MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
November 20, 2024

CALL TO ORDER:

A Meeting of the Board of Trustees of the Douglas County Lake Tahoe Sewer Authority (DCLTSA) was duly convened at 9:30 a.m. on Wednesday, November 20, 2024, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present at the beginning of the meeting were Trustees John McLaughlin, Andy Huckbody, Jodie Nelson and Wes Rice. Trustee Keith Fertala arrived at 9:50 a.m.

RECOGNITION OF OTHERS IN ATTENDANCE:

Also present were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Accountant Ying Johnson, Authority Engineer, Rob Anderson, and the Authority's legal counsel, Jim Cavilia. Anne Harry and Kylie Burkett of the Elk Point Sanitation District (EPSD), Marge Lugo Hauge of Tahoe Douglas District (TDD) and Tracy Bedgood of Casey Neilon were also in attendance.

PUBLIC COMMENT:

None.

APPROVAL OF AGENDA:

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

MINUTES OF PRIOR MEETING:

It was moved by Trustee Nelson, seconded by Trustee Huckbody and carried unanimously (4-0) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated October 16, 2024, be approved as presented.

Presentation of Audited Financial Statements for Fiscal Year 2023-2024 by Auditing Firm Casey Neilon.

Authority Controller, Paula East-Janicki, introduced Tracy Bedgood, senior audit manager of Casey Neilon, who presented the Board with a summary of the audited financial statements of the

Authority. Ms. Bedgood presented the Board with the written audit report for the year ending June 30, 2024 and stated that it was the best result possible as it is an "unmodified" opinion.

Ms. Bedgood stated that the report was prepared in accordance with generally accepted accounting practices and there are no findings to report. Ms. Bedgood stated that, in completing the audit, there were no disagreements with management, and that they had no difficulties in completing the audit. Ms. Bedgood specifically thanked Ms. East-Janicki and Authority staff for their cooperation.

In response to a question from Chairman McLaughlin, Ms. Bedgood explained how lease income is accounted for in the audit. Following a brief discussion among the Trustees, **it was moved by Trustee Rice, seconded by Trustee Huckbody and approved unanimously (4-0), that the audited financial statement be adopted as presented.**

Discussion and possible action to adopt, on second reading, a proposed ordinance regarding the Authority's operations and services, as well as fees for providing services. The proposed ordinance is intended to fully amend and replace the Authority's current operating ordinance.

Authority Controller, Paula East-Janicki, provided the Board with a written summary of the proposed ordinance including the revisions most recently proposed by the Authority Engineer, Rob Anderson. With the assistance of Mr. Anderson, Ms. East-Janicki proceeded to explain the proposed ordinance and how it differs from the current ordinance adopted in 2003. Mr. Anderson explained how the ordinance sets fees based on the number of fixture units and how the number of fixture units impacts the amount of collection and treatment capacity the Authority must have available.

Based on the Authority's expenses and looking at the rates of similar providers, Mr. Anderson recommended a hook-up rate of $170 per fixture unit with a minimum fee of $3,750 for each residential unit. Mr. Anderson emphasized that this minimum fee is much lower than the seven other sewer service providers that were surveyed.

Other changes included in the proposed ordinance is a provision that allows for the monitoring of the maintenance of grease interceptors and the ability to fine property owners for failing to maintain the interceptors. The ordinance additionally combines the Plant Expansion and Emergency Repair Fund with the Construction Fund for accounting purposes. Ms. East-Janicki explained that these funds are set aside for use on large-scale repair and replacement projects. Explaining that the Authority, as currently organized, cannot, without legislative action, expand its boundaries, Ms. East-Janicki added that the proposed ordinance also removes a provision that addressed the annexation of property into the Authority. Finally, Ms. East-Janicki stated that the new ordinance provides for a stand-by fee for commercial users that can be utilized during prolonged periods of non-operation.

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

Following brief comments by the Trustees, **it was moved by Trustee Nelson, seconded by Trustee Huckbody and approved unanimously (4-0), that the proposed ordinance be adopted 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 the Authority's Discharge Monitoring Reports for the third quarter of 2024 have been successfully submitted to the Nevada Department of Environmental Protection (NDEP) and the Environmental Protection Agency (EPA).

Mr. Hopkins explained how Authority staff recently moved the Headworks Blower System at the plant to a location outside in order to eliminate the discharge of hydrogen sulfide gas within the headworks building. As part of that work, staff also installed a variable frequency drive on the blower that will help extend the life of the unit.

Mr. Hopkins indicated that delivery of treated effluent to Park Cattle stopped as of October 29, 2024 in conjunction with the end of seasonal irrigation at the ranch.

Mr. Hopkins stated that staff recently transferred aerated liquid from the treatment plant to the Incline Village General Improvement District (IVGID) treatment facility in order to "jump-start" IVGID's sewage treatment process.

(Trustee Keith Fertala arrived at the meeting at approximately 9:50 a.m.)

Mr. Hopkins reported that adjustments have been made to the times that the Authority's automatic samplers and export pumps operate in order to maximize efficiency based on NV Energy's "Peak Demand" electrical rates.

Mr. Hopkins stated that a Variable Frequency Drive (VFD) at the Main Pump Station recently failed, likely as the result of a connection issue related to the NV Energy transformer. As a result of this failure, a new VFD has been installed by staff and NV Energy has replaced the transformer. Mr. Hopkins added that a claim has been made with the Authority's insurance carrier to recover the associated costs of approximately $16,000.

Mr. Hopkins described the recent installation by Authority staff of a hydraulic masticating grinder at the Beach Pump Station. Mr. Hopkins explained that this equipment should help to reduce clogging in the pumps and thereby reduce the need for overtime and the risk of sewer overflows.

Finally, Mr. Hopkins reported that repairs to an air relief valve and vault on the Export Force Main were recently completed after damage had been caused by rockslide earlier in the year.

In response to a question from Trustee Fertala about recent power shutdowns in the area by NV Energy, Mr. Hopkins indicated that the Authority has not experienced any such shutdowns this fall and that if a shutdown were to occur, the Authority has backup power for everything.

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 November 19, 2024, briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The November 19, 2024, correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that planning continues for the Plant repaving project and that the updated plans are now ready for review by the Tahoe Regional Planning Authority (TRPA).

Mr. Anderson provided the Board with a report of influent flows to-date for 2024 and indicated that there is now virtually no variance between the participating districts' meters and the inflow meter at the plant.

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 were approximately 3.2% under budget through October of 2024 but that much of that relates to audit fees that have not yet been paid.

Ms. East-Janicki stated that Harvey's and the Golden Nugget have both submitted plans for upcoming remodeling work.

Ms. East-Janicki also reported that each of the contributing districts would be receiving a rebate this year with KGID receiving approximately $46,000, TDD receiving approximately $8,600 and RHGID receiving approximately $24,200.

Finally, Ms. East-Janicki indicated that, except for the final report being completed a little late, the audit process was very smooth and she stated that the new auditor was very good to work with.

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

B. Investment Report

Ms. East-Janicki provided the Board with a written summary of the Authority's investments and reported that the Authority has more than $18.1 million invested with approximately $13.1 million in the Local Government Investment Pool. Ms. East-Janicki added that two CDs matured in the previous month and they were reinvested at the rate of 4%.

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 reported that permits have been issued for removal of the sewer line on the beach in Marla Bay and that sewer laterals for 22 homes are having to be relocated with some already completed. Finally, Trustee Huckbody stated that this would be his last DCLTSA meeting as a Trustee, and he expressed his appreciation to the Authority staff during his time on the Board.

Trustee Nelson reported that this would also be her last meeting as a Trustee and that Kingsbury General Improvement District (KGID) would be appointing a new Trustee to the Authority Board. Trustee Nelson also indicated that KGID would be considering new sewer and water rates in the upcoming month and that oral argument has been scheduled in KGID's case with the Tahoe Douglas Fire Protection District regarding responsibility for snow removal around fire hydrants. Finally, Trustee Nelson stated that KGID's general manager recently resigned and that a committee has been formed to find a new general manager.

Trustee Fertala reported that RHGID will review its audit at its next meeting and that an agreement with RHGID's new manager is currently being negotiated. Trustee Fertala stated that RHGID's new flow meter has been installed and will soon be reporting directly to the Authority. Trustee Fertala also stated that actions to reduce inflows in the Pinewood area are being undertaken and the RHGID has recently had a review of its pump stations and other infrastructure completed by an outside engineering firm.

Trustee Rice reported that federal funding in the amount of approximately $4.3 million has been obtained for the Kahle Drive Complete Streets project which will include the relocation of certain

underground utilities. Trustee Rice also stated that the County is dealing with issues related to a general improvement district in the Carson Valley with only twenty homes in it. The County is also attempting to address an issue regarding a lot in Elk Point that was apparently never properly approved. Trustees Rice indicated that the County will be considering an ordinance that will place certain limits on adult entertainment in the county. Finally, Trustees Rice reported that the assistant County Manager, Scott Morgan, has recently retired and Wendy Lang has been appointed to fill the position.

Chairman McLaughlin stated that things at the Tahoe South Events Center (TSEC) are going great with concerts and hockey creating positive activity within the casino core.

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

PUBLIC COMMENT: Anne Harry of Elk Point Sanitation District (EPSD) reported that EPSD was securing funding to complete the necessary improvement to EPSD's sewage collection system and that she anticipates work beginning in the spring.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:35 a.m.

APPROVED

4931-9133-9272, v. 1

CONTROLLER'S REPORT ON ADOPTION OF THE AUTHORITY'S OPERATIONS ORDINANCE

November 20, 2024

As we discussed last month, the general operational Ordinance which regulates the Authority's operations and services, as well as fees for those services, was last revised in 2003. Over the past months, we have worked with Jim Cavilia and Rob Anderson to change provisions in the 2003 Ordinance that are outdated, as well as connection fees.

A survey of 7 other districts, Round Hill, Kingsbury, Tahoe Douglas District, Minden Gardnerville Sewer District, Indian Hills, Douglas County and STPUD, indicated that the average residential connection fee is currently $5,054. The Authority's connection fee for a 3-bedroom house is currently $800.

Based on last month's input from the Board, the Ordinance before you differs from the 2003 Ordinance as follows:

- Utilizing a drainage fixture unit (DFU) count, as defined in the International Plumbing Code for determining residential connection fees, as we have always done with businesses. Doing this ensures smaller houses pay less and larger ones pay more. The existing Ordinance has a fixed fee per bedroom.

  Rob Anderson has done additional research on the issue of connection fees and his memo of recommendation is included in the Board packet.

- Adding a provision for monitoring and fining commercial establishments that do not properly maintain grease interceptors.

- Combining the Plant Expansion and Emergency Repair Fund with the Construction Fund as they are designated for accounting purposes. The combined fund would still be restricted for use on large repair and replacement projects.

- Removing the provision for properties annexing to the Authority.

- Adding a Stand-by Capacity Maintenance Fee provision for commercial users, during prolonged periods of non-operation.

Meeting Date: November 20th, 2024

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report – November 2024
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.

1. The Q3 2024 Discharge Monitoring Reports for the Treatment Plant have been successfully submitted and passed by the NDEP and EPA.

2. Staff relocated the Headworks Blower System outside of the building to reduce the degradation of the unit by Hydrogen Sulfide gas present inside the Headworks Building. Staff also installed a Variable Frequency Drive on the blower. This will allow better fine-tuning of air flow, will save money on electricity, and extend the life of the unit.

3. Authority treated effluent flows to Park Cattle were halted on October 29th, concurrent with the end of seasonal irrigation at Park Ranch.

4. We transferred 21,000 gallons of aerated Mixed Liquor to the Incline Village GID Wastewater Treatment Plant. The transfer was requested by IVGID to try and "jump-start" their treatment process ahead of anticipated higher BOD loading to come over the Thanksgiving holiday.

5. Plant automatic samplers and export pumps have been adjusted to match NV Energy's "Time-of-Day / Peak Demand" criteria for the winter. Adjustments were made to accommodate Daylight Savings Time at the same time.

6. A Variable Frequence Drive suffered a catastrophic failure at the Main Pump Station. We believe the issue was with a loose connection on the Utility side of an old NV Energy transformer at the Station. This loose connection likely caused a "single-phase" event, leading to overload of the VFD. NV Energy replaced the old transformer, and our staff have installed a new VFD at the station. We have submitted a claim to our insurer, Warren-Reed, to mitigate the roughly $16,000 dollars in equipment and outside electrical assistance we needed to address the VFD failure. (Photo attached)



NV Energy replacing transformer at the Main Pump Station.

7. Staff has completed installation of the hydraulic masticating grinder system in the wet well at the Beach Pump Station. The grinder system will chop up large rags and other debris that ends up in our sewer system, clumps of which often clog our sewer pumps, creating overtime callouts and increasing risks of sewer overflows. (Photos attached.)





8. Repair of an Authority Air-Relief Valve and vault on the Export Force Main were conducted this month. The ARV and vault were damaged during a rockslide earlier this year, likely a result of accumulated erosion from runoff. (Photos attached.)



ARV vault prior to repair.



ARV Vault after repair / replacement.

R|O|Anderson

a WILSON ENGINEERS company

November 19, 2024

Via Email

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

Authority Engineer's Monthly Report – November 2024

Dear Members of the Board:

The following report presents a summary of activities undertaken on behalf of the Sewer Authority since our last meeting together on October 16, 2024. During this period, we provided general engineering support as requested. 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, a Wilson Engineers Company (ROA) assisted and participated with Authority personnel on various engineering-related assignments on an as-requested basis. These services include participating in the review of and providing input on the updated ordinance. This effort included preparing and making edits to the proposed construction details and helping to organize the proposed Design and Construction Standards for consideration by the Board. We also researched and evaluated the alternative methods of calculating probable sewer flow based on drainage fixture units and comparing those results with flow rates used by other sewer districts in the region. A copy of our memorandum summarizing the results of that analysis is attached for your consideration.

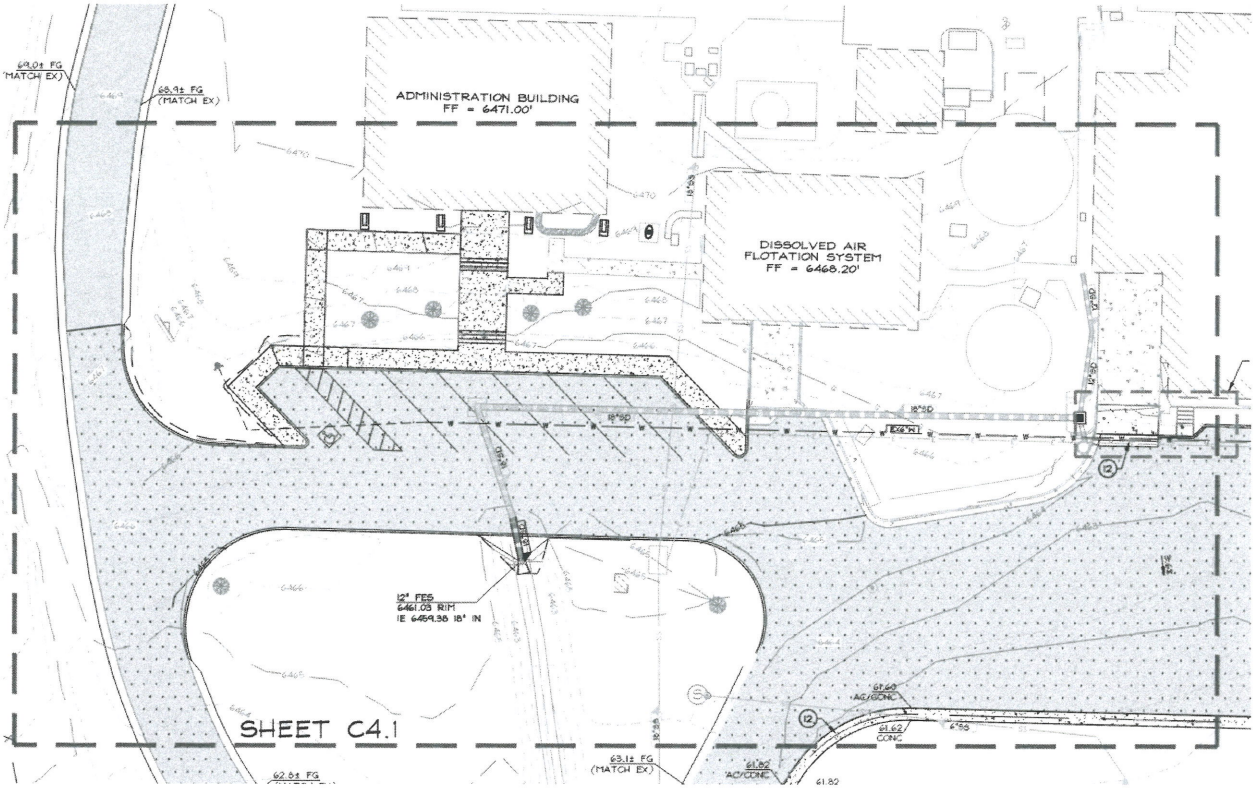
2024 Sewer Plant Site Re-Paving Project – Design and Permitting Efforts: During this period, we also made substantial progress on the design of the Pavement Rehabilitation Project. Generally, the project contemplates removing and replacing the aged and deteriorating asphalt around the plant site as well as the access road to the plant reservoir. Another important element of the project is to remove and replace the front entrance to the Administrative Building and adapt the site to include ADA access to the building. A preliminary design of the access route is shown in the snippet below. Based on input from Mr. Hopkins and his staff, it contemplates relocating the parking improvements to the west – further away from the roots of the large pine trees, the roots of which have caused the existing sidewalk to be dislocated and uneven.

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

Relocating the sidewalk, curb and paving to the west also serves to provide a little longer length, which facilitates the slope requirements for ADA routes.



After the Authority personnel have had the opportunity to review and provide input on the design, we will work to confirm available coverage and upon doing so, we will be ready to commence the permitting process with TRPA and then Douglas County.

Summary of Influent Flows – Year to Date 2024: With the assistance and input of Ms. East-Janicki, we have reviewed and updated the flow meter data from the respective contributing districts for the period of January 1st through October 31st of this year. The attached charts summarize the readings for the period.

The average daily flow for this period (January 1st -October 31st) was 1.15 MGD. This flow is about 10-percent less than the average daily flow that was measured in 2023 for the same period (1.29 MGD), and nearly the same as the average daily flow observed in 2022 for the same period (1.12 MGD). As you will recall, 2023 was a relatively large water year whereas to date in 2024, the region has had a relatively low volume of precipitation. It, therefore, seems probable that the difference in total plant flows over these past three years is attributable to variance in precipitation (infiltration and inflow).

When the sum of the readings from the contributing districts are compared to the influent meter at the Plant, there's less than 1/2-percent (actually 0.12%) variance between the combined total flow from the contributing districts and the cumulative flow readings as captured at the Plant's influent meter. For this period, the combined flow from the contributing districts is slightly higher than the total volume measured at the influent meter. Due to the very small variance, it is difficult to see in the attached charts. However, it is most readily seen on the second of the three attached flow charts. Based on our review of these data, despite daily variations, the relative flows between each district are being equitably accounted for through these meter readings.

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 a Wilson Engineers Company

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

Attachments

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

R|O|Anderson
a WILSON ENGINEERS company

M E M O R A N D U M

Via E-mail

DATE: November 15, 2024

TO: Paula East-Janicki, Controller
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY

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

SUBJECT: DCLTSA: Review of Sewer Connection Fee Calculations

Paula,

Thank you, again, for your cooperation over the past couple of weeks working through these calculations and the draft ordinance in general. Your summary of the historical costs incurred by the Sewer Authority to construct its current capacity was invaluable and your research of current capacity/connection costs currently assessed by other similarly situated districts was also very helpful. We have reviewed those materials and compared them to the annual flow volumes that are realized at the treatment plant to determine the approximate cost per gallon of flow. We have also reviewed and previously provided comments and suggestions on the text of the draft ordinance.

As one element of the capacity/connection fee calculation, the current ordinance utilizes a flow rate per drainage fixture unit (DFU) of 80 GPD. This unit flow rate is now known and recognized to be excessively high and not representative of probable flows generated from current plumbing fixture units. As we discussed, the state's adoption of the requirement to use low flow plumbing fixtures several years ago results in the unit flows generated per fixture unit to be substantially less than 80 GPD.

From your spreadsheet that calculates and summarizes the cost of capacity purchased from 1981 – 2024, it seems that the total cost paid for the various expansions over time have totaled $69.2 million. The total flow realized at the plant in 2023 was about 450 MG, or 1.23 MGD. Assuming the current capacity of the plant and disposal facilities is 3.7 MGD, the cost of the plant capacity is about $18.7/gallon per day ($69.2M/3.7 MGD). Using an average of 9 GPD/DFU yields an average capacity cost of $168 per DFU.

Regionally, other sewer districts express their residential connection fees based on an "equivalent dwelling unit" (EDU). Unfortunately, in our observation few districts quantify or disclose what flow volume or number of drainage fixture units precisely constitute an EDU. This approach avoids the need to count fixture units within a planned residential structure and allows districts to simplify the response to the typical question of "…what is

the connection fee for a new home?" To establish and quantify a reasonable number of drainage fixture units that may be found in an "equivalent dwelling unit" (EDU), we evaluated three different residential structures that we have recently been involved in the design of and counted the planned number of drainage fixtures. The three structures included: a single family, 3-bedroom home; a 4,631-square-foot, 3-bedroom custom home; and what is an 8-bedroom "barn-dominium" type structure. The number of drainage fixture units planned within these structures ranged from 19 – 43.

From your research and summary of the capacity and connection fees assessed by other districts in the area ("Comparative Rates and Connection Fees"), it was noteworthy that only Indian Hills GID defined the number of DFUs (22) assumed to be within an EDU. If the Sewer Authority was to also adopt 22 DFUs as the definition of an EDU, the resulting connection fee per residence would be about $3,750.

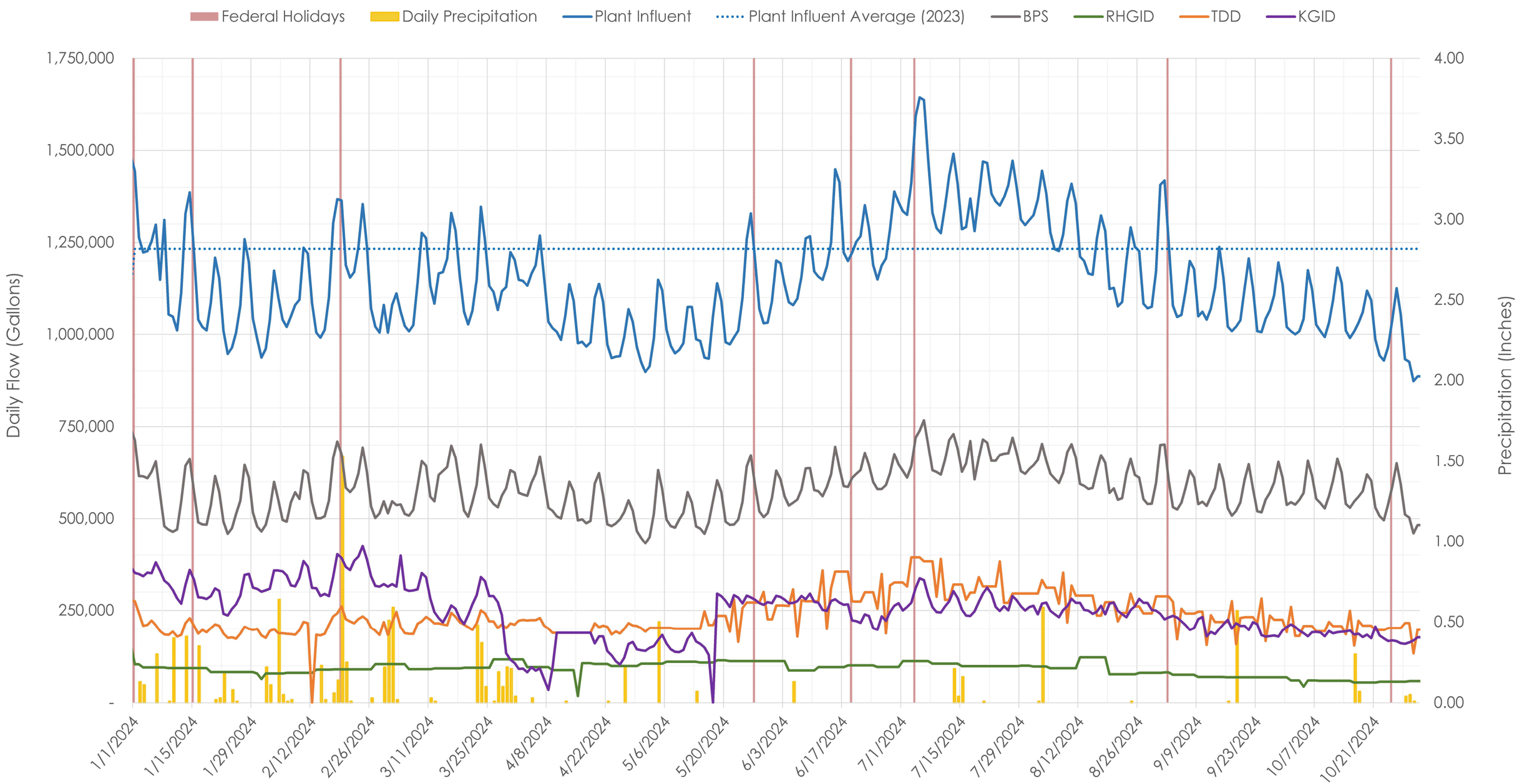
Based on this review and summary, we suggest and recommend the Board adopt a minimum commercial connection fee of $170 per DFU, and a minimum residential connection fee of $3,750 (22 DFUs/residence). As we discussed, these minimum rates are generally lower than other surrounding districts; however, they are justifiable based on actual costs of constructing capacity and the annual flow volumes collected, treated and disposed of through the Sewer Authority's systems. Additionally, the approach of using the same charge per DFU for both commercial and residential connections is equitable. That is, if all other factors are treated as equal it costs about the same amount to collect, treat and dispose of a gallon of sewage generated from a residential connection as it does a gallon generated from a commercial connection.

As you review this summary, should you have additional questions or expect that further details of the methodology used to derive these values or the corresponding recommendations are needed, please do not hesitate to contact me.

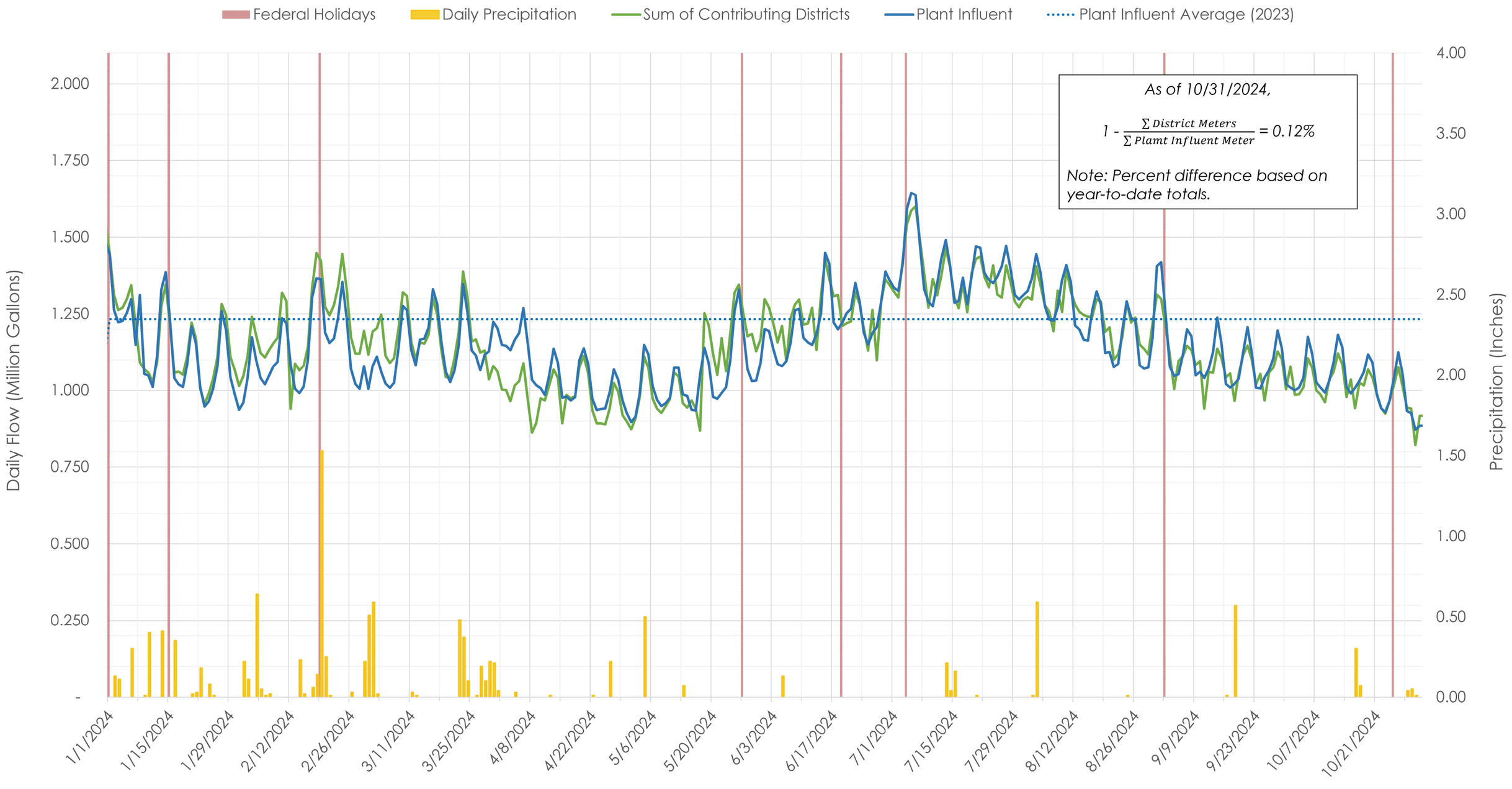
cc. Jim Cavilia, Esq
Rob Hopkins

End of Memorandum

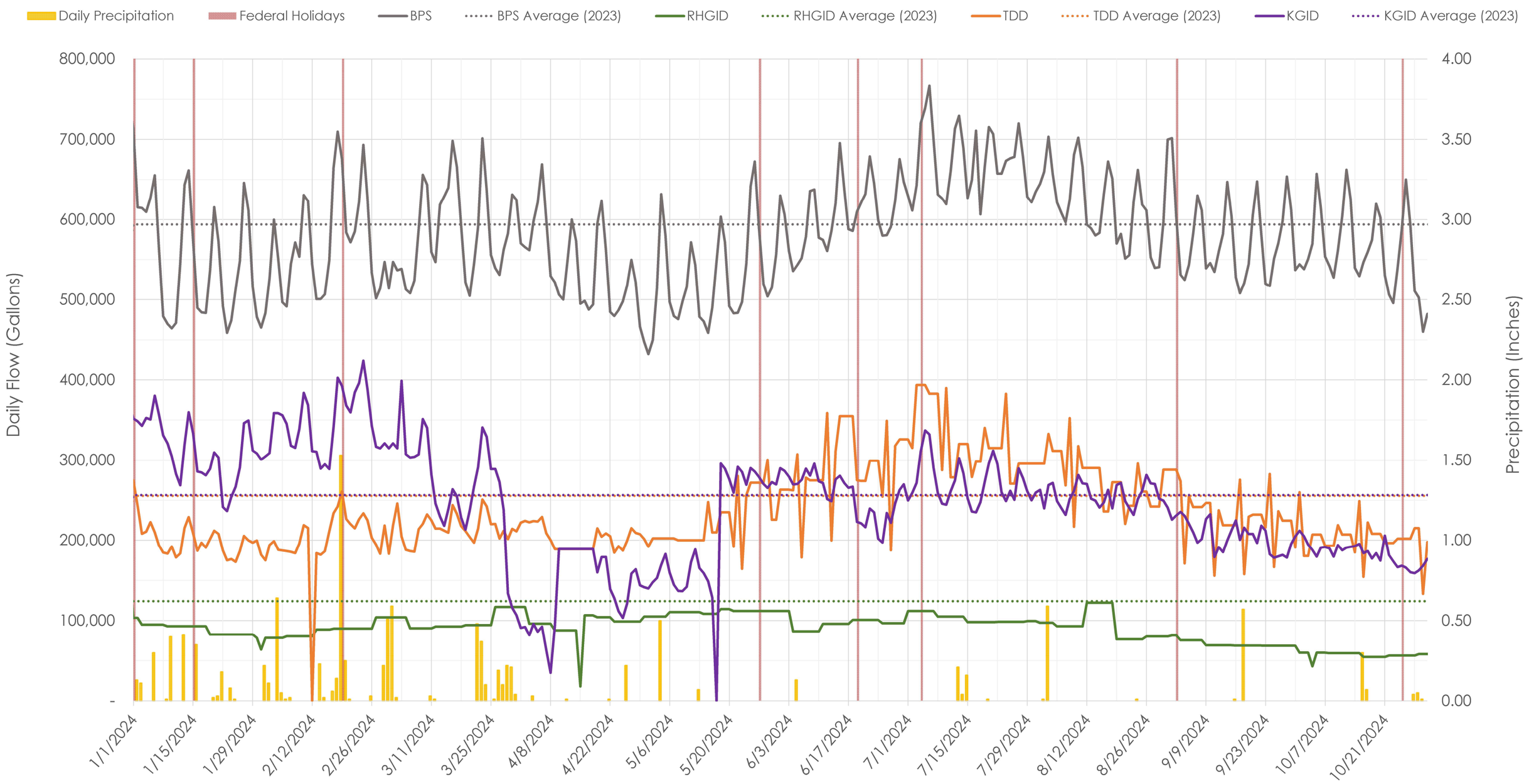
DCLTSA Flow Comparison with Daily Precipitation
1/1/2024 - 10/31/2024



Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
1/1/2024 - 10/31/2024



Contributing Districts Comparison with Daily Precipitation
1/1/2024 - 10/31/2024



CONTROLLER'S GENERAL STATUS REPORT

November 20, 2024

- The Budget to Actual Spreadsheet in your packet shows that we finished September 3.2% under budget. That's pleasing news but before we get carried away, note that $23,500 of the $29,500 we're under is due to audit fees not yet charged and collection line expenses that were budgeted but not yet incurred for the future NDOT project.

- Harvey's and the Golden Nugget have remodeling taking place and we are in the process of reviewing plans and assessing connection fees.

- **Investment Report**

The Authority's investments total more than $18.1 million, with $13.1 million of that being held in the Local Government Investment Pool (LGIP). We had two CDs mature since the last Board meeting and I reinvested them for two years at 4% and 4.05% interest. The average of our CD interest rate now is 4.6%.

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.