MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
October 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, October 18, 2023, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees John McLaughlin, Wes Rice, Jodie Nelson and Keith Fertala.

RECOGNITION OF OTHERS IN ATTENDANCE:

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

PUBLIC COMMENT:

There was no public comment.

Acknowledgment of appointment of Douglas County Lake Tahoe Sewer Authority Trustee from Douglas County Board of Commissioners.

Trustee Rice reported that he had been reappointed to the Authority Board of Trustees by the Douglas County Board of Commissioners on October 6, 2023. **It was moved by Trustee Nelson, seconded by Trustee Fertala and carried unanimously (4-0) that the reappointment of Trustee Rice to the Authority Board of Trustees be accepted.**

APPROVAL OF AGENDA:

It was moved by Trustee Fertala, seconded by Trustee Nelson 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 (4-0) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated September 20, 2023, be approved as presented.

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 he recently met with representatives of NV Energy regarding work NV Energy will be doing adjacent to the sewer plant to ensure that the Authority's infrastructure in the area is protected while NV Energy's work is completed. Mr. Hopkins indicated that he is also in discussion with NV Energy about leasing space at the plant for the staging of NV Energy's timber clearing activities in the area.

Mr. Hopkins stated that the results of the treatment plant inspection by the Nevada Division of Environmental Protection (NDEP) show that the plant is in substantial compliance with all applicable NDEP requirements and that all issues raised in the last inspection in 2013 have been addressed. Mr. Hopkins expressed his appreciation for the hard work of the Authority staff.

With regard to the planned relocation of the access easement to the Beach Pump Station, Mr. Hopkins reported that he had received comments from the United States Forest Service (USFS) and that the USFS supports an access easement east of the current access location. Mr. Hopkins indicated that the Authority Engineer would be reviewing the USFS comments.

Mr. Hopkins reported that concrete and plumbing related to new backup generator for Main Pump Station has recently been completed and that the wiring and testing of the new generator was expected to be completed in November.

With regard to the recent dam inspections by the Nevada Division of Conservation and Natural Resources, Mr. Hopkins stated that written reports have been received and both the Buckeye and Round Hill dams are reported to be in fair condition with a few maintenance items to be addressed, mainly involving vegetation removal and repair of erosion.

Mr. Hopkins reported that Authority operation staff has taken one aeration train out of service during this low flow period in order to conduct routine maintenance work.

Finally, Mr. Hopkins reported in greater detail on a field meeting with NV Energy personnel to discuss the details of NV Energy leasing space at the site for the purpose of staging vegetation removal activities. Mr. Hopkins explained that by charging NV Energy for the use of the area, the Authority will be able to fund repairs to the plant access road that become necessary as the result of heavy truck and equipment activity.

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

Mr. Anderson reported that he participated in a site meeting at Edgewood relating to the relocation of the Authority's sewer interceptor in the area. Mr. Anderson indicated that some proposed piping modifications have resulted in simpler construction and have also reduced the potential for long-term maintenance issues.

Mr. Anderson also provided the Board with the third quarter flow meter reconciliations, pointing out a 10% increase in flows this year over last year.

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

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

The Authority Controller, Paula East-Janicki, provided the Board with a budget to actual spreadsheet and reported that operating expenses this year are approximately 2.2% over budget through August and that this number should continue to go down in subsequent months.

Ms. East-Janicki reported that the fieldwork portion of the Authority's annual audit had recently been completed and that audit may include a finding of "lack of internal controls" based on the Authority's designation of restricted funds. Ms. East-Janicki stated that she has explained to the auditor the basis for the restricted funds and the fact that the restrictions actually result in greater control of Authority funds.

Ms. East-Janicki stated that second-quarter invoices were sent on October 1st and are due in November.

After the recent issues with the telephone connections, Ms. East-Janicki explained that flow reporting has been brought up to date and that overall influent flows are up 12.3% through September with the greatest increase coming from Tahoe Douglas District (TDD) and Kingsbury General Improvement District (KGID).

Ms. East-Janicki reported that the in-authority camera assessment of sewer lines has been completed and that no serious issues have been identified that would require immediate attention. Ms. East-Janicki added that a summary of the condition of the Elk Point Sanitation District (EPSD)

collection system is being prepared and will be provided to EPSD, with summaries of the entire assessment being sent to HDR for its analysis.

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

B. Discussion and possible action to change future accounting practices to credit Construction Fund interest to the Construction Fund rather than transferring it to the Plant Emergency Repair and Replacement Fund as has been done historically

Ms. East-Janicki explained that since prior to 2006 interest earned on money held in the Authority Construction Fund has been transferred to the Plant Repair and Maintenance Fund. Ms. East-Janicki indicated that she is not entirely sure why this has been done but it is her recommendation that interest earned on money in the Construction Fund should remain in the Construction Fund.

Following a brief discussion among the Trustees, **it was moved by Trustee Nelson and seconded by Trustee Fertala that going forward interest earned on money in the Construction Fund remain in the Construction Fund.** 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 and indicated that the Local Government Investment Pool (LGIP) is currently paying interest of 4.8%. Ms. East-Janicki indicated that the Authority has approximately $3.43 million in laddered certificates of deposit.

Ms. East-Janicki reported that more than $6.5 million of the Authority's approximately $15.6 million in investments is held in the Authority's general fund and that those funds will eventually be needed to repair and replace in-authority collection lines. The balance of the invested funds is held in the Plant Emergency Repair Fund (approximately $4 million) and the Construction Fund (approximately $5).

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 Trustee 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 KGID's ongoing water line work and road replacement was currently being cleaned up and would be completed in the spring. Trustee Nelson also reported that work on KGID's new building is continuing and should be completed in January. Finally, Trustee Nelson stated that an employee to assist with finances was recently hired by KGID but has already quit.

Trustee Fertala reported that Round Hill General Improvement District ("RHGID ") held a special meeting on October 7th and that Andrew Hickman was terminated as the District Manager. Trustee Fertala indicated that RHGID staff was working very hard to keep things going while the search for a new manager begins. Trustee Fertala stated that a subcommittee had been formed to vet potential candidates with the hope of hiring by January 1, 2024.

Trustee Fertala also reported that RHGID has contracted with an employee of the Authority with Level 3 Water Operator qualifications, to provide oversight at RHGID and ensure that RHGID remains in compliance with all applicable regulatory requirements. Finally, Trustee Fertala reported that RHGID's new sewer meter is finally scheduled to be installed in the current week.

Trustee Rice reported that the Douglas County Commission had an upcoming meeting to take place at the Tahoe Regional Planning Authority offices to discuss, among other things, the effort to abolish vacation home rentals (VHRs) at Lake Tahoe. Trustee Rice indicated that it appears that two County Commissioners wish to outlaw VHRs north of Cave Rock.

Trustee Rice also indicated that it appears that only one of EPSD's board members is a permanent resident of Elks Point and that other board members may not be eligible to serve on the EPSD board.

Trustee Rice indicated that he has been hearing from residents of the Tramway area about concerns related to parking during the ski season. Trustee Rice stated that the County is considering the possibility of increasing the fines for illegal parking in order to discourage the activity. Finally, Trustee Rice stated that the micro-transit at the Lake has been a huge success and that some funding is included in the County's budget, and he remains hopeful that the funding will eventually be approved by the County Commission.

Trustee McLaughlin reported that it has been a good summer for the business community with no smoke from fires and the recent opening of the Tahoe South Events Center (TSEC). Trustee McLaughlin added that the TSEC is off to a great start and has been a big boost to the tourist economy.

With regard to the attempts to ban VHRs at the Lake, Trustee McLaughlin stated that claims that such a ban would not have a negative financial impact are inaccurate.

Finally, Ms. East-Janicki reported on behalf of Trustee Huckbody that TDD recently increased its sewer rates from $165 per quarter to $195 per quarter and that TDD was also in the process of moving its investment funds from CDs to T-Bills.

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

PUBLIC COMMENT:

There was no public comment.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:30 a.m.

APPROVED

4874-6703-8607, v. 1

Meeting Date: October 18th, 2023

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – October 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 and Authority Engineer R.O. Anderson met with NV Energy to discuss work NV Energy will be doing adjacent to the Treatment Plant and near our sewer force mains that feed influent to the Plant. NV Energy is upgrading and replacing underground power vaults that provide power to Lake Village. The goal of this meeting was to ensure DCLTSA sewer infrastructure is protected during this project.

2. We have received the results of our NDEP Routine Compliance Inspection of the Treatment Plant. This inspection was last conducted at the Treatment Plant by the Nevada Division of Environmental Protection in 2013. All items of concern noted in the 2013 inspections have been satisfactorily addressed and DCLTSA treatment facilities have been found in "substantial compliance" with all NDEP regulations, guidelines, and practices. The inspection report "…*noted clean conditions and good housekeeping of plant grounds at this wastewater treatment facility. The NDEP found the facility to be well-maintained*." I'd like to thank all DCLTSA staff for the dedication and hard work that has gone into upgrading and improving our plant, and whose work was key in our receiving a favorable Inspection!

3. Comments on the proposed plans to improve / relocate the southern access easement to the Beach Pump Station have been received. The comments reflect the results of a hydraulic analysis of a 100-year flood event impact on two easement alignment configurations; the existing easement, and a proposed easement located to the east of our current paved easement. The comments indicate that the proposed eastern easement relocation has a better flood profile than our existing easement alignment. Our Engineer, R.O. Anderson, may provide further details.

4. Concrete and plumbing work for the new backup power generator and the engine-driven emergency backup pump has been completed. Paving work and placement of the new generator are anticipated to be completed by the end of October. Wiring in and testing of the new generator are expected to be completed in November 2023. (Photos attached).

5. Dam inspection reports have been submitted to DCLTSA by the Nevada Division of Conservation and Natural Resources. Both the Buckeye and Round Hill dams are reported as being in “Fair Condition”, with a few noted minor repairs and maintenance items which will need to be addressed over the next one-to-two-year period. These items are primarily vegetation removal and repairs of minor erosion gullies.

6. DCLTSA Operations staff has removed aeration train 2 from service for the low-flow shoulder-season period, typically October to May. Aeration train 2 has been cleaned and inspected. As part of routine maintenance, the Mixed Liquor Return pump for aeration train 1 has been swapped out, with the used pump being sent to the manufacturer for inspection and refurbishment.

7. DCLTSA staff held a field meeting with NV Energy to discuss NV Energy’s desire to rent space behind the treatment plant to stage equipment. Also discussed during the meeting was our desire to have NV Energy and its vegetation removal subcontractors participate in repair of damage to our plant road which happened because of heavy logging equipment point-loading the plant road shoulders during logging operations. NV Energy has indicated that they are willing to participate, and negotiations are ongoing currently.



DCLTSA staff pouring concrete pad for the new backup generator at the Main Pump Station.



Engine-Driven Emergency Bypass Pump as placed on new concrete pad by DCLTSA staff.

R O Anderson

October 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 – October 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 September 20, 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: In addition to general consulting services and attendance at the Board meeting, R.O. Anderson Engineering, Inc. (ROA) assisted and participated with Authority personnel on engineering-related assignments on an as-requested basis. During this period our efforts were limited to making a site visit to the site of the Edgewood Interceptor Relocation project to discuss and provide input on suggested piping modifications at the overflow vault that diverts excess flows to South Tahoe PUD's system in emergency situations. In the end, the proposed piping modifications simplified both construction and minimized potential long-term maintenance issues. We therefore recommended that the contractor be directed to make the changes with the understanding that they would hold the critical overflow elevation and provide as-built drawings detailing the final piping configuration.

Third Quarter Flow Meter Reconciliation: With the invaluable assistance and record keeping of Ms. East-Janicki, we have received and reviewed the updated flow data for the period of January 1, 2023, through September 30, 2023. The attached figures graphically present these data and provide a direct comparison of flows between the respective districts and the total flow as measured at the plant meter. Through September 30th, the total flow registered at the plant meter was 351.4 million gallons (MG), which equates to an average flow of about 1,29 million gallons per day (MGD). In 2022, the average daily flow through the plant was 1.12 MGD. The average daily flow has therefore increased by more than 10% this year, which is attributable in part to the excess moisture as precipitation over the past winter and spring. The highest daily flow measured to date this calendar year occurred on March 10th and registered 2.05 MGD.

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As you review this data, it is important to note that the reported flows during a significant portion of both August and September were hand collected and reported due to data lines being out of service. The variation in flow volume between the plant meter and the sum of the flows from the contributing districts is meter about 5.1%. That is, the total volume registered on the plant meter exceeds the sum of the flow meter readings from the contributing districts by 5.1%. Although a flow variation of this magnitude is more than we have seen in prior quarterly periods, it is not wholly out of the bounds of a reasonable estimate of cumulative error between the respective meters.

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,

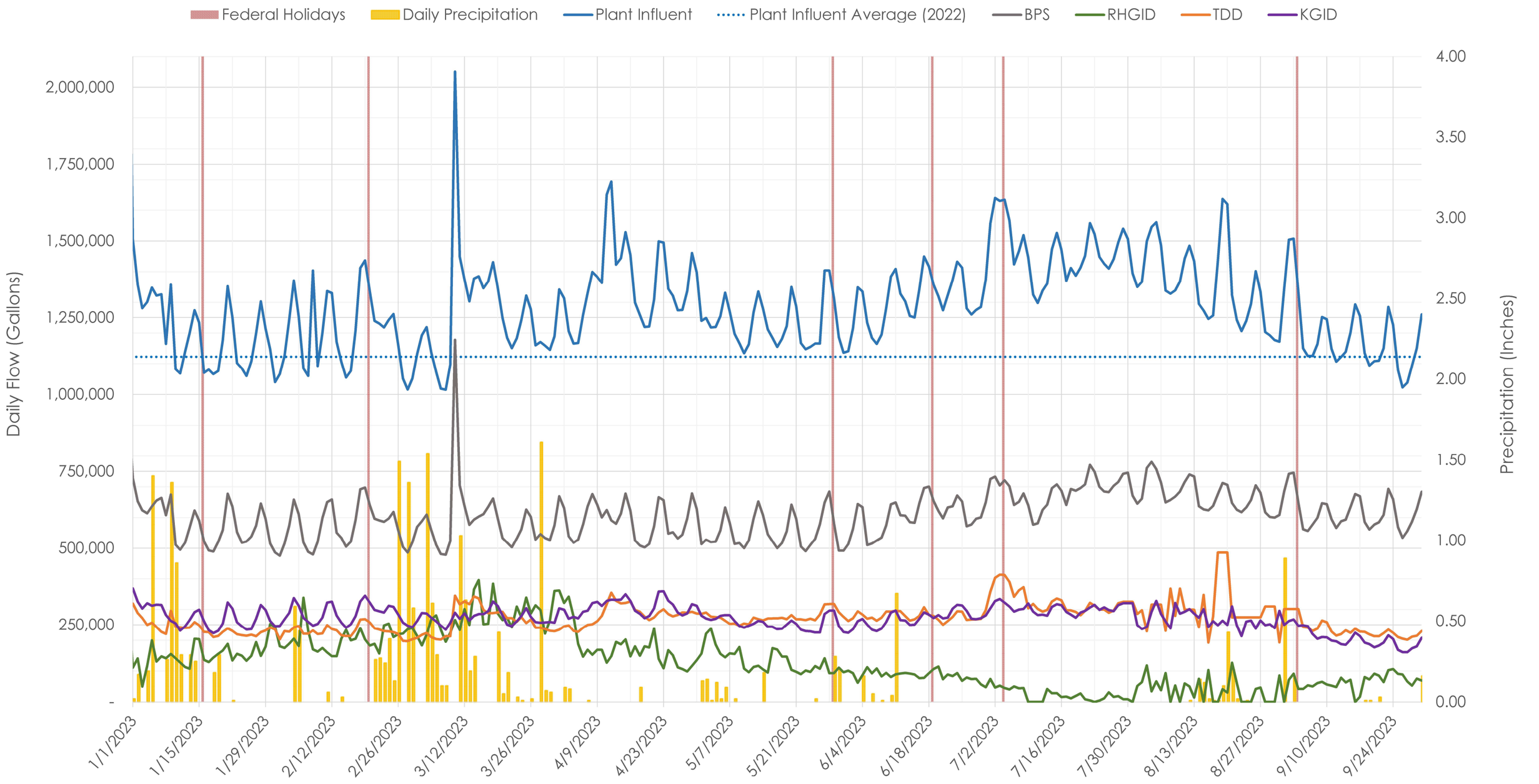
R.O. ANDERSON ENGINEERING, INC.

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

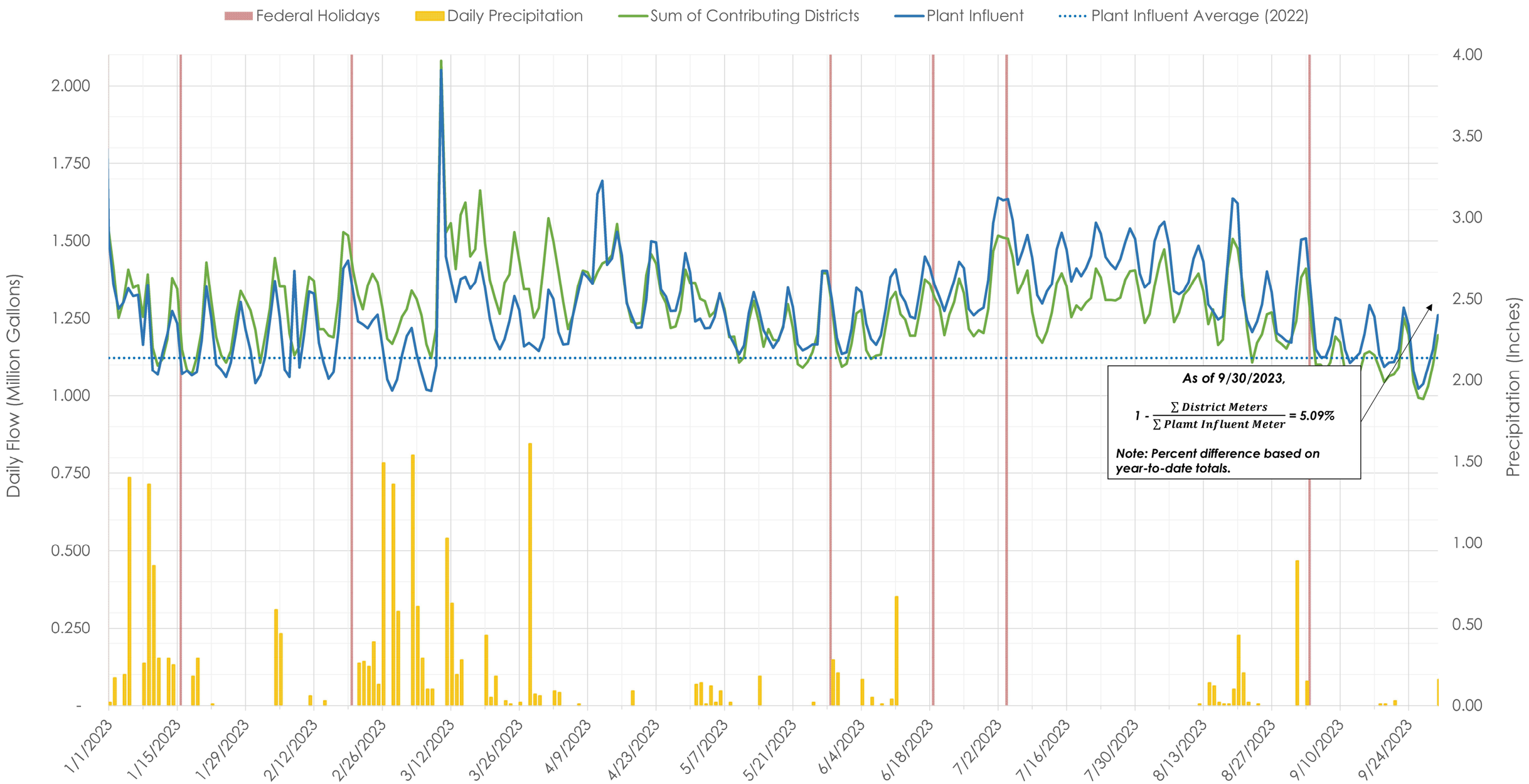
Attachments

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

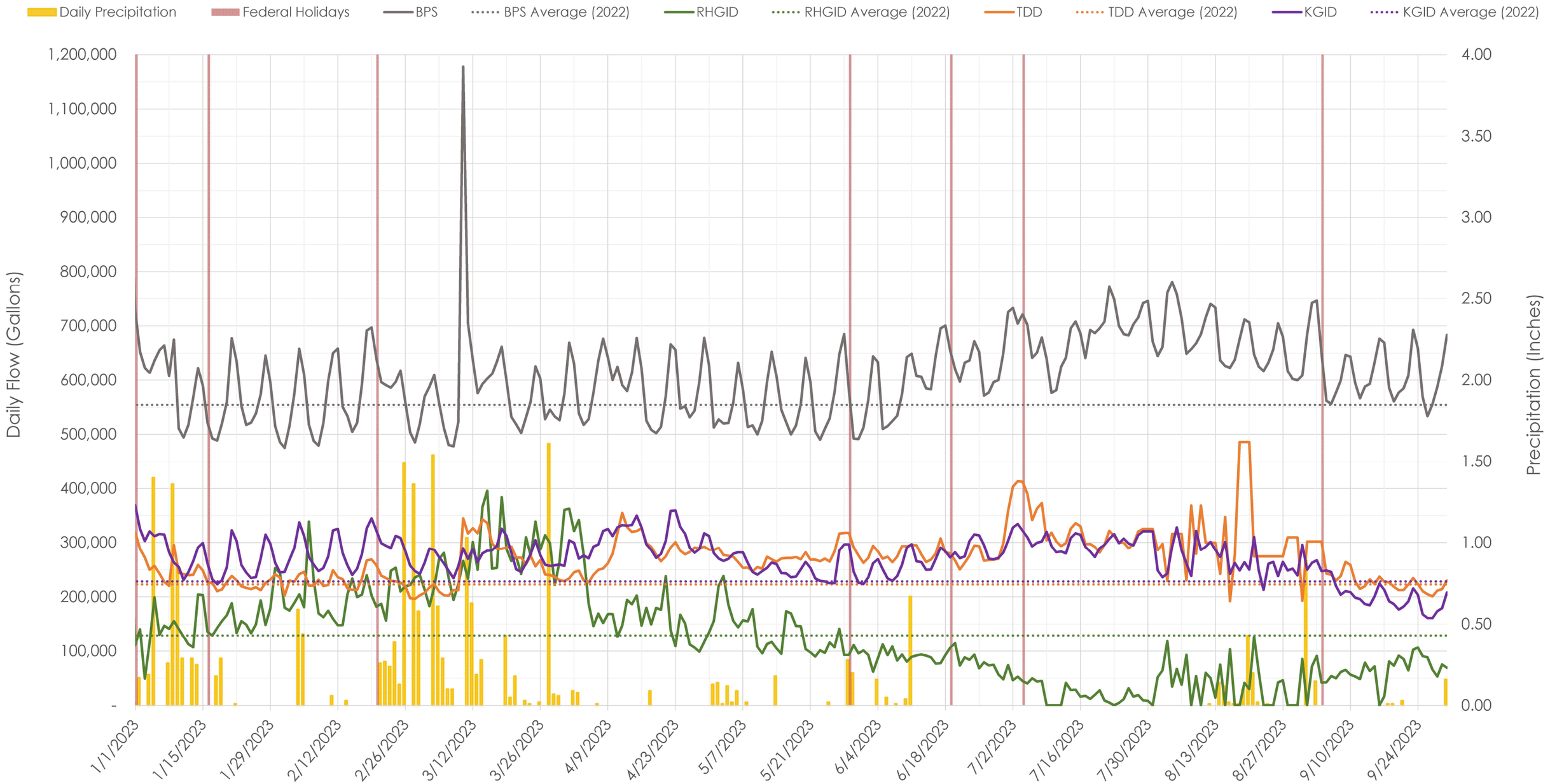
DCLTSA Flow Comparison with Daily Precipitation
1/1/2023 - 9/30/2023



Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
1/1/2023 - 9/30/2023



Contributing Districts Comparison with Daily Precipitation
1/1/2023 - 9/30/2023



CONTROLLER'S GENERAL STATUS REPORT

October 18, 2023

- There is a Budget to Actual spreadsheet in the Board packet that shows operating expenses through August were 2.2% over budget. We're headed in the right direction, as last month it was 8.5%. As I told you last month, the Annual Software Licenses and Fees and Permits are all paid at the beginning of the year.

- The auditors from Eide Bailly have finished the fieldwork portion of their audit. I have finished the financial statements but am still working on the footnotes. The finalized audit will be presented to the Board at the November 15 meeting. If there have been any issues identified, I haven't heard about them.

- We sent out second quarter invoices on October 1, and they are not due until the beginning of November. Therefore, the accounts receivable balance at this time is approximately $591,500.

- We caught flow reports up after Frontier Telephone's problems were resolved. Through September of this year, overall influent flows are up 12.3% from the same period in 2022, with larger flow increases from TDD and KGID and smaller ones from the Beach Pump Station.

- We have received the In-District camera line assessment from Summit Plumbing and it appears there are no immediate issues with our system. There is one line on Dorla Court that appears to have deposit build-up on the lining, and it will be recleaned and the camera assessment on it will be repeated to tell for sure. Paul Kearney is pulling a separate report for Elk Point Sanitation District and we will submit that to them. HDR has requested that we send them primarily

summaries at this time, so I'm in the process of pulling those out to send them.

Discussion of Change of Accounting Practice

Since before I came to work here in 2006, all interest earned on Construction Fund investments has been transferred to the Plant Repair Fund. It is my understanding that at some point in the past Plant Repair monies were transferred to supplement the Construction Fund with the interest arrangement being the trade-off. At this time, particularly with the Export Line project looming, I would request Board approval to keep the Construction Fund investment interest in the Construction Fund as that's where it will be needed most.

It may not be strictly necessary for me to get Board approval for this, but it is a change of accounting practice, so I'd particularly like to be transparent about it and avoid an audit issue later. If the Board concurs with this, I'd ask for a motion to credit Construction Fund investment interest to the Construction Fund rather than transferring it to the Plant Repair Fund as has been done historically.

Investment Report

At the time of writing this report, the Authority's investments still total a little more than $15.6 million. Approximately $12.2 million is held in the Local Government Investment Pool (LGIP) and they paid 4.8% in September, but the interest hasn't yet been recorded. We hold $3,430,000 in laddered CDs with an average interest rate of 4.59%.

- More than $6.5 million of the investments are held in the General Fund. Over the years, that amount has built up from In-District collections and it will be used as necessary to repair or replace In-District Collection lines.

- More than $4 million is held in the Plant Emergency Repair or Plant Expansion Fund. That amount is restricted by ordinance for those two things: emergency repairs or plant expansion.

- Almost $5 million is held in the Construction Fund and that money is used for ongoing and future capital improvements from the Capital Development Plant. The Capital Assessment portion of rates is deposited there, and it will be used for the Export Line Replacement project in the next couple of years.

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.