MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
August 16, 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, Augus 16, 2023, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees John McLaughlin, Wes Rice, Jodie Nelson and Keith Fertala. Trustee Andy Huckbody was present via audio and video internet connection by which he could hear everyone at the meeting, and everyone could hear him.

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, Authority's legal counsel, Jim Cavilia, and Matt Ofsthun of R.O. Anderson Engineering. Also present via audio internet connection by which he could hear everyone at the meeting, and everyone could hear him was Marty Bibb of Elk Point Sanitation District (EPSD).

PUBLIC COMMENT:

There was no public comment.

APPROVAL OF AGENDA:

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

MINUTES OF PRIOR MEETING:

It was moved by Trustee Nelson, seconded by Trustee Fertala and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated June 21, 2023, be approved as presented.

Discussion and possible action regarding ongoing operation and maintenance of the Elk Point Sanitation District sewer collection system.

Authority Manager Rob Hopkins stated that the Authority currently operates and maintains the Elk Point Sanitation District (EPSD) sewer collection system pursuant to a 1971 Agreement that contemplated that EPSD would at some point be annexed into the Authority boundaries. Mr. Hopkins explained that as the Authority is currently structured, it would require action by the Nevada Legislature to change the Authority boundaries.

Mr. Hopkins added that in looking to the future and what is best for the Authority and EPSD, it was his recommendation that the Authority work with EPSD to turn over the responsibility for operation of the EPSD collection system to EPSD. Mr. Hopkins stressed that the Authority staff would work closely with EPSD in this recommended transition and ensure that the system continues to be operated efficiently and safely. Mr. Hopkins added that upon EPSD taking over operation and maintenance of the collection system, a meter would be installed and EPSD would be charged by the Authority based on the actual sewage flow from EPSD just as the other general improvement districts that the Authority serves are billed for services.

Marty Bibb, board member of EPSD, expressed his appreciation for the many years that Douglas County Sewer Improvement District (DCSID), now the Authority, has operated and maintained EPSD's infrastructure. Mr. Bibb stated that in response to an updated agreement proposed by the Authority staff, EPSD made some suggested revisions to the Agreement particularly related to the term of the Agreement, seeking a term of greater than ten years. Mr. Bibb indicated that it would be EPSD's preference that the Authority continue to operate and maintain the collection system pursuant to the terms of a written agreement. Mr. Bibb emphasized that he appreciated that additional costs, particularly costs related to needed improvements to the system, would need to be covered by EPSD.

Mr. Bibb indicated that EPSD Board of Directors has begun to meet more regularly and was becoming more formalized in its operations in recent months. Mr. Bibb reiterated EPSD's preference to continue with the current relationship, but that he looked forward to an ongoing cooperative relationship in any event.

Chairman McLaughlin thanked Mr. Bibb for his input and stated that the situation with EPSD was unique within the Authority as EPSD has not been treated the same as the other general improvement districts for whom the Authority provides sewage treatment and disposal. Trustee Nelson indicated that she believed that it would be best for EPSD to be treated like the other contributing districts and that she would be happy to provide advice to EPSD about possible funding sources such as the State Revolving Loan Fund.

In response to an inquiry with regard to general improvement districts, the Authority's legal counsel, Jim Cavilia, stated that Douglas County has the right, in its discretion, to take over general improvement districts within the county, but the Authority has no such legal right.

In response to a question from Trustee Nelson, the Authority Controller, Paula East-Janicki, stated that EPSD has a total of 100 residences and currently pays $576 per unit annually for the Authority's services. Ms. East-Janicki also noted that the sewage flows from EPSD are approximately .48 percent of the Authority's total flows and if charged like the other contributing districts, EPSD would have had to pay the Authority approximately $27,000 last year.
In response to an inquiry from Trustee Fertala, Ms. East-Janicki stated that the Authority incurred costs specifically related to the EPSD collection system of approximately $2,200 in July of this year and expended approximately $26,000 for repairs to the EPSD collection system in 2022. Ms. East-Janicki explained that this was in addition to annual costs of approximately $41,000 related to the EPSD system.

Chairman McLaughlin stated his opinion that it was in the long-term best interests of both the Authority and EPSD that EPSD take over full responsibility for the operation and maintenance of its collection system like the other general improvement districts do. Trustee Fertala agreed with this position based on the fact that the current agreement is an exception and that it should have been addressed at the time DCSID was converted into the Authority in 2017.

Mr. Bibb thanked the Trustees for their comments and emphasized that it would take a great deal of cooperation to complete the transition in the upcoming months. Mr. Bibb committed to working with the Authority staff on the transition with a focus on ensuring the collection system would continue to be operated in a safe and efficient manner.

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

Following the discussion among the Trustees, **it was moved by Trustee Nelson, seconded by Trustee Fertala and carried unanimously that the Authority staff be directed to work with EPSD to turn over operation and control of the EPSD sewer collection system to EPSD by June 30, 2024.**

In response to a question from Mr. Bibb, Mr. Cavilia stated the Authority Board has the ability to extend the June 30, 2024 deadline should additional time be necessary to complete the transition. Additionally, Mr. Bibb requested that a letter be provided to EPSD documenting the Board's direction and allowing for EPSD to sign off on the planned transition. Mr. Cavilia indicated that he would prepare such a letter on behalf of the Authority. Mr. Bibb indicated that he would be in touch with the Authority staff in the near future to begin the necessary discussions related to the transition.

MANAGER'S REPORT:

A. General Status Report

Mr. 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 a final fixture count at the Tahoe South Events Center (TSEC) was recently completed.

As part of the ongoing forest and vegetation thinning work being undertaken with regard to the power line from the Carson Valley to the Tahoe basin, which is also the route of the Authority's effluent force main, Mr. Hopkins stated that he requested that gullies and drainage areas along the route be repaired and improved to protect the Authority's force main. Mr. Hopkins indicated that NV Energy and its contractors were very cooperative and did a very good job in improving the conditions.

Mr. Hopkins stated that Authority staff recently drained and cleaned the export tanks at the plant as part of routine maintenance work.

Mr. Hopkins reported that staff is currently in the process of the inspection and servicing of the Air Relief Valves (ARVs) on the export force main and that work such will be completed in the upcoming weeks.

Mr. Hopkins stated that Discharge Monitoring Reports for the second quarter of 2023 have been submitted to the Nevada Division of Environmental Protection and the Environmental Protection Agency.

Mr. Hopkins informed the Board that he recently hosted representatives of Incline Village General Improvement District on a tour of the Authority's Treatment Plant.

With regard to the Plant upgrades that have been ongoing for many months, Mr. Hopkins was happy to report that the final piece of those upgrades, the return activated sludge master control cabinet, was recently delivered and will be built out and installed by Authority staff.

Mr. Hopkins indicated that a high-voltage main circuit breaker for the export pumps was recently replaced by staff with the assistance of Arctic Electric and NV Energy.

With regard to drainage improvements being proposed in the area of the Authority's access to the Beach Pump Station, Mr. Hopkins reported that he was continuing to work with the Nevada Tahoe Conservation District (NTCD) on possible grant funds that may be available to the Authority. The planned improvements would reduce the infiltration to the Authority's system at the Beach Pump Station from stormwater runoff.

Finally, Mr. Hopkins reported that a new backup generator for the Main Pump Station has been purchased and should be installed by mid-October 2023.

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 August 11, 2023, briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The August 11, 2023, correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that the re-roofing of the mechanical building has been completed.

Included, with Mr. Anderson's written report were charts of the data from the various flow meters and Mr. Anderson indicated that the difference between the various flow meter readings and the Plant inflow meter was less than 1% from January through July 2023. Mr. Hopkins added that there have been some minor discrepancies lately as the result of issues with the phone lines of Frontier Communications.

In response to a question from Trustee Nelson, Mr. Anderson indicated that the Authority's application for grant funding from the American Rescue Plan Act for work related to the Beach Pump Station access has been rejected by Douglas County because those funds are only available to County Agencies and that does not include the Authority or general improvement districts within Douglas County.

With regard to the Beach Pump Station access, Mr. Anderson reported that he was continuing to work on possible designs with the preferred alternative being to maintain the existing access. Mr. Anderson explained that the Authority is expected to share in some of the costs related to the improvements and that the Authority will also be responsible for maintaining the drainage improvements. It is anticipated that the work will be bid in the spring of 2024.

Chairman McLaughlin 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 provided the Board with a budget to actual spreadsheet and reported that operating expenses through the end of the last fiscal year were more than 11.5% under budget.

Ms. East-Janicki reported that the salary survey being conducted by Public Sector Personnel Consultants (PSPC) was not yet finalized because the consultant had some difficulty in finding comparable positions for the Authority's blended job positions. Ms. East-Janicki recommended PSPC simply provide the data that it can obtain for positions in similar agencies and the Authority can then utilize that data as it sees fit. There was a consensus among the Trustees to proceed as recommended by Ms. East-Janicki.

Ms. East-Janicki stated that the Authority's accounts receivable have a credit balance of more than $12,000 based on some customers paying for an entire year of service in advance.

Ms. East-Janicki reported that she and the Authority Accountant, Jing Johnson, are in the midst of preparing for the Authority's annual audit with the field work to begin in September.

In addressing sewage flows for the current year, Ms. East-Janicki stated that total flows are up approximately 12.3% over last year with in-Authority commercial flows down approximately 10% and the Beach Pump Station flows up approximately 8%. The contributing districts' flows are all up with TDD's flow being up approximately 15.8%, RHGID up approximately 15.7% and KGID up approximately 18.2%.

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 more $15 million invested with the only change since her last Investment Report being the addition of earned interest. Ms. East-Janicki indicated that the Authority has approximately $11.9 million held in the Local Government Investment Pool at the current annual rate of 4.47%.

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 Treasurer Rice.

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 Nelson reported that the KGID Board recently hired a new employee in the position of financial analyst and is currently looking for an in-house engineer. Trustee Nelson also reported that work has begun on the renovation of KGID's building on Pine Ridge Drive.

Trustee Huckbody stated that he recently toured the Authority's plant operations and was very impressed. Trustee Huckbody also stated that the Tahoe Douglas District (TDD) Board recently approved an increase in its residential sewer rate from $55 per month to $65. Finally, Trustee

Huckbody also reported that TDD recently transferred some reserve funds into T-Bills at an annual interest rate of almost 5%.

Trustee Fertala reported that RHGID has finally engaged a contractor to install, with the help of RHGID staff, a new sewage flow meter which should take place just after Labor Day. Trustee Fertala also reported that a new level II water operator was recently hired to fill a vacant position at RHGID.

Trustee Rice reported that the County recently hired an in-house Emergency Manager to replace the East Fork Fire District (EFFD) Chief who had previously held the position, but could no longer do so based on the EFFD's recent separation from the County government. Trustee Rice stated that Commissioner Sharla Hales has been a great addition to the County Commission. Finally, Trustee Rice pointed out that the County Commission was continuing its discussions of possible funding of the micro-transit program at Lake Tahoe.

Trustee McLaughlin reported that July had been a great month for the casino core and that summer for the businesses at Stateline has generally been very good. Trustee McLaughlin stated that the recently completed celebrity golf tournament was a great success, capping off a record month of revenues for Edgewood. With regard to the TSEC, Trustee McLaughlin announced that the facility is scheduled to open on September 1, 2023 with a ribbon cutting ceremony scheduled for September 19th.

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 11:10 a.m.

APPROVED

4891-8370-6744, v. 1

Meeting Date: August 16th, 2023

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – July-August 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 performed a final fixture count at the soon to open Tahoe South Events Center.

2. Forest and vegetation thinning work continues along the main power line easement that runs from the Carson Valley to the South Lake Tahoe area. The DCLTSA Export Force Main also lies within this easement between the Treatment Plant and North Benjamin Road in Kingsbury. The Authority requested that gullies and eroded areas in the easement be repaired and strengthened to protect the Force Main. NV Energy, its contractors, and the U.S. Forest Service have done excellent work in this regard, and the Authority wishes to thank all for their efforts to protect our infrastructure.

3. Authority personnel drained and cleaned both Export Tanks as part of routine semi-annual preventative maintenance.

4. Staff are in the process of annual inspection and servicing of the Air Relief Valves that protect the Export Force Main. ARV's from the Treatment Plant to Daggett have been serviced. Work to inspect the valves on the Carson Valley side of the Export line should be completed in the next few weeks.

5. Discharge Monitoring Reports for the 2nd Quarter of 2023 have been submitted to and passed by the Nevada Division of Environmental Protection and the Environmental Protection Agency.

6. The Sewer Authority hosted a tour of the Treatment Plant for Operations staff from the Incline Village General Improvement District.

7. The long-awaited Return Activated Sludge Master Control Panel has been delivered to the Treatment Plant. The panel will by fitted out with controls and installed at the Plant using our in-house talent, saving the Authority considerable money. The RAS Panel is the final part of the overall Treatment Plant Upgrades Project. This piece of the Project was broken out of the overall Project as we could fit out the panel ourselves and realize greater savings on the overall project.

8. A high-voltage main circuit breaker for our high-horsepower export pumps was replaced by staff, with assistance from Arctic Electric and NV Energy. (Photos attached).

9. The Authority has been discussing grant opportunities with the Nevada Tahoe Conservation District. NTCD made us aware that there may be watershed protection grant funds available that would allow us to repair the runoff diversion structures that were designed to keep runoff out of the Upper Storage Dam and Pond above the Plant. These diversion structures failed long ago, and as a result, the Authority must draw down and treat the freshwater runoff via the Treatment Plant. On dry years, this amounts to between 5 and ten million gallons of fresh water. After wet winters like we just experienced, well over 30 million gallons of fresh water was treated and exported from the Basin. Restoring the diversion structures would both prevent this expense and would keep the snowmelt within the Tahoe Basin.

10. The new backup generator purchased for the Main Pump Station is expected to arrive in the next few weeks. Installation is expected to be completed no later than mid-October 2023.



NVE disconnecting main power from Plant.



DCLTSA staff replacing failed high-voltage circuit breaker.

R O Anderson

August 11, 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 – August 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 June 21, 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:
We have reviewed, processed, and recommended approval of the contractor's Payment Application #3 in the amount of $47,500. The work is completed on this project.

Report of Sewer Flows for the Period:
We have received and evaluated the year-to-date (January 1 – July 31) flow records. Year to date, the average daily flow has been 1.29 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 less than 1% (0.98%). The comparative flow charts are attached for your review and consideration.

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

Physical
1603 Esmeralda Avenue
Minden, Nevada 89423
P 775.782.2322

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

OFFICES
Minden, Nevada
Reno, Nevada

Since the Board's meeting in June, we assisted Mr. Hopkins and Ms. East-Janicki prepare and formally apply to Douglas County for a grant of a portion of the ARRA monies that the county received from the federal government to support the construction of this project. A copy of the application materials is attached for your consideration.

The application was timely filed with the county. Unfortunately, almost immediately after submitting that application the Authority was advised by the County Manager's office that it was not eligible to receive the requested grant because the monies are only available for departments within Douglas County. That is, applications from general improvement districts or other similarly organized entities (e.g., the Sewer Authority) were not being considered.

Relative to the project's design and the two alternative access roads to the Beach Pump Station that have been advanced by representatives of USFS, the management staff has determined, for a variety of operational and management reasons, that the preferred alignment for constructing or reconstructing access to the Beach Pump Station is the alignment of the current access road. Based on that decision, I contacted Mr. Andrew Strain of the Tahoe Beach Club and informed him of the decision. Mr. Strain was both understanding and supportive of the decision and direction. I additionally informed representatives of USFS of this decision.

We are working to complete the final design of the circulation and access improvements needed at the site of the pump station to facilitate parking of operation and maintenance vehicles including large pumper trucks, cranes, etc., that may be needed during replacement of critical components and emergency conditions. We expect to deliver those drawings in the coming few days.

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

CONTROLLER'S GENERAL STATUS REPORT

August 16, 2023

- There is a Budget to Actual spreadsheet in the Board packet that shows operating expenses through the end of the last fiscal year were more than 11.5% under budget, without the augmentation. However, I'm glad we did the augmentation to move money between categories as Engineering and Legal both came in over budget, but not by the 10% cap, so there's no Nevada Administrative Code violation.

- I still have not had Kay Tilzer of Public Sector Personnel Consultants finalize the salary study as she was unable to find blended job classifications like the ones here at the Authority. Therefore, instead of trying to get the consultant to survey unlike agencies, it would be my suggestion that we ask her to finalize it with the data she has. Then using that data we can develop a plan for the future compensation of our unusual job positions. If that is acceptable to the Board I will have it ready for consideration at the September meeting.

- The Authority's Accounts Receivables has a credit balance of more than $12,000 just one month into the new fiscal year. Many people choose to pay the entire year's balance ahead of time.

- Ying and I are closing out the last fiscal year and preparing for the audit. The field work will begin on September 18 and run through September 29.

- Through July this year, overall influent flows are up 12.3% from the same period in 2022. In-Authority commercial flows are still down 10% from 2022 but the Beach Pump Station flows have increased 8%.

Tahoe Douglas District's flows are up 15.8%, Round Hill's 15.7% and KGID's up 18.2%.

Investment Report

The Authority's investments total more than $15 million. The only change since the last Board meeting is the addition of interest. LGIP paid 4.47% last month on more than $11.9 million invested. The CD balance is still at $2,940,000 with an average interest rate of 4.29%. The LGIP money is 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.