MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
January 15, 2025

CALL TO ORDER:

A Meeting of the Board of Trustees of the Douglas County Lake Tahoe Sewer Authority (DCLTSA) was duly convened at 9:30 a.m. on Wednesday, January 15, 2025, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

Acknowledgment of appointment of Trustee to serve on Douglas County Lake Tahoe Sewer Authority Board of Trustees by the Board of Trustees of Tahoe Douglas District; Margie Lugo Hauge.

Chairman John McLaughlin welcomed Margie Hauge of Tahoe Douglas District to the Board of Trustees. Trustee Hauge introduced herself to the Board and indicated that she looked forward to learning more about the Authority and working with the other Trustees.

ROLL CALL:

Present were Trustees John McLaughlin, Keith Fertala, Wes Rice, and Margie Hauge.

RECOGNITION OF OTHERS IN ATTENDANCE:

Also present were Authority Manager Rob Hopkins, Authority Accountant Ying Johnson, Authority Engineer, Rob Anderson, and the Authority's legal counsel, Jim Cavilia. Authority Controller Paula East-Janicki was in attendance via audio internet connection by which she could hear everyone at the meeting, and everyone could hear her. Anne Harry and Kylie Gerken of the Elk Point Sanitation District (EPSD) were also in attendance.

PUBLIC COMMENT:

None.

APPROVAL OF AGENDA:

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

MINUTES OF PRIOR MEETING:

It was moved by Trustee Rice, seconded by Trustee Fertala and carried unanimously (3-0; Trustee Hauge abstained) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated November 20, 2024, be approved as presented.

Discussion and possible action to set a connection fee rate per fixture unit pursuant to the ordinance adopted by the Authority's Board on November 20, 2024.

Authority Controller, Paula East-Janicki, explained that she and the Authority Engineer, Rob Anderson, have been working on coming up with an appropriate sewer connection fee based on the Authority's recently updated operating ordinance. Ms. East-Janicki explained that as part of the process, she reviewed the sewer connection fees of other similar sewer providers. Mr. Anderson summarized his written memorandum regarding the recommended connection fee, concluding that he and Ms. East-Janicki are recommending a connection fee of $170 per drainage fixture unit (DFU) for new construction or substantial renovation.

Ms. East-Janicki explained that, based on the proposed connection fee, the minimum fee for a new single family residence would be $3,750 based on 22 DFUs per residence. Ms. East-Janicki and Mr. Anderson stressed that the proposed connection fee would remain lower than the connection fees of other nearby sewer providers.

Finally, in response to an inquiry by Trustee Hauge, Mr. Anderson assured the Board that the proposed connection fee would be adequate to cover the Authority's actual cost associated with making the necessary sewer capacity available. Authority Manager, Rob Hopkins, expressed his agreement that the proposed fee would be sufficient to cover the Authority's costs and he recommended adoption of the proposed connection fee.

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 Rice, seconded by Trustee Fertala and approved unanimously (4-0), that the proposed connection fee of $170 per DFU 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 fourth quarter of 2024 are currently being prepared and that staff is working with the Authority Engineer to complete the annual Biosolids Report related to effluent disposal in the Carson Valley.

Mr. Hopkins explained that Authority staff continue work on the electrical control system of the Main Pump Station, with the work scheduled to be completed by Memorial Day.

With regard to the ongoing collection system assessment project, Mr. Hopkins stated that review of the collected data is being analyzed.

Mr. Hopkins reported that Authority staff was in the process of getting cost estimates to upgrade the control panels and variable frequency drives for the two dewatering centrifuges at the plant.

With regard to upgrading electronic communications with contributing districts, Mr. Hopkins stated that the RHGID flow meter data will be the first to be provided to the Authority via telemetry and eliminate the reliance upon phone lines.

Mr. Hopkins explained that pressure sensors in the Export Force Main recently detected a potential leak in the main. Mr. Hopkins added that a leak was discovered without the discharge of effluent to any drainages or waterways, and that the pipe was repaired by Authority staff. Mr. Hopkins stated that the leak was found in a "problematic" section of the force main that is scheduled to be replaced as part of the Export Force Main Replacement Project.

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

ENGINEER'S REPORT

A. General Projects Status Report

In addition to his participation in the Manager's Report, Authority Engineer, Rob Anderson, presented correspondence dated January 14, 2025, briefly summarizing various issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The January 14, 2025, correspondence is incorporated in these minutes by this reference.

Mr. Anderson stated that, with the assistance of Ms. East-Janicki, the Authority flow report for 2024 has been completed. Mr. Anderson stated that total flows in 2024 were slightly lower than 2023 flows, likely as the result of reduced precipitation in 2024. Mr. Anderson reported that the average daily flow was 1.3 million gallons per day (MGD) with the highest flow of 1.6 MGD taking place on July 1st.

With regard to the plant site re-paving project, Mr. Anderson indicated that design and permitting work was continuing, with the inclusion of some core testing to confirm the depth of the existing asphalt in certain areas.

Mr. Anderson explained that as part of the possible development of a portion of the Bently Ranch property in the Carson Valley, it may be necessary to update the Authority's agreement in order to accurately reflect the portion of the Bently property that is available for disposal of the Authority's effluent. Mr. Anderson emphasized that proposed revisions would not negatively impact the Authority's delivery of effluent to Bently or the total amount of available acreage. Additionally, Mr. Anderson explained that this would provide the Authority with the opportunity to update the Bently agreement and provide for recordation of memorandum of the agreement.

In response to a question from Trustee Fertala, Mr. Anderson stated that in the very unlikely event that Bently chose not to accept the Authority's effluent in the future, there are several other property owners in the Carson Valley that would gladly accept the effluent for agricultural irrigation.

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 4.2% under budget through November of 2024. Ms. East-Janicki stated that some audit fees have not yet been paid and that costs related to the replacement of manholes in Highway 50 may be in the near future if NDOT proceeds with a planned re-paving project.

Ms. East-Janicki reported that connection fees of $20,300 were recently received from a remodeling project at Harvey's with additional fees expected from planned work at Harvey's and Golden Nugget.

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 approximately $18.4 million invested with approximately $13.3 million in the Local Government Investment Pool. Ms. East-Janicki added that the only change in the Authority's investments since November 2024 is the addition of interest.

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 Hauge reported that TDD's work with regard to removing the sewer main along the beach at Marla Bay was continuing with the portion of the line south of the pier having been removed and the balance of the line scheduled to be removed in the spring. Trustee Hauge also reported that TDD recently completed its audit process.

Trustee Fertala reported that RHGID had to delay approval of its audited financial statements until January and that as a result of the audit RHGID is separating its auditing and accounting functions going forward. Trustee Fertala also reported that RHGID is planning to undertake work in the spring to reduce inflow to the sewer collection system in the Pinewild area.

Trustee Rice reported that the new Douglas County Commission had reappointed him to represent the County on the Authority Board for another two years. Trustee Rice stated that Douglas County's negotiations with South Lake Tahoe regarding the Tahoe Transportation District were ongoing and that a number of issues remain to be resolved in the coming months.

Trustee McLaughlin stated that Caesars recently reported that revenues were down in the fourth quarter of 2024, but that bookings appear to be up in the coming months. Trustee McLaughlin stressed that snow was needed soon to help with activity at the casino core. Finally, Trustee McLaughlin reported that there is a very good lineup of events scheduled for the Tahoe South Events Center (TSEC) and that efforts are being made through the Tahoe Douglas Visitors Authority to increase attendance at TSEC events.

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 closing in on completing a loan with the United Stated Department of Agriculture in order to complete improvements to the EPSD lift stations.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:40 a.m.

APPROVED

4933-3363-5602, v. 1

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

Meeting Date: January 15th, 2025

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report: December 2024 – January 2025
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 Q4 2024 Discharge Monitoring Reports for the Treatment Plant are being prepared. We are working with staff from Rob Anderson / Wilson Engineers to generate the Annual Biosolids report and to report the Nitrogen loading data for our effluent outfall to the Park Cattle ranch.

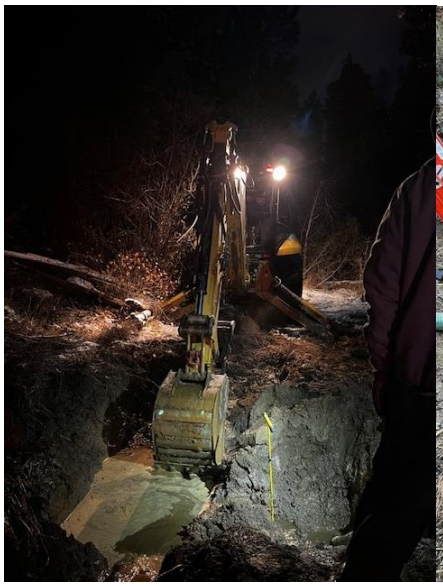
2. DCLTSA staff are working with Royal Electric / Tesco Controls on the Master Control Center (MCC) replacement project at the Main Pump Station. We are targeting substantial completion of the project no later than Memorial Day, 2025.

3. We are reviewing the data collected by Summit Plumbing and HDR Engineering for the DCLTSA Collection System Assessment Project.

4. DCLTSA Maintenance Staff are obtaining price quotes to upgrade the PLCs, control panels and variable frequency drives for both of our dewatering centrifuges. The replacement is necessary due to one of the existing centrifuge control systems becoming obsolete and unsupported. This work will upgrade and synchronize the controls systems of both our centrifuges.

5. DCLTSA IT staff are working with Round Hill GID and IT services provider E-Squared-C to bring the new Round Hill flow meter data into the treatment plant telemetry system. Round Hill will be the first Participating District to upgrade to the new modem / telemetry system. Our IT staff will be in contact with the other Participating Districts (Tahoe Douglas and Kingsbury GID) to discuss setup and installation of compatible communication equipment. DCLTSA will be moving away from Frontier landlines to transmit flowmeter data as of the start of the Fiscal 2025-26 year on July 1, 2025.

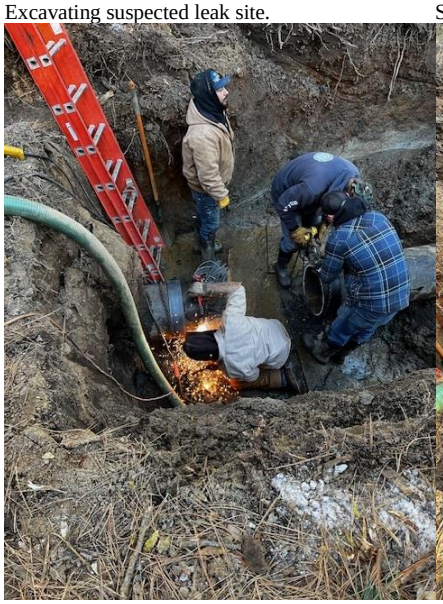
6. Pressure sensors detected a potential leak on our Export Force Main, fortunately occurring when the export pumps were off. Staff investigated and found a leak on the main, about 100 yards from the location of a larger leak in 2017. Effluent in the export line was contained to the site with no discharge to drainages or waterways. Repairs took place throughout the night, with a new section of line being welded in to replace the failed portion. Inspection of the failed line segment indicates that external corrosion combined with internal wear along a bell and spigot joint created a weak point where the failure occurred. This problematic section of export force main is due to be replaced as part of the Export Force Main Replacement Project – Phase 2, scheduled for 2025-26. (Photos attached).



Excavating suspected leak site.



Staff sectioning out bad pipe.



Welding in replacement segment.



New section welded in place.

WILSON ENGINEERS
Formerly R O Anderson

January 14, 2025

Via Email

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

Authority Engineer's Monthly Report – January 2025

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 November 20, 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, Wilson Engineers formerly R.O. Anderson (Wilson) assisted and participated with Authority personnel on various engineering-related assignments on an as-requested basis.

Fourth Quarter Flow Meter Reconciliation: With the assistance and input of Ms. East-Janicki, we have reviewed and updated the flow meter data for the calendar year including flows from each respective contributing District and compared those flows to the Authority's Plant meter. The chart that summarizes this data is attached.

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

- Elks Point Sanitation District: 0.27%
- Tahoe Douglas District: 20.13%
- Kingsbury General Improvement District 20.94%
- Round Hill General Improvement District 7.51%

The remaining 51.1% of flow that reached the Plant meter is attributable to flows from the casino core area including Edgewood.

For the year, the average daily flow was 1.13 MGD and the maximum day flow was 1.64 MGD (7/5/2024). The peak day factor was therefore 1.46. The average day flow is about 8% lower than 2023 (1.23 MGD) and the maximum day flow was 20.0% lower than 2023 (2.051 MGD).

2024 Sewer Plant Site Re-Paving Project – Design and Permitting Efforts:

We are continuing our efforts on the design and permitting of the Site Re-paving project. During the period we made a site visit to review the design drawings prepared to date with Authority personnel and walked the site to verify the scope and extent of paving anticipated. While working with Mr. Hopkins and his staff and discussing the project's scope of work that now includes the installation of some concrete aprons to better handle heavy loads, we anticipate structuring the bid documents with a couple of bid alternatives (e.g., Plant Site Paving and Plant Reservoir Road Re-paving). We perceive this to be necessary and potentially advantageous due to the observed condition of the AC pavement and the potential need to remove and replace full pavement sections particularly in those areas subject to heavier vehicular loads. To this end, we have initiated efforts to have the pavement section core-drilled to confirm the existing depth of AC pavement as well as the condition of the subgrade materials. With that data, we will be able to confirm the recommended pavement section, and the extent of base and subbase materials required to be removed. During the coming few weeks, we expect to have the results of the pavement bores and have our design completed. Once we do, we will update our estimate of probable construction costs and then proceed to final permitting.

Bently Ranch Effluent Disposal Agreement

As a point of information only, earlier this month, I was invited to and attended a meeting with representatives of Bently Ranch and Minden-Gardnerville Sewer District (MGSD) to discuss the existing effluent disposal agreement between those parties. This meeting was precipitated based on a recent land planning application that was submitted by Bently Ranch for about 300 acres, a small portion of which is within the 4,500 acres of the effluent disposal area defined in their agreement. At the conclusion of the meeting, it was agreed that representatives of Bently will work closely with representatives of MGSD to develop a new map of the potential effluent disposal areas within Bently Ranch where they have effluent irrigation infrastructure in place, or that infrastructure could reasonably be developed. From subsequent discussions with Mr. Matt McKinney, Manager of Bently Ranch, it is possible that the available area for this purpose could increase to about 5,000 acres.

Currently the effluent disposal area within Bently Ranch for MGSD is greater than the area shown on the water right filings for Douglas County Lake Tahoe Sewer Authority. In my discussion with Mr. McKinney, it is his objective to update the effluent disposal agreement with both sewer districts so that the place of use of coincides with one another. I anticipate that this will result in the need to amend Bently Ranch's effluent disposal agreement with DCLTSA also.

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,

Wilson Engineers, formerly R.O. Anderson

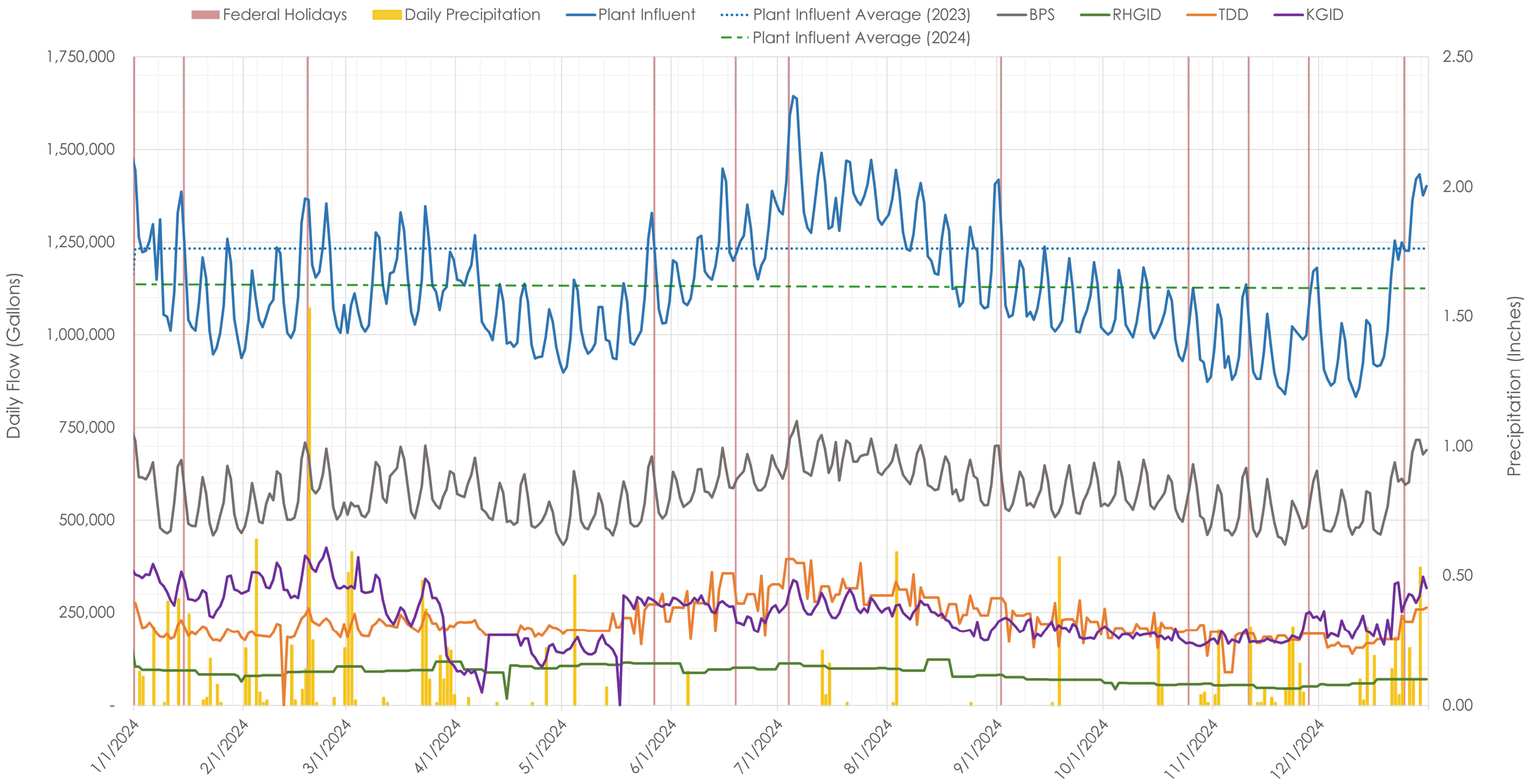
Robert O. Anderson

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

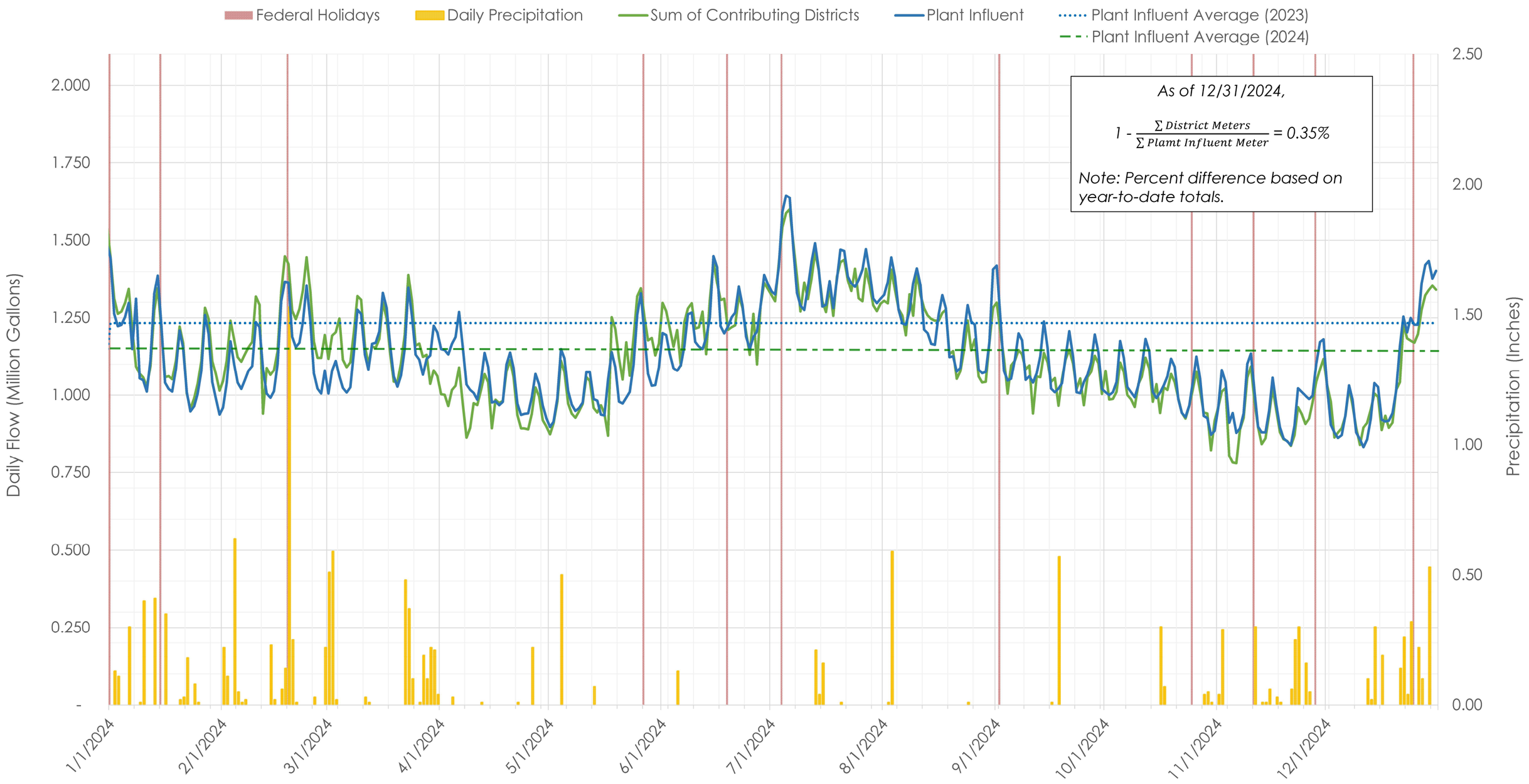
Attachments

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

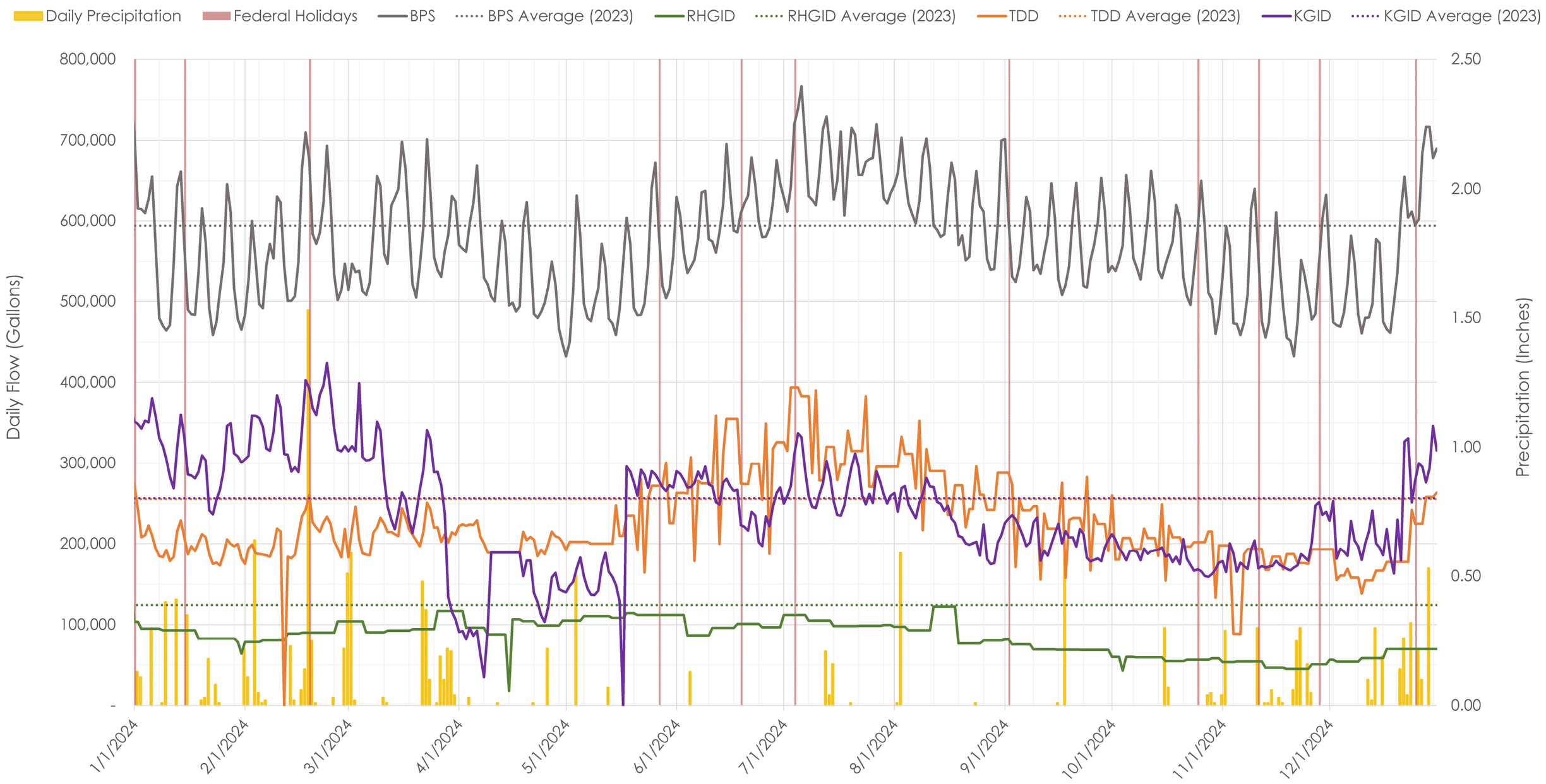
DCLTSA Flow Comparison with Daily Precipitation
1/1/2024 - 12/31/2024



Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
1/1/2024 - 12/31/2024



Contributing Districts Comparison with Daily Precipitation
1/1/2024 - 12/31/2024



CONTROLLER'S GENERAL STATUS REPORT

January 15, 2025

- The Budget to Actual Spreadsheet in your packet shows that we finished November almost 4.2% under budget. That's good news because many of the overages on a year-to-date basis are from prepaid expenses so they will come into line as the fiscal year progresses. We do still have audit fees that have not been charged, as well as costs for manhole replacing if NDOT proceeds with their repaving project in the Spring.

- One of the Harvey's remodeling projects, the Lobby Bar, resulted in connection fees of $20,300 paid to the Authority. There are additional Harvey's and Golden Nugget projects ready for our review and they will be assessed the current connection fee of $160 per fixture unit.

- **Investment Report**

The Authority's investments total more than $18.4 million, with $13.3 million of that amount being held in the Local Government Investment Pool (LGIP). The only change to the investment accounts since the last meeting has been the addition of interest. The average of our CD interest rate now is 4.6% and in November LGIP paid 4.66%. They have not yet distributed December interest.

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.