it was likely the result of inflow and infiltration.

Chairman McLaughlin 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 $14.9 million invested. Ms. East-Janicki indicated that the Authority recently acquired two Certificates of Deposit (CDs), one for one year at the rate of 5.15% and another for 18 months at 5.05%. Ms. East-Janicki provided the Board with a list of the Authority's CDs.

Ms. East-Janicki indicated that not more than $245,000 is held in any single FDIC insured bank and that approximately $11 million is held in the Local Government Investment Pool and currently earning 3.93%.

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.

The claims were signed off on by Chairman McLaughlin.

Chairman McLaughlin 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 Huckbody stated that Tahoe Douglas District (TDD) is considering an adjustment in residential rates in conjunction with consideration of the annual budget at an upcoming meeting. Trustee Huckbody also indicated that TDD was interested in the results of the salary survey that the Authority is having prepared.

Trustee Rice reported that Douglas County is currently considering revisions to the County's Vacation Home Rental ordinance. Trustee Rice also reported that work on the Tahoe South Events Center (TSEC) is continuing with the grand opening being planned for September 2023.

Trustee McLaughlin reported that, like the TSEC, a delay in the delivery of a needed switchgear was causing a delay in completion of the Villas at Edgewood. Trustee McLaughlin indicated that Douglas County funding for the micro-transit project has still not been approved. Finally, Trustee McLaughlin stated that after a rough winter, the business community was looking forward to a very good summer at Tahoe.

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 10:50 a.m.

APPROVED

4860-3621-6682, v. 1

AUTHORITY CONTROLLER'S

FINAL BUDGET REPORT

May 17, 2023

- For the sake of brevity, I will not go over as many specifics as I did before you approved the tentative budget. Since I submitted that, it was necessary to make some changes, particularly to the Utilities line item. We visited with a representative from NV Energy last week. I had done a 2-year historical look at our electrical usage and found that the price per Kilowatt Hour had nearly doubled in two years. I believed I must have made a mistake, but she confirmed it. Over the last 12 months, our rates (not usage) have increased 39.3%. She also advised that the rate increases are not over, that there was no end to them in sight at this time. I made some other small line-item expense changes to accommodate the increase in electrical costs, but overall, it raised operations and maintenance expenses by more than $47,000.

- Pages 1 through 4 of the budgets have only changed to reflect the new total expenses.

- Looking at Form 19 on Page 5 of the budget I'll direct your attention primarily to the changes made since the tentative budget.

    - In Operating Revenues at the top of the page, you will see an increase of more than $260,536 over last year's revenues. As an enterprise fund, the Authority's revenues must cover its operating expenses. On the budget that Operating Revenues figure includes the Capital Assessment portion of rates as O & M expenses.

    - Since the Tentative Budget, the flow report was completed, and we recognized that KGID's flow contribution for the current year is trending significantly up, and the Beach Pump Station flows are trending down. Therefore, KGID's rates and the In-District rates were

adjusted to accommodate that. Mitch Dion, General Manager at KGID acknowledged that their flows were trending higher due to infiltration of ground water and customers directing their gutters directly to the sewer. The result of this change in expected flow contribution is that the Sewer Fees (In-District) went down and the contracts with Other Districts went up.

- Under Operating Expenses, there is a $70,330 increase in the salaries and benefits category from last year due primarily to the State-mandated 3.75% PERS increase, and the Overtime necessary due to very short staffing. This line item has not changed since the Tentative Budget.

- The Power & Utilities category grew by $130,163 (36.14%) due to announced rate increases for electricity, natural gas and solid waste removal.

- In Engineering and Consulting, there is a $112,035 planned expense for HDR's assessment of the Authority's collection lines. As I've mentioned before, that cost is only charged to In-Authority users.

- In Fuels and Lubricants, I've projected an increase of $13,100 for the year. That's based on the current year's costs through March.

- Overall, the tentative Operations and Maintenance Budget increased $268,535 or 7.73%.

- <u>On Page 6,</u> the Statement of Cash Flows:

  - Under Item A, Cash Flows from Operating Activities, the numbers have changed to reflect the operating expense increases detailed above.

  - Under Item C, Cash Flows from Capital and Related Financing Activities, the Acquisition of Capital Assets has changed to reflect the

changes made to the Authority's Capital Development Plan adopted by the Board at the last meeting. As a reminder we moved the money previously expected to be spent this year to next year's budget because of equipment long lead times.

- The increased projected expenditures impact on the rates stated at the Tentative Budget hearing. Each District Manager has been apprised of this so their budgets can reflect that.

    - Round Hill's overall rates will increase .62%
    - Tahoe Douglas District's rates will increase by 1.86%
    - KGID's rates will decrease by 1.58%.
    - In-Authority residential rates will remain level, at $576 per year, $48 per month.
    - Because the commercial flows increased more than 22% in 2022, the cost per 1,000/gallons decreased by almost 9.5%. For most commercial users, the overall cost increase from higher flows is small, due to the rate decrease. Only Harrah's and Harvey's will see significant increases because their flows increased 42.7% and 29.4% respectively.

After any questions you might have are answered, I'd ask you to adopt the Final Budget as presented.

Douglas County Lake Tahoe Sewer Authority
Wastewater Reclamation Plant

P.O. Box 578, Zephyr Cove, NV 89448 **775-588-3558 • 775-588-1845 fax**

Nevada Department of Taxation
1550 College Parkway, Suite 115
Carson City, NV 89706-7921

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY herewith submits the **FINAL** budget for the fiscal year ending **June 30, 2024**

This budget contains 1 funds, including Debt Service, requiring property tax revenues totaling $ 0

The property tax rates computed herein are based on preliminary data. If the final state computed revenue limitation permits, the tax rate will be increased by an amount not to exceed 0 If the final computation requires, the tax rate will be lowered.

This budget contains 0 governmental fund types with estimated expenditures of $ 0 and 1 proprietary funds with estimated expenses of $ **6,110,481**

Copies of this budget have been filed for public record and inspection in the offices enumerated in NRS 354.596 (Local Government Budget and Finance Act).

CERTIFICATION

I PAULA EAST-JANICKI
(Printed Name)
AUTHORITY CONTROLLER
(Title)
certify that all applicable funds and financial operations of this Local Government are listed herein.

Signed _____

Dated: May 17, 2023

Phone: 775/586-8575

APPROVED BY THE GOVERNING BOARD

_____

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_____

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SCHEDULED PUBLIC HEARING:
(Must be held from May 15, 2023 to May 31, 2023 this year)

Date and Time May 17, 2023 9:30 a.m. Publication Date May 6, 2023

Place: Administrative Bldg., Wastewater Reclamation Plant, Round Hill, Nevada

FORM 4404LGF

Last Revised
5/12/2023

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FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION

	ACTUAL PRIOR YEAR ENDING 6/30/2022	ESTIMATED CURRENT YEAR ENDING 6/30/2023	BUDGET YEAR ENDING 6/30/2024
General Government			
Judicial			
Public Safety			
Public Works			
Sanitation	11	10	10
Health			
Welfare			
Culture and Recreation			
Community Support			
TOTAL GENERAL GOVERNMENT			
Utilities			
Hospitals			
Transit Systems			
Airports			
Other **Board Members**	5	5	5
TOTAL	16	15	15

POPULATION (AS OF JULY 1)	2550	2550	2550
SOURCE OF POPULATION ESTIMATE*	Sewer Connections	Sewer Connections	Sewer Connections
Assessed Valuation (Secured and Unsecured Only)	n/a	n/a	n/a
Net Proceeds of Mines			
TOTAL ASSESSED VALUE	n/a	n/a	n/a
TAX RATE			
General Fund			
Special Revenue Funds			
Capital Projects Funds			
Debt Service Funds			
Enterprise Fund	0	0	0
Other			
TOTAL TAX RATE	0	0	0

*** Use the population certified by the state in March each year. Small districts may use a number developed per the instructions (page 6) or the best information available.**

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

SCHEDULE S-2 - STATISTICAL DATA

SCHEDULE A-2 PROPRIETARY AND NONEXPENDABLE TRUST FUNDS

Budget For Fiscal Year Ending June 30, 2024

Budget Summary for DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

FUND NAME	*	OPERATING REVENUES (1)	OPERATING EXPENSES (2) **	NONOPERATING REVENUES (3)	NONOPERATING EXPENSES (4)	OPERATING TRANSFERS IN (5)	OPERATING TRANSFERS OUT(6)	NET INCOME (7)
PROPRIETARY	**E**	**6,006,325**	**5,916,882**	**398,484**	**193,599**	**0**	**0**	**294,328**
TOTAL		**6,006,325**	**5,916,882**	**398,484**	**193,599**	**0**	**0**	**294,328**

* FUND TYPES: E - Enterprise
I - Internal Service
N - Nonexpendable Trust

** Include Depreciation

PROPRIETARY FUND	(1) ACTUAL PRIOR YEAR ENDING 6/30/2022	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2023	(3) BUDGET YEAR ENDING 06/30/24 TENTATIVE APPROVED	(4) FINAL APPROVED
OPERATING REVENUE				
Sewer Fees	**2,325,227**	**2,713,360**	**2,968,141**	**2,959,343**
Contracts - Other Districts	**2,762,582**	**3,006,429**	**2,978,051**	**3,033,982**
Other Fees	**31,263**	**26,000**	**13,000**	**13,000**
Total Operating Revenue	**5,119,072**	**5,745,789**	**5,959,193**	**6,006,325**
OPERATING EXPENSE				
Salaries, Benefits	**1,583,879**	**1,944,394**	**2,157,773**	**2,157,773**
Utilities	**370,023**	**468,970**	**427,420**	**490,333**
Chemicals, Supplies	**76,313**	**108,250**	**108,250**	**108,250**
Legal, Accounting	**90,527**	**109,300**	**106,300**	**109,300**
Engineering and Consulting	**61,151**	**58,000**	**174,035**	**170,035**
Repairs and Maintenance	**194,203**	**366,325**	**273,800**	**263,300**
Insurance, Other	**272,495**	**281,691**	**313,755**	**306,475**
Fuels, Lubricants	**24,760**	**37,860**	**34,860**	**37,860**
Depreciation/Amortization	**1,869,917**	**2,235,735**	**2,273,557**	**2,273,557**
Total Operating Expense	**4,543,268**	**5,610,525**	**5,869,750**	**5,916,882**
Operating Income or (Loss)	**575,804**	**135,264**	**89,443**	**89,443**
NONOPERATING REVENUES				
Interest Earned	**47,350**	**260,500**	**260,500**	**260,500**
Property Taxes	**0**	**0**	**0**	**0**
Consolidated Tax	**137,984**	**137,984**	**137,984**	**137,984**
Capacity Fees	**4,040**	**0**	**0**	**0**
Gain on Disposal of Assets		**2,500**	**0**	**0**
Federal Grant Funds	**0**	**0**	**0**	**0**
Total Nonoperating Revenues	**189,374**	**400,984**	**398,484**	**398,484**
NONOPERATING EXPENSES				
Interest on Bonds	**180,229**	**110,812**	**193,599**	**193,599**
Loss on Disposal Of Assets	**21,104**	**0**		**0**
Total Nonoperating Expenses	**201,333**	**110,812**	**193,599**	**193,599**
Net Income before Operating Transfers	**563,845**	**425,436**	**294,328**	**294,328**
Operating Transfers (Schedule T)				
In	**0**	**0**		**0**
Out	**0**	**0**		**0**
Net Operating Transfers	**0**	**0**		**0**
CHANGE IN NET POSITION	**563,845**	**425,436**	**294,328**	**294,328**

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY

(Local Government)

SCHEDULE F-1 REVENUES, EXPENSES AND NET POSITION

FUND ENTERPRISE (PROPRIETARY)

PROPRIETARY FUND 0	(1) ACTUAL PRIOR YEAR ENDING 6/30/2022	(2) ESTIMATED CURRENT YEAR ENDING 6/30/2023	(3) TENTATIVE APPROVED	(4) FINAL APPROVED
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received From Customers	**5,333,093**	**5,745,789**	**5,959,193**	**6,006,325**
Cash Payments to Suppliers	**(1,352,600)**	**(1,430,396)**	**(1,438,420)**	**(1,485,552)**
Cash Payments to Employees	**(1,909,242)**	**(1,944,394)**	**(2,157,773)**	**(2,157,773)**
Deposits Refundable	**(15,758)**			
a. Net cash provided by (or used for) operating activities	**2,055,493**	**2,370,999**	**2,363,000**	**2,363,000**
B. CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
None	**0**	**0**	**0**	**0**
b. Net cash provided by (or used for) noncapital financing activities	**0**	**0**	**0**	**0**
C. CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and Construction - Capital Assets	**(3,989,043)**	**(990,000)**	**(290,000)**	**(1,390,000)**
Consolidated Taxes	**137,984**	**137,984**	**137,984**	**137,984**
Cash Loss from Disposal of Assets	**(21,104)**			
Cash Received for Capacity Fees	**4,040**	**0**	**0**	**0**
Debt Service Interest	**(180,229)**	**(110,812)**	**(193,599)**	**(193,599)**
Debt Service Principal	**(119,533)**	**(345,303)**	**(578,134)**	**(578,134)**
Issuance of Long-Term Debt	**3,618,639**	**748**	**0**	**0**
Debt Issuance Costs	**0**	**0**	**0**	**0**
c. Net cash provided by (or used for) capital and related financing activities	**(549,246)**	**(1,307,383)**	**(923,749)**	**(2,023,749)**
D. CASH FLOWS FROM INVESTING ACTIVITIES:				
Redemption (Purchase) of Investments	**0**	**(2,205,000)**	**0**	**0**
Interest on Investments	**40,330**	**235,500**	**235,500**	**235,500**
Purchase of Restricted Investments	**(7,788)**	**0**		
d. Net cash provided by (or used in) investing activities	**32,542**	**(1,969,500)**	**235,500**	**235,500**
NET INCREASE (DECREASE) in cash and cash equivalents (a+b+c+d)	**1,538,789**	**(905,884)**	**1,674,751**	**574,751**
CASH AND CASH EQUIVALENTS AT JULY 1, 20xx	**13,266,033**	**14,804,822**	**15,110,601**	**13,898,938**
CASH AND CASH EQUIVALENTS AT JUNE 30, 20xx	**14,804,822**	**13,898,938**	**16,785,352**	**14,473,689**

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

SCHEDULE F-2 STATEMENT OF CASH FLOWS

FUND: ENTERPRISE FUND

ALL EXISTING OR PROPOSED
GENERAL OBLIGATION BONDS, REVENUE BONDS,
MEDIUM-TERM FINANCING, CAPITAL LEASES AND
SPECIAL ASSESSMENT BONDS

* - Type
1 - General Obligation Bonds
2 - G.O. Revenue Supported Bonds
3 - G.O. Special Assessment Bonds
4 - Revenue Bonds
5 - Medium-Term Financing
6 - Medium-Term Financing - Lease Purchase
7 - Capital Leases
8 - Special Assessment Bonds
9 - Mortgages
10 - Other (Specify Type)
11 - Proposed (Specify Type)

(1) NAME OF BOND OR LOAN List and Subtotal By Fund	(2) *	(3) TERM	(4) ORIGINAL AMOUNT OF ISSUE	(5) ISSUE DATE	(6) FINAL PAYMENT DATE	(7) INTEREST RATE	(8) BEGINNING OUTSTANDING BALANCE 7/1/2023	(9) REQUIREMENTS FOR FISCAL YEAR ENDING 06/30/24 INTEREST PAYABLE	(10) PRINCIPAL PAYABLE	(11) (9)+(10) TOTAL
FUND: Proprietary							$	$	$	$
SRF Loan Series May 25, 2006	4	20	$2,000,000	5/25/2006	1/1/2026	3.2375%	$ 257,563.00	$ 7,671.33	$ 83,112.17	$ 90,783.50
SRF Loan Series 2007	4	20	$1,200,000	8/27/2007	7/1/2027	2.875%	$ 208,445.00	$ 5,678.52	$ 44,035.13	$ 49,713.65
SRF Loan Series 2019	4	20	$9,000,000	10/3/2019	1/1/2039	2.080%	$8,777,978.00	$ 180,248.98	$ 450,987.12	$ 631,236.10
							$	$	$	$
TOTAL ALL DEBT SERVICE							$9,243,986.00	$193,598.83	$578,134.42	$771,733.25

SCHEDULE C-1 - INDEBTEDNESS
Budget Fiscal Year 2023-2024

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
(Local Government)

Schedule of Existing Contracts

Budget Year 2023 - 2024

Local Government: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Contact: PAULA EAST-JANICKI
E-mail Address: pke@dcsid.com
Daytime Telephone: 775-586-8575

Total Number of Existing Contracts: 11

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Proposed Expenditure FY 2023-2024	Proposed Expenditure FY 2024-2025	Reason or need for contract:
1	Allison, MacKenzie, et al., James Cavilia, Esq.	8/2/2004		$ 40,000	$ 40,000	Legal Services
2	Bently Family Limited Partnership	10/26/1998		$ 22,300	$ 22,300	Biosolids Composting
3	R.O. Anderson Engineering, Inc.	7/18/2008		$ 45,000	$ 45,000	District General Engineering Svcs.
4	Tahoe Basin Container Service	4/1/2022	3/31/2024	$ 36,050		Biosolids Hauling
5	Eide Bailly	4/1/2019	1/1/2024	$ 44,000		Audit Services
6	JNA Consulting Group	3/20/2019		$ 1,000	$ 1,000	Debt Management Policy.
7	Paychex Payroll Services	7/1/2019		$ 10,000	$ 10,000	Payroll and Tax Reporting
8	Burgarello Alarm, Inc.	6/26/2018		$ 750	$ 750	Fire Alarm Monitoring
9	Cashman Equipment Company	2/26/2018		$ 7,400	$ 7,400	Generator Inspection
10	Summit Plumbing	5/1/2020	5/1/2026	$ 63,000	$ 63,000	Line Cleaning and Inspection
11	HDR Engineering	8/24/2022		$ 112,035		Collection Line Assessment
12						
13						
14						
15						
16						
17						
18						
19	Total Proposed Expenditures			$ 381,535	$ 189,450	

Additional Explanations (Reference Line Number and Vendor):

Schedule of Privatization Contracts

Budget Year 2023 - 2024

Local Government: DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Contact: PAULA EAST-JANICKI
E-mail Address: pke@dcsid.com
Daytime Telephone: 775-586-8575

Total Number of Privatization Contracts: 0

Line	Vendor	Effective Date of Contract	Termination Date of Contract	Duration (Months/ Years)	Proposed Expenditure FY 2023-2024	Proposed Expenditure FY 2024-2025	Position Class or Grade	Number of FTEs employed by Position Class or Grade	Equivalent hourly wage of FTEs by Position Class or Grade	Reason or need for contract:
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11	Total				0	0		0		

Attach additional sheets if necessary.

Meeting Date: May 17th, 2023

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – May 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. DCLTSA staff is working with NV Energy on applying for NVE's Agricultural Rate for energy consumed by the DCLTSA Export Pump Station at the Plant. Because 100 percent of our treated effluent is beneficially re-used for agricultural production at Park Cattle and Bently Agrodynamics, we may be able to qualify for a reduced energy rate, at least on our 400 horsepower export pumps. These pumps are one of our single highest energy users at DCLTSA.

2. Progress Payment #1 has been made to East Fork Roofing for the Mechanical Building Re-Roofing Project in the amount of $161,100.00. Progress has been delayed a few days due to the late-season snow last week, but work is still progressing close to schedule at this time.

3. DCLTSA is working with NDOT to identify DCLTSA manholes and other infrastructure that may need to be modified, adjusted to grade, etc. as part of the upcoming NDOT project to repave US Highway 50 from the CA/NV State Line to Spooner Summit. Authority Engineer R.O. Anderson may provide further details.

4. NV Energy is changing their Time-of-Use (TOU) criteria as of June 1, 2023. These changes eliminate Mid-Peak charge categories and expand On-Peak periods by a few hours in the summer. DCLTSA is in the process of adjusting our systems to account for the new TOU changes. As always, we seek to minimize our electrical costs by running equipment during Off-Peak periods whenever possible.

5. The Tahoe Beach Club has approached the Authority with a request to discharge surface water from the TBC construction sites to the DCLTSA sewer. Pre-testing of the water TBC wishes to discharge has shown the water to be far too high in total suspended solids and non-settling colloidal solids. TBC has opted to install

a pre-treatment plant which will add a natural polymer to the surface water and then run this water through a package filtration system prior to discharge to the DCLTSA collection system. Initial jar tests performed at the Plant indicate that the polymer / filtration system proposed by TBC will be sufficient to allow them to discharge to our sewers post-filtration. (Photo attached.)



6. Work requested of DCLTSA by the U.S. Forest Service to repair damage to the Nevada Beach Campground from snow removal activities over the record winter and from the emergency response activity during the flooding event of March 11th, 2023, has been completed by DCLTSA staff ahead of opening the Campground. Costs of the snow removal and of the requested repair activities are still being tabulated by DCLTSA staff and are hoped to be available by the time of the May 17th Board meeting. A list of the requested repairs as well as a few select photographs are attached below for reference.

   Repairs requested by USFS:

Repair actions for berms and slash piles.

1. *Pull berms around sewer plant station back over source site and level to grade. Seed site with species list provided by Forest Botanist by hand broadcasting and gently raking into soil to a depth of 0.25". Seeding should occur between September 15 – November 15, prior to snowfall.*
2. *Install a barrier along Nevada Beach Campground Road to prevent over land vehicle access to pump station on newly cleared site.*
3. *Manually pull slash out of the Burke Creek floodplain including root balls. Chip slash material and scatter over seeded disturbed upland area around sewer pump station. Chip depth over seeded area will not exceed 1" and percent cover will be 90-100%. Excess chip or slash material and root balls will be disposed of offsite.*
4. *Manually or using equipment on approved upland areas, remove the sediment berms adjacent to Kahle ditch and spread in upland disturbed site to*

grade using rakes. Do not place sediment on native vegetation. Limit damage to native vegetation when accessing sites with equipment.

5. *Cut damaged fencing along Tahoe Beach Club property at nearest intact fencepost, and wrap cut fence pieces to avoid exposed hazards to the public. Remove all damaged and cut fencing materials and posts and dispose of offsite.*

Repair actions requested for occupied Tahoe Yellow Cress habitat:

1. *Repair split rail fence along NV campground road south of where it crosses Burke Creek. Replace damaged rails in kind.*
2. *Repair TYC enclosure at the mouth of Burke Creek using materials consistent with the existing design. This repair will be completed prior to opening road access to the beach and campground.*
3. *Using hand tools, remove sediment pile in Tahoe Yellow Cress enclosure at the mouth of Burke Creek to prevent burial and allow for plant emergence. Limit excavation of native beach sand to the extent feasible to prevent removal of Tahoe Yellow Cress. Spread sediment out over upland area outside of enclosure. Enclosure fencing must be returned to existing upright and working condition if alterations are made for access to sediment piles. Please coordinate with Forest Service botanist to arrange for a biological monitor to support this action and inspect fence repairs.*
4. *Surveys completed in occupied Tahoe Yellow Cress habitat that was excavated during flood response (in Kahle Ditch and mouth of Burke Creek) will be conducted in 2023 as a component of the Burke Creek restoration project. Results will be used to determine if outplanting is necessary to respond to impacts from flood response.*

Repair actions requested to mitigate potential introduction and spread of non-native invasive plants.

1. *Straw wattles will be removed and disposed of offsite by July 1, 2023. Early detection rapid response surveys and treatments will be implemented in 2023 and 2024 on sites where straw wattles were installed to prevent introduction and spread of non-native invasive species.*
2. *Monitor flood response disturbance areas for spread of bull thistle and cheat grass into Burke Creek riparian area and Kahle Ditch in 2023 and 2024. Treat new infestations of these species manually. Ground disturbance around sewer plant station excavated and likely spread the seed bank of these species.*

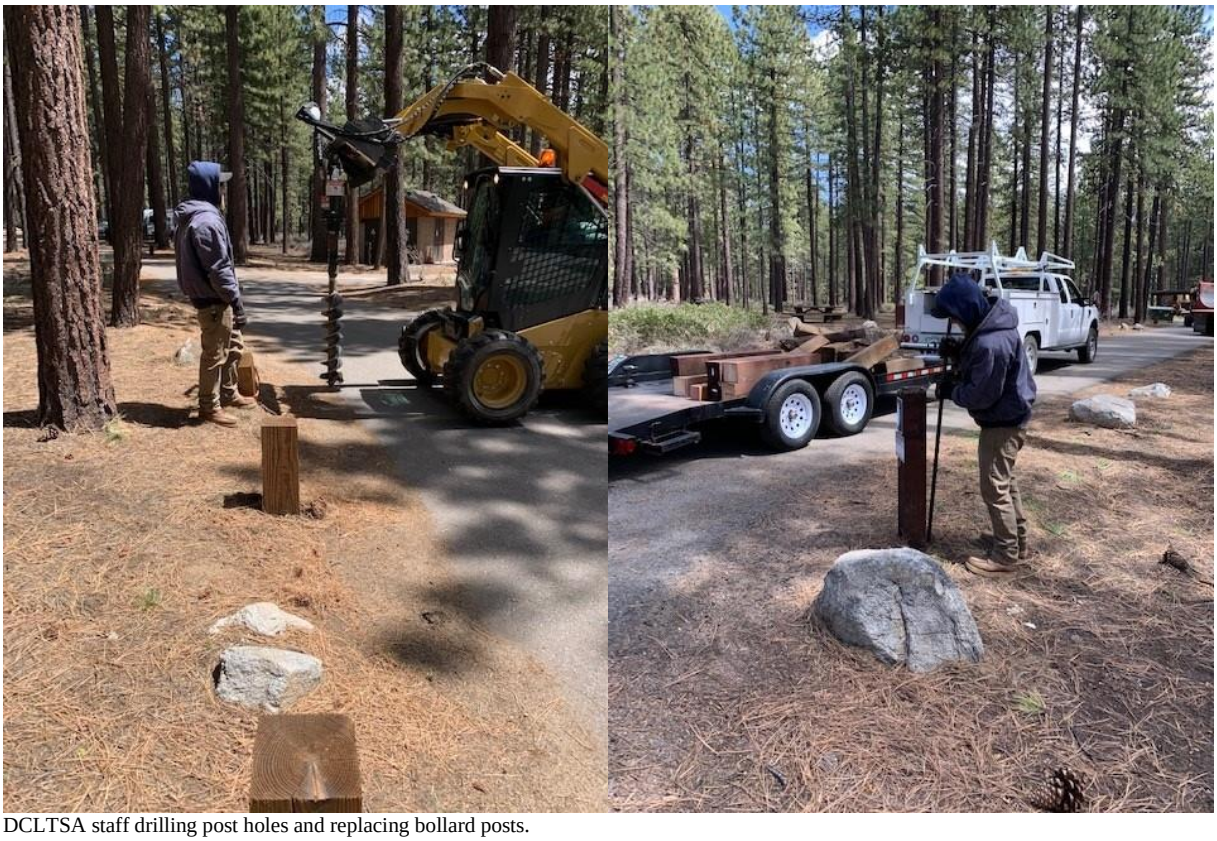
Repair actions from snow removal operations.

1. *Reset or replace 35 total bollards along roadway on plowing route*
2. *Reset or replace 11 campsite marker posts (sites 13, 14, 15, 23, 25, 26, 30, 31, 40, 47, 48).*
3. *Reset 3 boulders at sites 8, 10, 48.*
4. *Work with Tahoe Recreation to properly barricade the guard station entrance prior to Nevada Beach opening to the public.*

Install snow stakes along plow route in the fall, preferably after the gates close to the public



Typical evening plowing our Nevada Beach access



DCLTSA staff drilling post holes and replacing bollard posts.



Replaced split-rail fence near the dog beach portion of Nevada Beach.

R O Anderson

May 16, 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 – May 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 March 15, 2023. 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 project-specific services provided this past month include:

2023 Mechanical Building Re-roof Project:
I am pleased to report that the roofing contractor continues to make good progress re-roofing the mechanical building. The work on the perimeter of the building that is visible from ground level is nearing completion and work is progressing on the upper roofs. The contractor anticipates being complete within the contract time that expires on May 31st.

Report of Sewer Flows for the Period:
As reported during last month's Board meeting, the Annual Flow Report was finalized and issued. For calendar year 2022, the average daily influent flow to the plant was 1.12 MGD. The maximum day flow was 2.51 MGD on New Year's Eve. We have received and evaluated the year-to-date (January 1 – April 30) flow records. Year to date, the average daily flow has been 1.26 MGD, and the observed peak flow of 2.051 MG occurred on March 10th, which was the date that Burke Creek flooded effecting the Beach Pump Station.

Year-to-date the variance of influent flows measured at the plant versus the combined meter readings of flows from the contributing districts is 5.69%. The comparative flow charts are attached for your review and consideration.

Tahoe Beach Club, Phase 2 Final Condominium Subdivision Map Review
During the period, we reviewed the final subdivision map for Tahoe Beach Club, Phase 2. This map is a condominium map for Buildings 3 – 9 that are currently under construction

Physical
1603 Esmeralda Avenue
Minden, Nevada 89423
P 775.782.2322

Mailing
P.O. Box 2229
Minden, Nevada 89423
P 775.782.2322

Minden, Nevada
Reno, Nevada

pursuant to previously approved plans. Each building has 16 units of varying size resulting in the creation of 112 new condominiums in the project by recordation of this map. All the easements existing or previously required by prior plan reviews were reflected on the map. As a result, we recommended that Mr. Hopkins execute the map on behalf of the Sewer Authority.

Beach Pump Station – Alternative Site Circulation Drawing and Access from Beach Club Drive

Since the Board's last meeting there has been considerable correspondence and deliberations about the USFS's expressed intention of abandoning the existing access road from Kahle Drive to the site of the Beach Pump Station. This correspondence is summarized chronologically in the following paragraphs. Each of the cited emails is attached for your independent review.

- On April 13th, in response to some lingering questions posed during a coordination call with USFS about the logistics of accessing the Beach Pump Station through Nevada Beach Campground and other subjects, I sent a detailed email to USFS documenting some of the Authority's concerns about having to exclusively rely on access through the campground, particularly during the winter months when snow has accumulated.

- In response to that email, representatives of the Agency had a few follow-up questions. On April 27th, I responded to those questions with additional details about the extent of the access constraints plus a summary of the manhours Authority personnel had expended in attempting to maintain access through the campground during this past winter. The ShareFile link included in that email is re-listed here for you to access the videos and photos that were shared in that email.
  https://roanderson.sharefile.com/d-s795db9860715479cb3aa9a38f4b443ae

- On April 27th, in a conversation with Tahoe Douglas Fire Chief, Scott Lindgren, about the USFS' request to abandon the driveway from Kahle Drive, Mr. Lindgren indicated that that route must stay in place and be accessible for emergency purposes at least until a suitable replacement route can be established.

- On April 28th, the Sewer Authority received a directive from the Agency to repair the areas disturbed during the emergency work at the pump station between March 9th – 15th. The directive further required the Sewer Authority to repair and replace as needed drive aisle bollards, signs, etc. that were damaged or disturbed by snowplowing activities over the past winter. Due the soon planned opening date of the campground, the Agency required that these repairs be accomplished before the campground on May 5th. That correspondence, which lists the required repairs is attached. So that you are aware, the Sewer Authority's personnel were, in my estimation, super responsive and successfully completed most items in advance of the May 5th date, and all items by May 9th.

- After further considering and weighing both the risks of potentially not having emergency access on a 24 hour per day; 7 days per week; 365 days per year-basis, as well as the operational costs of solely maintaining the access road through the campground each winter, plus the very real costs of making repairs as necessary each spring for appurtenances that may be damaged while snowplowing and maintaining access, Mr. Hopkins, Ms. East-Janicki and I agreed that this request from USFS needs to be decided by the Board. Having arrived at this conclusion, on May 8th, I informed the representatives of the USFS of this decision. As you will see from that correspondence, we encouraged representatives of the Agency to appear before the Board to present their request directly.

- In response to that notice, the District Ranger, Mr. Erick Walker, and Ms. Theresa Cody, Project Manager for the Burke Creek Restoration Project, requested a meeting together to discuss the Management Team's decision further. Earlier today, May 16th, the Management Team met with Mr. Walker and Ms. Cody. Having participated in the meeting, I believe the discussion was both constructive and collegial. In fact, there were a couple of alternatives suggested by USFS that have the potential to achieve both agencies' objectives. Unfortunately, vetting the alternatives including design and permitting, will push the probable completion date of any one of the alternatives into the 2024 or 2025 construction season. I believe it was clear to all involved that allowing the removal of the subject access road and requiring the Authority to rely solely on access through Nevada Beach Campground, at least as it currently exists was unacceptable to the Sewer Authority, or at least its Management Team.

Having weighed each of these risks and the on-going operational and maintenance costs associated with having access to the site solely through the campground, we recommend the Board deny the request to abandon the access route and its historic right to full, unfettered access to the Beach Pump Station from Kahle Drive. The bases of this recommendation are listed in the attached correspondence.

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,

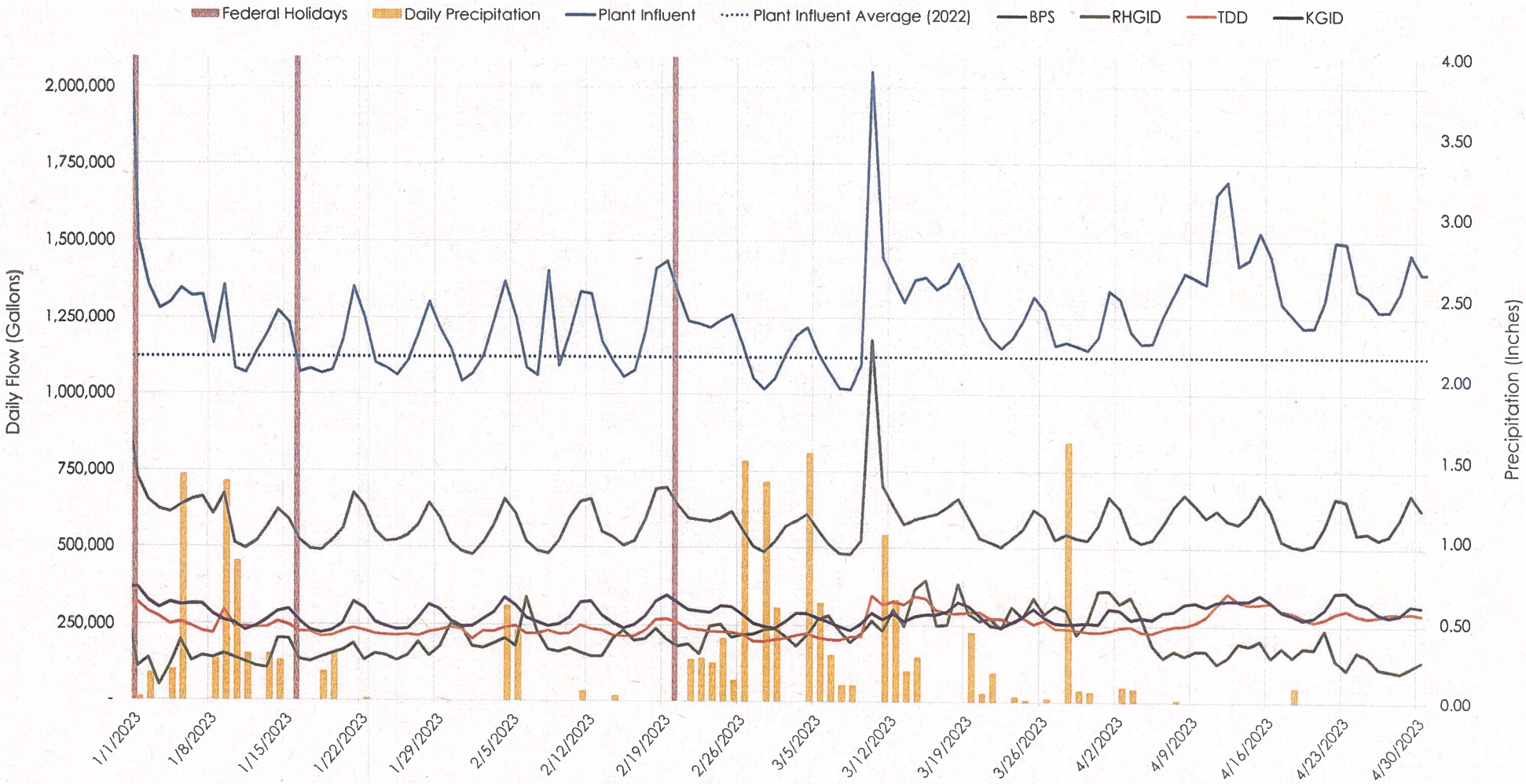
R.O. ANDERSON ENGINEERING, INC.

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

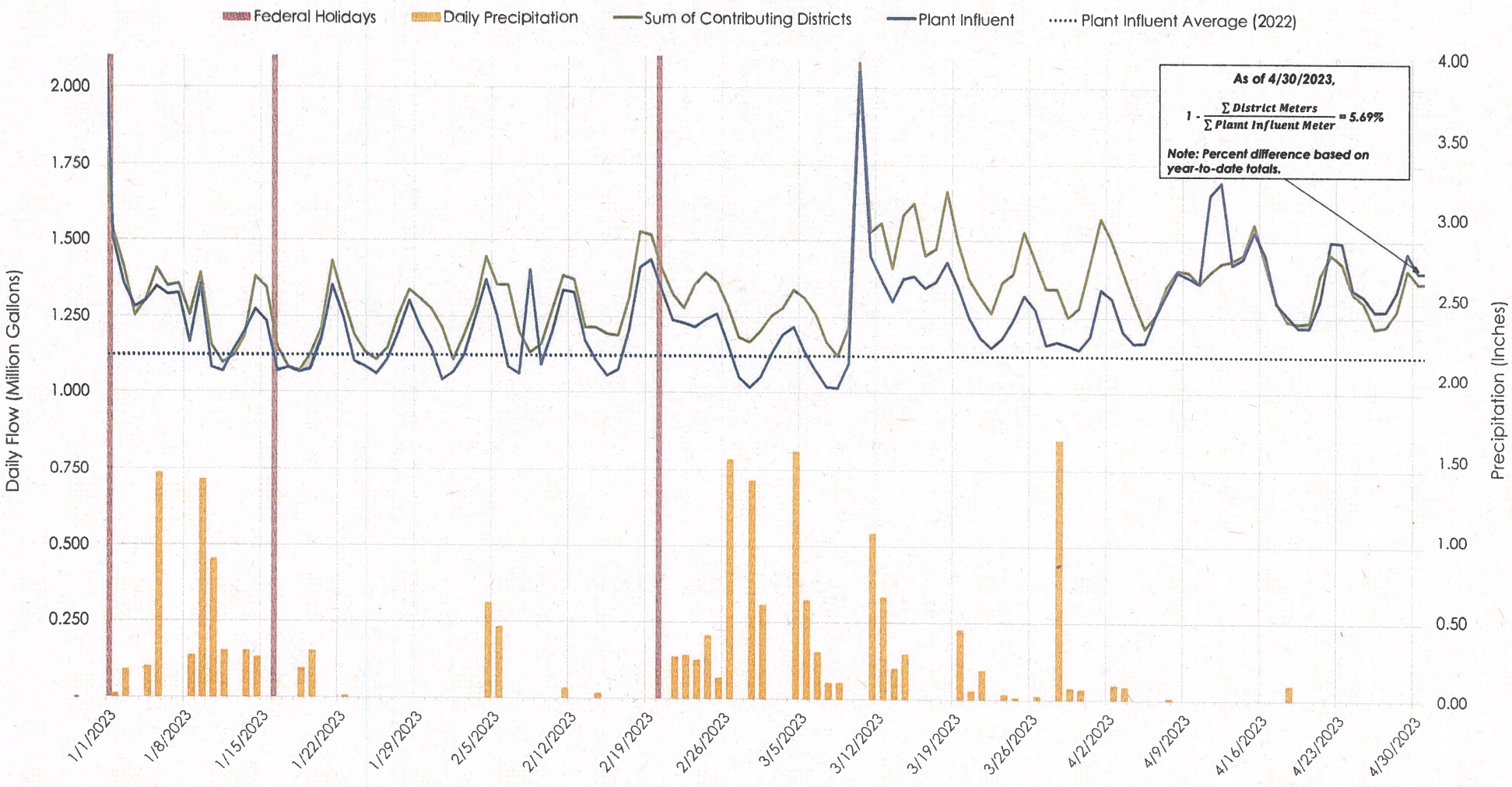
Attachment

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

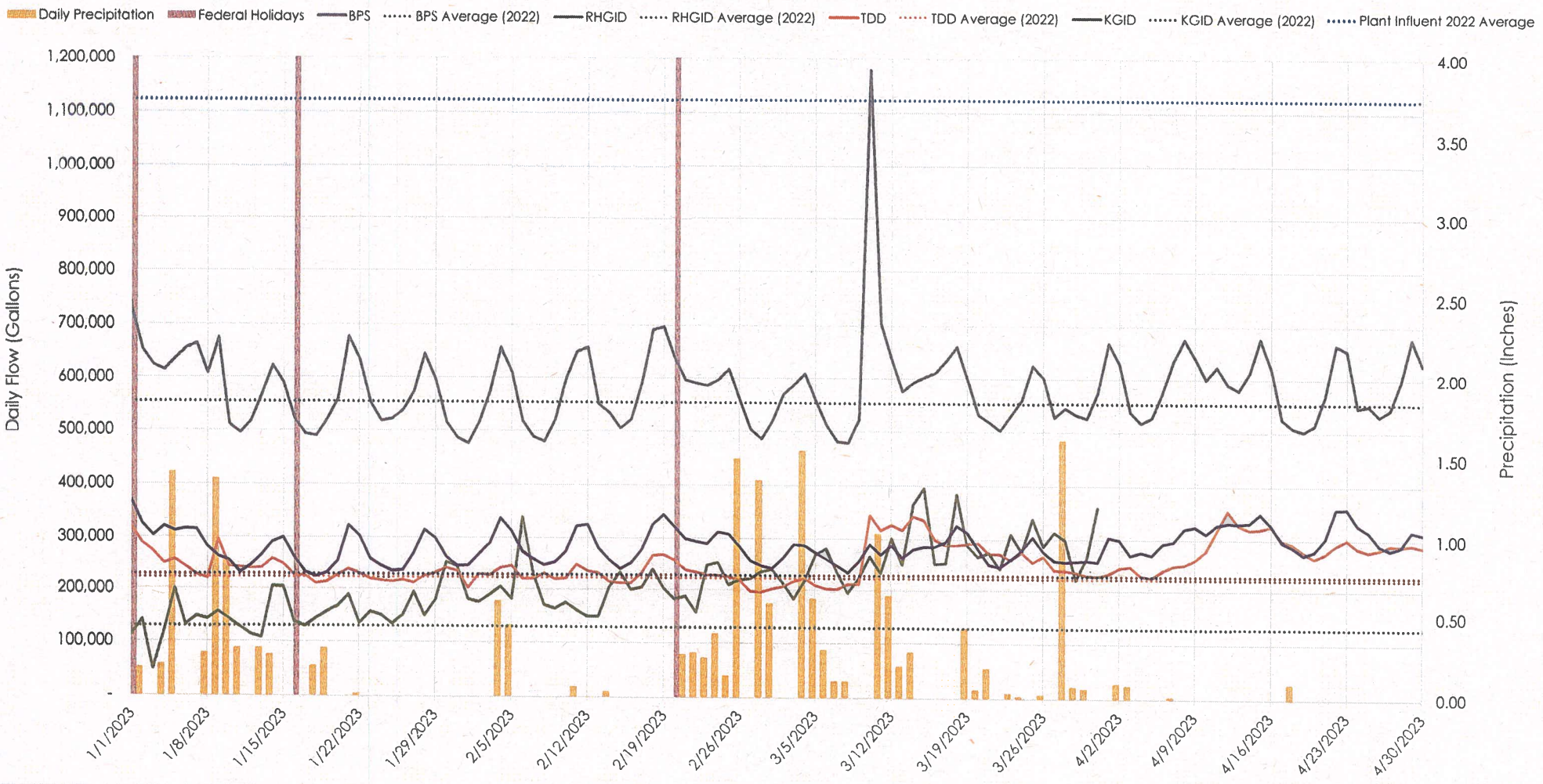
DCLTSA Flow Comparison with Daily Precipitation
1/1/2023 - 4/30/2023



Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
1/1/2023 - 4/30/2023



Contributing Districts Comparison with Daily Precipitation
1/1/2023 - 4/30/2023



AMENDED AND RESTATED AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT made and entered into this ___ day of _____, 2023 by and between DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY, a body political and municipal corporation of the state of Nevada, hereinafter referred to as "AUTHORITY," and the ELK POINT SANITATION DISTRICT, a municipal corporation of the state of Nevada, hereinafter referred to as "EPSD".

W I T N E S S E T H:

WHEREAS, pursuant to the Douglas County Lake Tahoe Sewer Authority Act of 2017, the AUTHORITY is the successor in interest to the DOUGLAS COUNTY SEWER IMPROVEMENT DISTRICT, hereinafter referred to as "DISTRICT"; and

WHEREAS, the AUTHORITY owns and operates a wastewater treatment system serving the entire area of the Lake Tahoe Basin within the boundaries of Douglas County, Nevada; and

WHEREAS, EPSD, organized as a General Improvement District pursuant NRS Chapter 318, owns and is responsible for a sewage collection system serving One Hundred (100) residential units within the Elks Point area of Lake Tahoe, all within the service area of the Authority; and

WHEREAS, the DISTRICT and EPSD entered into an Agreement dated March 17, 1971 providing for EPSD's acquisition of sewer treatment capacity from the DISTRICT and for the DISTRICT's operation and maintenance of EPSD's sewage collection system ("1971 Agreement"); and

WHEREAS, the parties are each public agencies under NRS 277.100 and NRS 277.180(1) provides that such public agencies may contract with other public agencies to perform any governmental service, activity or undertaking which any of the contracting agencies is authorized by law to perform; and

WHEREAS, the AUTHORITY is presently operating and maintaining ESPD's sewage collection system consisting of two sewer lift stations and approximately 2,445 lineal feet of 6 inch and 2,055 lineal feet of 8" underground sewage transmission mains ("EPSD Collection System").

WHEREAS, EPSD and AUTHORITY desire to provide for the AUTHORITY's continued treatment of the sewage from EPSD and for the AUTHORITY to continue to operate and maintain the EPSD Collection System; and

WHEREAS, the parties hereto are desirous of fully amending and restating the 1971 Agreement and entering into a mutually beneficial agreement to acknowledge the parties respective responsibilities with regard to the collection and treatment of sewage from EPSD.

WHEREAS, the 1971 Agreement is hereby amended and fully restated as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties do agree as follows:

ARTICLE I

Ongoing Treatment of Sewage

The AUTHORITY shall continue to treat and dispose of up to an average of Twenty-Eight Thousand (28,000) gallons of sewage per day from EPSD. As consideration for

treatment and disposal of the EPSD sewage, EPSD shall pay AUTHORITY sewage treatment and disposal fees on a quarterly basis as provided for in Article III below.

The average daily flow of sewage from EPSD shall be determined by the AUTHORITY estimating the total flow from EPSD during each fiscal year and dividing that amount by 365. Should EPSD question or dispute AUTHORITY's estimate of sewage flow from EPSD at any time during term of this Agreement, EPSD may direct the AUTHORITY to install a metering device to accurately measure the flow of sewage from EPSD. Upon such direction from EPSD, the AUTHORITY will determine the cost of acquiring and installing such a metering device and notify EPSD in writing of such cost. Upon payment in full by EPSD of such amount, the Authority shall acquire and install the metering device necessary to accurately measure the flow of sewage from EPSD.

During the term of this Agreement, peak flows of sewage from EPSD shall be limited to two (2) times the average daily flow described above. If any time during the term of this Agreement, the average daily flow of sewage from EPSD over any fiscal year during the term of this Agreement, shall exceed the average daily flow described above by more than Ten percent (10%), then the sewage treatment and disposal fees payable to the AUTHORITY shall increase by such percentage from that point forward until this Agreement expires by its terms or is terminated by the mutual written agreement of the parties.

ARTICLE II

Operation and Maintenance of Collection System

The Authority shall operate and maintain the EPSD Collection System in such a manner as necessary to deliver all sewage from EPSD to the Authority system for treatment and disposal in accordance with all applicable laws and regulations. As consideration for the ongoing

maintenance and operation of the EPSD Collection System, EPSD shall pay sewage collection system fees on a quarterly basis as provided for in Article III below. The AUTHORITY and EPSD acknowledge and agree that such fees are sufficient for the AUTHORITY to operate and maintain the EPSD Collection System in the normal course of business, excepting any catastrophic failure of any portion of the EPSD Collection System. In the event of a catastrophic failure of any portion of the EPSD Collection System, EPSD acknowledges and understands that the AUTHORITY may impose a special assessment on EPSD to cover the AUTHORITY's actual costs associated with repairing or replacing the said portion of the EPSD Collection System. EPSD agrees to promptly pay any such special assessment upon being provided with written documentation of the AUTHORITY's actual costs. In any event, such an assessment will be paid by EPSD within ninety (90) days of receipt of the described documentation.

ARTICLE III

Quarterly Fees

Section 3.1 Treatment and Disposal Fees. For the initial term of this Agreement as provided for herein, EPSD shall pay the AUTHORITY a fee of Fourteen Thousand Four Hundred Dollars ($14,400) per quarter on or before tenth (10th) day of the months of July, October, January and April for the AUTHORITY's treatment and disposal of sewage. In the event that the Authority increases the service fees for residential users within the boundaries of the Authority, this Treatment and Disposal Fee payable by EPSD shall also increase in like-amount, but in no event shall such an increase take place prior to EPSD being provided written notice at least sixty (60) days prior to imposition of the increased fee.

Section 3.2 Collection System Fees. For the initial term of this Agreement as provided for herein, EPSD shall pay the AUTHORITY a fee of Five Thousand Three Hundred

Forty-Eight dollars ($5,348) per quarter on or before tenth (10th) day of the months of July, October, January and April for the AUTHORITY's maintenance and operation of the EPSD Collection System.

Section 3.3 Default in Payment. In the event that EPSD fails to pay when due any amounts owing to the AUTHORITY, such past due amounts shall accrue interest at the rate of one percent (1%) per month until paid in full. If any such amounts remain unpaid for ninety (90) days after written notice of the amount due is delivered to EPSD, the Authority reserves the right to discontinue the provision of services provided for in this Agreement.

ARTICLE IV

Compliance with Rules and Regulations

During the term of this Agreement, EPSD covenants and agrees to comply with all duly adopted and applied rules and regulations of the Authority with regard to the collection, treatment and disposal of sewage as such rules and regulations are made applicable to other public entities who are served by the Authority. Such rules and regulations may relate to, but not be limited to, plumbing, drainage and the manner of discharge of sewage.

ARTICLE V

Term of Agreement

This Agreement shall be effective as of July 1, 2023, and shall remain in effect through June 30, 2033. Upon the expiration of the terms of this Agreement, it is the intention of the Parties that the term of this Agreement will be extended on financial terms that are justified and appropriate at that time. Such an extension of the term of this Agreement is only effective upon the mutual consent of the parties in writing.

ARTICLE VI

Miscellaneous

Section 6.1 Cooperation. EPSD shall cooperate with the AUTHORITY in carrying out the terms and purpose of this Agreement. AUTHORITY and EPSD further agree to cooperate in the compliance with any licensing or operational requirements of the Nevada Division of Environmental Protection or any other governmental entity as it relates to the subject of this Agreement. To that end, each party shall designate a representative for the other to contact in all matters relevant hereto.

Section 6.2 1971 Agreement; Entire Agreement. This Amended and Restated Agreement fully terminates and replaces the 1971 Agreement described above and this Agreement constitutes the entire and only understanding between the parties concerning its subject matter, and supersedes any and all prior agreements, arrangements, communications or representations, whether oral or written with respect thereto. No alteration, amendment, change, modification or waiver to this Agreement shall be valid or binding unless the same is in writing and signed by duly authorized representatives of the parties hereto.

Section 6.3 Notices. All notices required or permitted to be given by law or by the terms of this Agreement shall be in writing and shall be considered given upon personal service of a copy on the party to be served, or twenty-four (24) hours after mailing such notice by certified mail, return receipt requested, postage prepaid, addressed to the parties as follows:

(a) If to AUTHORITY, such notices shall be sent to:

Douglas County Lake Tahoe Sewer Authority
P.O. Box 578
Zephyr Cove, NV 89448
Email: rhopkins@dcsid.com

and to:

James R. Cavilia, Esq.
Allison MacKenzie Ltd.
402 North Division Street
Carson City, NV 89703
Email: jcavilia@allisonmackenzie.com

(b) If to EPSD, such notices shall be sent to:

Elk Point Sanitation District
C/O McVicar & Laden, CPA PC
Post Office Box 1310
Zephyr Cove, NV 89448
Email: steve@mcvicar-ladencpa.com
karen@mcvical-ladencpa.com

and to:

Elk Point Sanitation District
Forest Martin Bibb
Email: martybibb@gmail.com

Any party may change the address to which notices to it hereunder are addressed by a notice in writing to the others.

Section 6.4 Consent. Whenever the approval or consent of any party is required for any purpose under this Agreement, that approval or consent will not be unreasonably withheld or delayed. Without limiting the foregoing, if any approval or consent is requested by either party, unless the consenting party notifies the requesting party within thirty (30) days that it will not grant the approval or consent, the consenting party will be deemed to have given the approval or consent on the thirty-first (31st) day.

Section 6.5 Choice of Law. This Agreement shall be construed and interpreted in accordance with and governed by the laws of the State of Nevada.

Section 6.6 Waiver. Neither a course of conduct, nor any waiver by either party with respect to a default or breach of any provision of this Agreement by the other party shall

operate or be construed as a waiver of any subsequent default or breach, or as a modification of this Agreement.

Section 6.7 Attorney's Fees. If any party commences an action against the other party to enforce any of the terms hereof or because of the breach of either party of any of the terms hereof, the prevailing party shall be entitled to reasonable attorney's fees, costs and expenses incurred in connection with the prosecution or defense of such action.

Section 6.8 Limited Liability. The parties will not waive and intend to assert all available applicable statutory liability limitations in all cases, including NRS Chapter 41. Contract liability of both parties shall not be subject to punitive damages.

Section 6.9 Reasonable Care. Each party shall exercise reasonable care in the performance of its obligations and rights under this Agreement to ensure that the other parties' facilities and operations are not impaired or damaged.

Section 6.10 Force Majeure. Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, epidemics, pandemics or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Agreement after the intervening cause ceases.

Section 6.11 Severability. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist, and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

Section 6.12 Time of Essence. Time is of the essence of this Agreement and each term, covenant and condition thereof.

Section 6.13 Authority. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this agreement and that the parties are authorized by law to perform the services set forth herein.

The parties hereto are associated with each other only for the purpose and to the extent set forth in this Agreement, and in respect to performance of services and payment of fees pursuant to this Agreement, each party is and shall be a public agency separate and distinct from the other party and, subject only to the terms of this Agreement and any other agreements between the parties, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

Section 6.9 Captions. The captions of this Agreement do not in any way limit or amplify its terms and provisions.

Section 6.10 Binding on Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns for all time.

Section 6.11 Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, the parties agree to execute and/or deliver, or cause to be executed and/or delivered such other documents and/or materials, carrying

out the terms and conditions of this Agreement, as may be reasonably necessary to effect the transactions contemplated by this Agreement.

Section 6.12 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument, but all such counterparts shall only constitute one and the same instrument.

Section 6.13 Authorship. The parties expressly acknowledge and agree that this Agreement has been jointly drafted and that each part had the opportunity to negotiate the term and obtain the assistance of counsel in reviewing the terms hereof before approving. This Agreement shall not be construed in favor of or against any party hereto but shall be construed in a neutral manner.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

ELK POINT SANITATION DISTRICT	DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
By:_____	By:_____
_____, Chairman	_____, Chairman
ATTEST: _____	ATTEST: _____
_____, Secretary	_____, Secretary

4860-7203-7199, v. 1

CONTROLLER'S GENERAL STATUS REPORT

May 17, 2023

- There is a Budget to Actual spreadsheet in the Board packet that shows operating expenses through March were 6.35% under budget. As before, most of that underage comes from the Salaries and Benefits category.

- As there are some categories significantly over budget, especially Utilities and Fuels and Lubricants, it will be necessary to augment the current year budget at the next Board meeting. Going more than 10% over in any budget category or the bottom-line operating expenses is a violation of the Nevada Administrative Code. Therefore, we will augment the budget to move money between categories without changing the total expenses.

- Public Sector Personnel Consultants expects to be done with the salary study in the next month.

- Through March this year, overall influent flows are up approximately 11.72% from the same period in 2022. All the districts' flows have increased similarly and will likely continue to increase as snow melts. This is clearly from infiltration as In-Authority commercial flows are down 20% from 2022.

- **Investment Report**

The Authority's investments total more than $14.9 million. We had two CDs mature in the last week at .3% and .6%. I was able to replace them with a one-year CD at 5.15% and an 18 month one at 5.05%. There is a

list of current CDs in the Board packet. The CD balance is still at $2,940,000 with an average interest rate of 4.29%.

We have $11,159,413 in Local Government Investment Pool accounts and last month they paid 3.93%. LGIP deposits are entirely liquid.

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.