MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
March 19, 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, March 19, 2025, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

Acknowledgment of appointment of Trustee to serve on the Douglas County Lake Tahoe Sewer Authority Board by the Board of Trustees of Kingsbury General Improvement District (KGID); swearing in of Trustee Sara Nelson (Oath of Office).

Chairman McLaughlin welcomed Sara Nelson of KGID to the Board. Trustee Nelson executed her oath of office and thanked Chairman McLauglin and the Authority staff for the warm welcome. Trustee Nelson indicated that she is employed by South Tahoe Public Utility District and that she considers herself a bit of a water and sewer nerd. She stated that she looked forward to learning about the Authority and its operations.

ROLL CALL:

Present were Trustees John McLaughlin, Wes Rice, Keith Fertala, Marge Hauge and Sara Nelson.

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. Bob Felton and Bradley Oneto of the Elk Point Sanitation District (EPSD) were in attendance as well as Janet Murphy of Tahoe Douglas District (TDD).

PUBLIC COMMENT:

None.

APPROVAL OF AGENDA:

It was moved by Trustee Fertala, seconded by Trustee Rice and carried unanimously (5-0) 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 (4-0-1; Trustee Nelson abstained) that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated February 19, 2025, be approved as presented.

Discussion and possible designation of Casey Neilon for the Fiscal Year 2025-2026 annual audit for the maximum price of Forty-Two Thousand Dollars ($42,000.00).

Authority Controller, Paula East-Janicki stated that the most recent audit process with Casey Neilon went very smoothly and that the staff was a pleasure to work with. Ms. East-Janicki indicated that formal approval of the auditor was necessary for compliance with the requirements of the Nevada Department of Taxation. Following a brief discussion among the Trustees, **it was moved by Trustee Nelson, seconded by Trustee Rice and approved unanimously that Casey Neilon be designated for the Fiscal Year 2025-2026 to conduct the Authority's annual audit for the maximum price of Forty-Two Thousand Dollars.**

Discussion and possible adoption of the Tentative Budget for Fiscal Year 2025-2026.

Ms. East-Janick provided the board with a copy of the Tentative Budget for 2025-2026 and proceeded to summarize the budget indicating that it includes a 7.76% increase in salaries and benefits based on possible merit increases. Ms. East-Janicki explained that it is likely that the total percentage increase will be lower than 7.76% but that amount was the maximum possible.

Ms. East-Janicki stated that power and utility costs are budgeted to decrease by 5.57% based on increased efficiency and lower electricity rates for the effluent export pumps. Ms. East-Janicki added that repair and maintenance supplies are budgeted to increase by 16% based on higher prices.

The engineering and consulting costs are budgeted to be higher because some of the collection system analysis of HDR that was originally to be completed in this fiscal year has been pushed into the upcoming fiscal year.

Ms. East-Janicki directed the Trustees to page 9 and the beginning of the formal budget, pointing out that operating revenues are projected to increase by approximately $340,000 in order to meet increased operating expenses. She also stated that the budget includes $2.25 million in capital assessments and shows a projected operating loss of approximately $88,000 based solely on depreciation.

Ms. East-Janicki indicated that $3.9 million is budgeted for capital improvements that are to include improvements to the Main Pump Station, initiation of replacement of the effluent export pipeline, replacement of plant switchgear and paving work to be completed at the plant.

Based on each participating district's percentage of total sewage flows to the plant, Ms. East-Janicki reported that KGID's rates would increase by 1.1%, RHGID's rates would decrease by 1.4% and TDD's rates would increase by 10.3%. In response to a comment from Janet Murphy of TDD, Ms. East-Janicki described that the rate calculations are based on each district's percentage of total flows in the previous year, explaining that each percentage of increase in flows amounts to an increase in rates of approximately $60,000. With regard to in-Authority users, Ms. East-Janicki stated that residential rates are budgeted to increase by approximately 5% and that the commercial rate is budgeted to increase by approximately 5.5%.

In providing further detail about the contributing districts' rates and the in-Authority rates, Ms. East-Janicki explained that the contributing districts only pay for the facilities and services that they utilize and that costs related to only in-Authority users are not shared with the contributing districts.

With regard to the contributing districts, Ms. East-Janicki pointed out that at the end of each fiscal year, each district's obligations are adjusted based on actual flows during the year. This means that some years, if a district's percentage of total flows is less than projected, the district will receive a rebate and, if greater than projected, the district must make an additional payment to the Authority.

Following a brief discussion among the Trustees, **it was moved by Trustee Fertala, seconded by Trustee Rice and approved unanimously that the Tentative Budget for Fiscal Year 2025-2026 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 Authority staff recently noticed some overheating of the control panel related to one of the Authority's four export pumps and that it was necessary to replace some wiring. Based on this discovery and to prevent the possibility of a fire, the Authority will be undertaking a thermal study of all the control panels related to the export pumps.

Mr. Hopkins stated that the 2025 Hazardous Materials Facilities Report has been successfully submitted to the Nevada State Fire Marshall.

In the Authority's ongoing cooperation with Elk Point Sanitation District's (EPSD) efforts to upgrade its system, Mr. Hopkins reported that a copy of the Authority's existing agreement with EPSD was provide to EPSD representatives together with an estimate of fees to be paid to the Authority in the upcoming fiscal year.

Mr. Hopkins reported that Authority staff has begun the preliminary work necessary to replace the Authority's manhole rings and covers as part of Nevada Department of Transportation's (NDOT) Highway 50 resurfacing 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 of Wilson Engineers presented correspondence dated March 17, 2025, briefly summarizing various issues that Wilson Engineering has been involved with on behalf of the Authority. The March 17, 2025, correspondence is incorporated in these minutes by this reference.

Mr. Anderson stated that Wilson Engineering recently reviewed and processed the Authority's annual biosolids report for submission to the Environmental Protection Agency.

Mr. Anderson provided the Board with a summary of influent flows to the plant, stating that the difference between the contributing districts' meters and the plant inflow meter was less than one percent. Mr. Anderson explained that the fluctuation in flows during the year were mainly due to increased tourist activity in the basin at certain times of the year.

Trustee Fertala added that RHGID was continuing its efforts to reduce inflow and infiltration to its collection system that should result in reduced flows from RHGID. Mr. Hopkins added that reducing infiltration to a district's collection system will reduce flows and thereby reduce that district's charges.

With regard to the planned paving project at the Plant, Mr. Anderson stated that reconciliation of the amount Tahoe Regional Planning Agency (TRPA) coverage available is being completed and he anticipates the project beginning in July.

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 1.3% under budget through January of 2025. Ms. East-Janicki expressed her concern that operating expenses are likely to rise based on South Tahoe Refuse begin to charge an extra fee for picking up the Authority grit bin at the plant and the cost of sodium hypochlorite, which comes from Canada, will likely be increasing.

Ms. East-Janicki provided each of the Trustee's with a copy of the Authority's Capital Development Plan (CDP) and explained that the plan is solely for internal planning purposes and needs to be updated to consistent with the Authority's adopted budget. Ms. East-Janicki proceeded to provide the Board with a general summary of the projects in the CDP.

Ms. East-Janicki indicated that the Authority's Export Pipeline Replacement Project provided for in the CDP may be delayed by staffing issues at the United States Forest Service (USFS).

With regard to the planned paving project at the plant, Ms. East-Janicki explained that she has budgeted double the estimated costs based on rising costs.

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 $18.5 million invested, with approximately $13.5 million in the Local Government Investment Pool. Ms. East-Janicki added that the only change in the Authority's investments since the last meeting 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 Nelson reported that KGID was still looking to hire a new general manager and two possible candidates are being considered. The district also has three new board members.

Trustee Hauge reported that TDD has recently hired an experienced individual in an effort to prepare for the eventual retirement of TDD's current Manager. Trustee Hauge also stated that TDD is currently working on its budget for the upcoming fiscal year.

Trustee Fertala reported that the RHGID Board recently approved its tentative budget for the upcoming fiscal year. He also stated that RHGID has three projects currently planned, including an update of its SCADA system, paving within RHGID and improvements to the pump station at Pinewild, which should result in reduced infiltration to the sewer collection system.

Trustee Rice reported that the Douglas County continues to receive complaints regarding the approved gravel pit on tribal land at the east end of Johnson Lane. Trustee Rice indicated that he has been informed that construction on Muller Parkway was expected to begin soon despite the ongoing litigation. Trustee Rice reported that the federal funds in the amount of $4.3 million for completion of the Kahle Complete Street project has recently been received by the County.

Finally, Trustee Rice stated that the planned Barton Hospital project at Stateline continues to be a hot topic.

Trustee McLaughlin reported that during the ongoing remodeling work at the Golden Nugget, many rooms will remain offline and that some rooms at Harvey's will also be offline because of construction. With regard to the Tahoe South Events Center (TSEC), Chairman McLaughlin stated that the annual attendance limits of the facility have been increased based on data and that up to four concerts will be allowed at the venue this summer. Trustee McLaughlin added that hockey at the facility has proved to be very popular.

PUBLIC COMMENT: Brad Oneto of Elk Point Sanitation District (EPSD) reported that EPSD has completed its application for $1.3 million in financing from the United Stated Department of Agriculture and that a flow meter will be installed with the planned upgrades.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:45 a.m.

Marge Hauge

APPROVED

4912-4191-9027, v. 1

Meeting Date: March 19th, 2025

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report: March 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. DCLTSA staff noticed unusual burning odors emanating from the Master Control Center (MCC) Panel for our 400 horsepower Export pumps during routine morning rounds this month. Investigating the odor confirmed that there have been serious overheating issues with the wiring terminations for one of our Export pumps. Fortunately, this early discovery of the issue by attentive staff likely avoided what could have been a dangerous and catastrophic electrical failure in the building. As a result of this finding, DCLTSA will be commissioning a thermal study of all the MCC panels in the building to determine if there are other, yet unseen, overheating issues with the wiring. (Photos attached)

2. The 2025 Hazardous Materials Facilities Report for the Treatment Plant has been submitted to the Nevada State Fire Marshal's Office.

3. Authority Controller East-Janicki provided Elks Point Sanitation District with a copy of the original 1971 Agreement as well as an estimate of fees for 2025-2026, both as an independent participating district and in case the Authority needs to continue maintaining the stations past July 1, 2025. The information was requested by the USDA as EPSD pursues funding to fully stand-up independent operations later this year.

4. DCLTSA staff have begun doing utility location work along Highway 50 ahead of the upcoming NDOT Highway 50 resurfacing project, which is set to kick off in April. We are coordinating with NDOT to upgrade and / or replace worn out manhole rings and covers as the project progresses through the DCLTSA service area. We have identified about 20 manhole covers in need of replacement to date.





Photos depicting heat damage to high-voltage export pump wiring.

WILSON ENGINEERS
Formerly R|O|Anderson

March 17, 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 – March 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 February 19, 2025. 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.

Annual DMR's and Biosolids Reports
During the period we reviewed and processed the annual Biosolids Report and successfully uploaded the report directly to US EPA, Region IX through their portal.

Summary of Influent Flows – Year to Date:
Utilizing flow data collected and submitted to us by Paula East-Janicki, we have reviewed and compiled that data for February 2025. The attached charts summarize the flow meter readings for the period. Like previous presentations of this data, we have superimposed the dates of official holiday's (i.e., New Years, Martin Luther King Day, and President's Day) as well as reported daily precipitation. Based on our review of the flow data, the variation in flow received at the plant compared to the sum of the flows received from the contributing districts is about 1.4%, which is well within the accuracy limits of the meter manufacturers. That is, the sum of the flows from the contributing districts is slightly less than the volume of flow measured at the plan.

The average daily flow during February 2025 as measured by the Plant meter was calculated to be 1.136 million gallons per day (MGD). This daily influent flow volume is slightly lower than the average daily flow (1.21 MGD) measured in 2024. Year to date, the average daily flow measured at the Plant meter is about 1.098 MGD.

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

We are continuing our efforts on the final design details of the paving project in preparation for making the requisite permit submittals. These efforts include further refinement of the coverage calculations to support the project's application to TRPA. During the period we have also revisited the Preliminary Estimate of Probable Construction Costs based on the feedback we received from the geotechnical engineer, Black Eagle Consulting, as well as unit construction prices we received from colleagues at NDOT based on their recent contract award for US Highway 50 repaving project.

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,

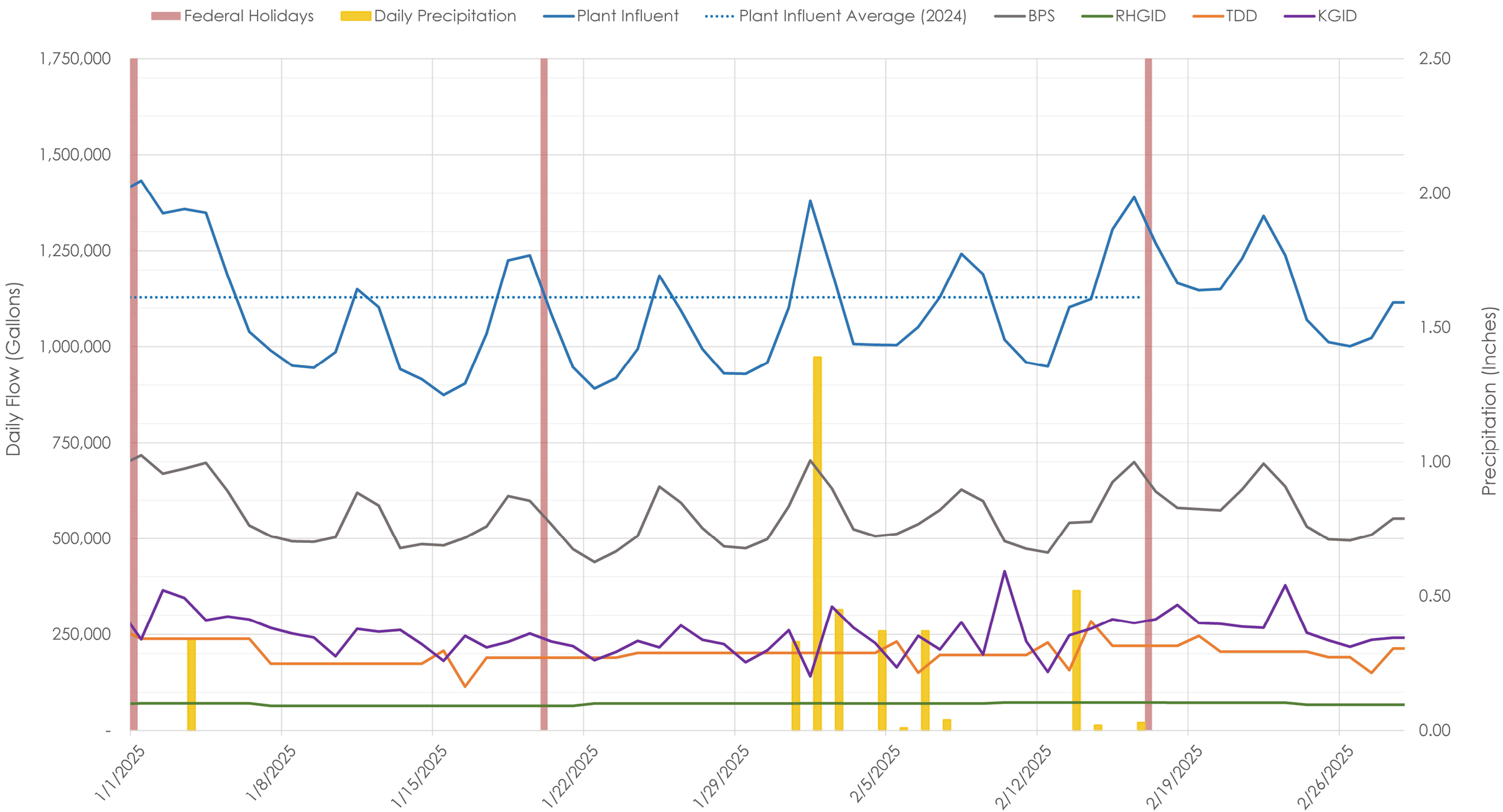
WILSON ENGINEERS, formerly R.O. Anderson

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

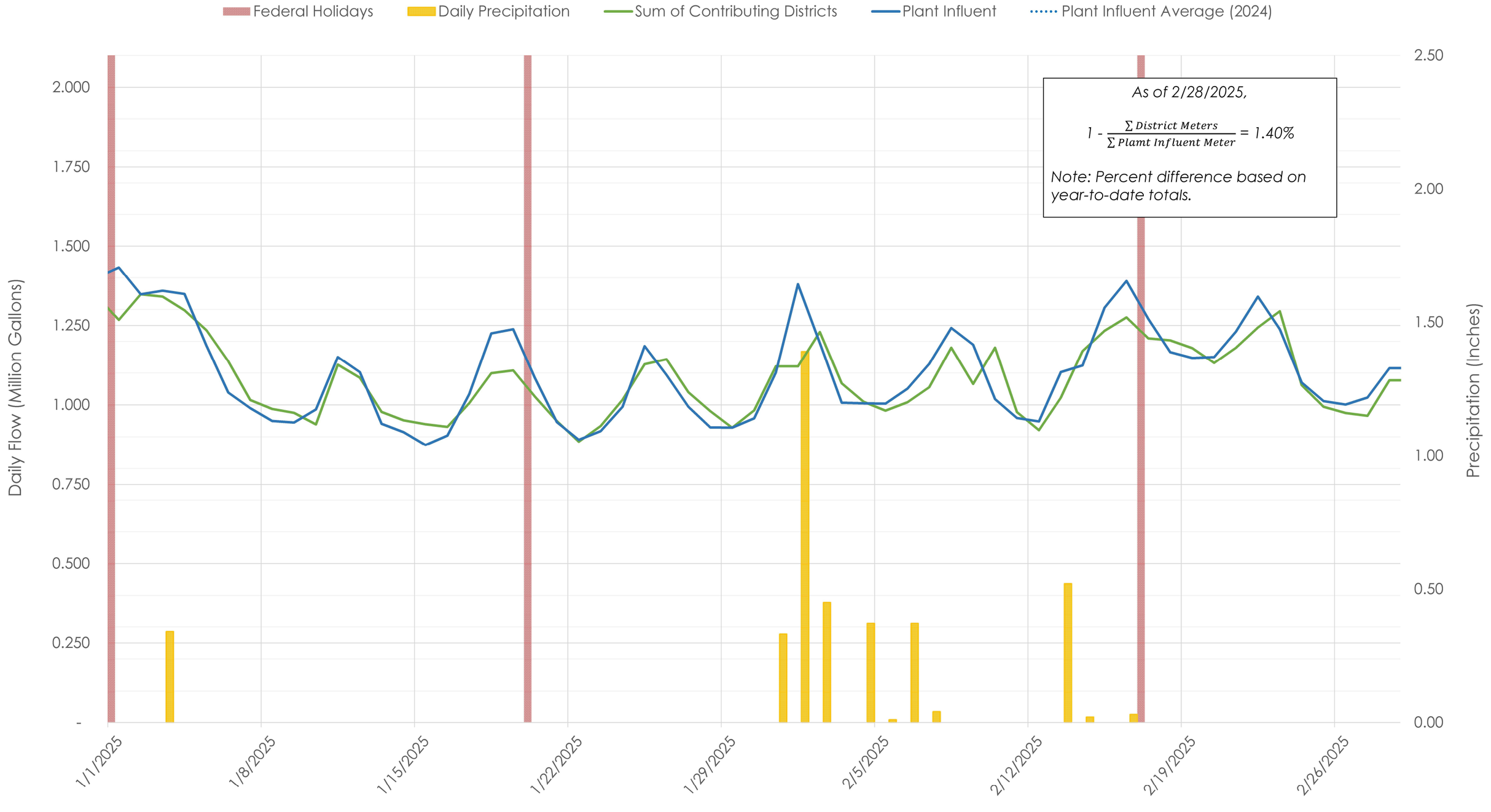
Attachments

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

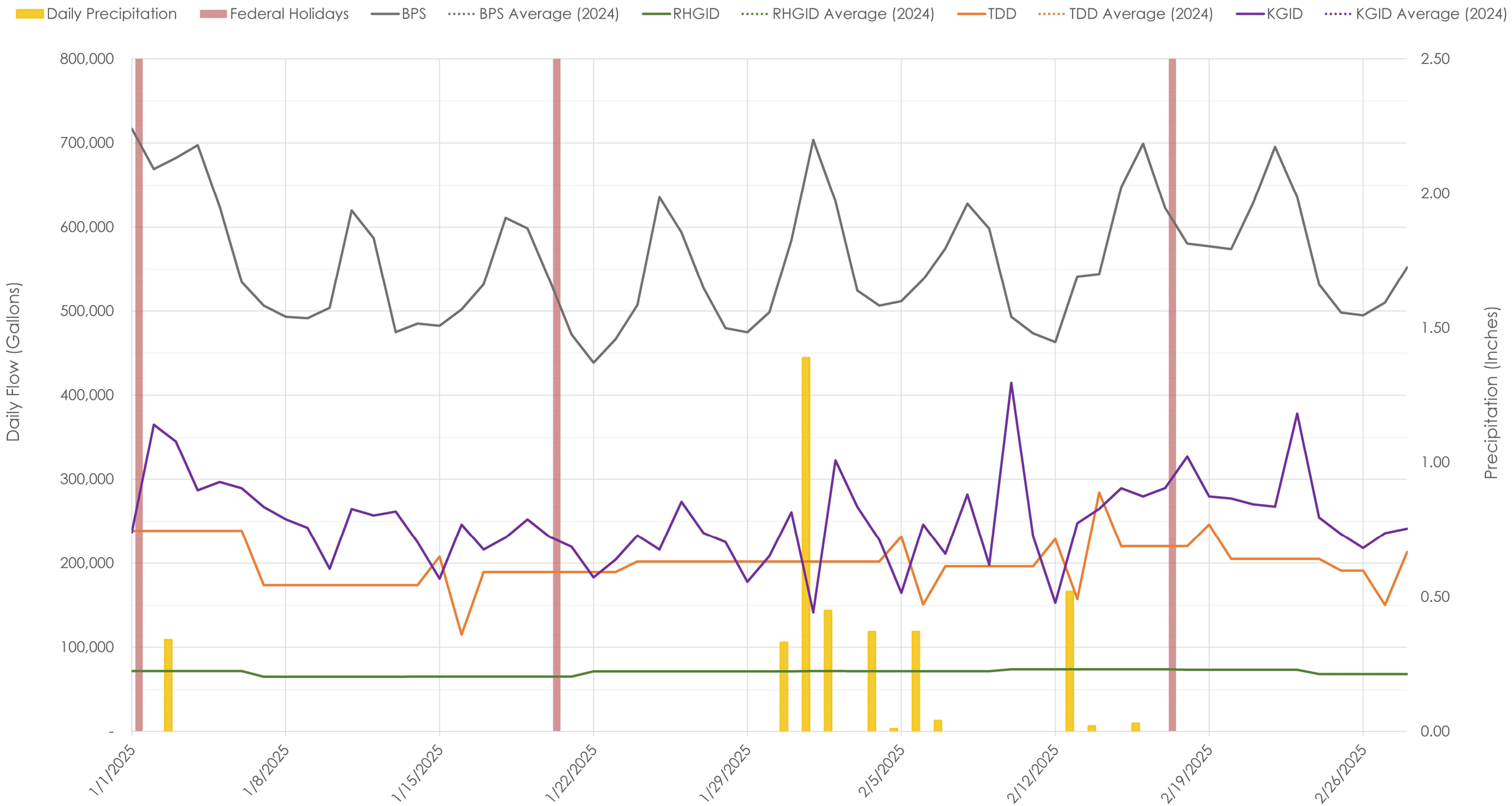
DCLTSA Flow Comparison with Daily Precipitation
1/1/2025 - 2/28/2025



Plant Influent Meter VS. Sum of Contributing District Meters with Daily Precipitation
1/1/2025 - 2/28/2025



Contributing Districts Comparison with Daily Precipitation
1/1/2025 - 1/31/2025



Controller's General Status Report

March 19, 2025

- The Budget to Actual Spreadsheet in your packet shows that we finished January 1.38% under budget. While we will do our best to hold the line with that, a number of factors are outside our control. South Tahoe Refuse has begun charging an extra $109 every time they pick up the headworks grit bin (approximately every 7 – 10 days). Our sodium hypochlorite, refilled 4 or 5 times a year, costs approximately $12,500 now, but it originates in Canada, so that cost will likely be increasing.

- I have given you the draft Capital Development Plan. This will be a work in progress for the next couple of months, so it is too early for the Board to adopt it. These figures flow to the budget and must match it exactly, so we will finalize it with the May Budget hearing.

    - The Aeration Basin Grit and Headworks project is complete now with the finished RAS/WAS control cabinets built in-house.

    - The other 4 projects are ongoing, so some expenses may be shifted back into the current year, particularly Main Pump Station Improvements and the Transfer Switchgear Replacement.

Investment Report

The Authority's investments total more than $18.5 million, with $13.4 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 CD interest rate now is 4.6% and in February LGIP paid 4.429%.

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.

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
CAPITAL DEVELOPMENT PLAN

For Planning Purposes -Fiscal Year 2025-2026

Project		Actual Prior 19 Years	Estimated 2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	Total
Priority Projects									
Main Pump Station Electrical	Design/Permits								$0
and Equipment Improvements	Construction	$729,199	$15,000	$1,006,000					$1,750,199
	Total	$729,199	$15,000	$1,006,000					$1,750,199
Aeration Basin, Grit	Design/Permits	$1,639,029							$1,639,029
and Headworks Improvements	Construction	$7,430,759	$5,582						$7,436,341
	Total	$9,069,788	$5,582						$9,075,370
Plant Switchgear Replacement	Parts & Installation			$345,600					$345,600
	Total	$0	$0	$345,600	$0	$0	$0		$345,600
Export Pipeline Replacement	Design/Permits	$641,931	$240,000	$100,000					$981,931
	Construction	$1,100,000		$1,000,000	$4,000,000	$5,000,000			$11,100,000
	Total	$1,741,931	$240,000	$1,100,000	$4,000,000	$5,000,000	$0		$12,081,931
Pavement/Concrete Improvements to	Design/Permits	$20,567	$80,000	$20,000					$120,567
Plant Road and Admin Area	Construction			$1,500,000					$1,500,000
	Total	$20,567	$80,000	$1,520,000	$0	$0	$0		$1,620,567
Lower Priority - To Be Deferred									
Metering for IS-2 Energy	Total								
Pine Nut Reservoir Rebuild/Line	Design/Permits	$579,518							
(Future $12,000,000 not represented here)	Construction								
	Total	$579,518							
Completed Projects									
Reservoir Sludge Removal	Total	$1,078,607							$1,078,607
Main Pump Station Rehabilitation	Total	$2,210,198							$2,210,198
Underground Emergency Storage (Initial)	Total	$2,317,557							$2,317,557
STPUD Inter-tie		$1,411,476							$1,411,476
Muller Effluent Line Relocation (Per NDOT)	Total	$701,835							$701,835
Automated Sampling	Total	$616,993							$616,993
Reservoir Sludge Removal	Total	$1,078,607							$1,078,607
Beach Pump Station Rehabilitation	Total	$453,810							$453,810
Sodium Hypochlorite Conversion	Total	$830,594							$830,594
Reservoir Lining Design	Total	$750,277							$750,277
Back-up Centrifuge	Total	$258,196							$258,196
SCADA System/Fiber Connectivity	Total	$514,157							$514,157
Thickener Project	Total	$215,431							$215,431
Prior Years' Completed Projects	Total	$13,730,700							$13,730,700
Expenditures: Projects		$38,309,441	$340,582	$3,971,600	$4,000,000	$5,000,000	$0	$0	$46,168,750
Debt Service		$3,369,081	$771,733	$771,733	$680,950	$656,093	$631,236	$631,236	$7,512,062
Resources: USACE Grant		$8,069,648							$8,069,648
EPA Grant (STAG)		$382,300							$382,300
SRLF		$10,491,595							$10,491,595
Transfer from GF/PR Fund		$2,770,000							$2,770,000
Assessments		$24,000,002	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$2,250,000	$37,500,002
Site Rental Toward Road		$181,509	$144,000	$144,000	$144,000	$144,000	$144,000	$144,000	$1,045,509
Interest Earned		$308,235	$200,000	$0					$508,235
Year End Payables									
Ending Cash Balance		**$7,552,444**	**$9,034,129**	**$6,540,796**	**$4,109,846**	**$703,753**	**$2,322,517**	**$3,941,281**	**$3,941,281**