MINUTES OF REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
August 20, 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, August 20, 2025, at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

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

RECOGNITION OF OTHERS IN ATTENDANCE:

Present were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, IT specialist, Eric Heffernon, Authority Engineer, Rob Anderson, and the Authority's legal counsel, Jim Cavilia. Bradley Oneto and Anne Harry of the Elk Point Sanitation District (EPSD) as well as Mike Bradford were also in attendance.

PUBLIC COMMENT:

Mike Bradford, area resident and former member of the Board of Trustees, thanked the Board and the Authority staff for their service and stated what a well-run organization the Authority is.

APPROVAL OF AGENDA:

It was moved by Trustee Rice, seconded by Trustee Hauge and carried unanimously that the meeting agenda as presented be approved.

MINUTES OF PRIOR MEETING:

It was moved by Trustee Hauge, seconded by Trustee Fertala and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated June 25, 2025, be approved as presented.

Discussion and possible action to approve an Amended and Restated Agreement with Elk Point Sanitation District (EPSD) replacing the current Agreement approved in 1971 and providing for Douglas County Lake Tahoe Sewer Authority to continue the acceptance and treatment of sewage from EPSD.

The Authority legal counsel, Jim Cavilia explained that the proposed new agreement with EPSD was part of EPSD's efforts to upgrade its sewer collection system and take over full responsibility for operation and maintenance of the system. In order to obtain infrastructure financing from the United State Department of Agriculture it is necessary for EPSD to have a written commitment

from the Authority to continue to treat sewage from EPSD. Mr. Cavilia explained that the terms of the Amended and Restated Agreement had been negotiated with EPSD's legal counsel and that the agreement would go into effect at the time the EPSD infrastructure improvements are completed. Brad Oneto of EPSD added that all of the permits for the infrastructure improvements need to be in place before funding can be obtained and construction started. Mr. Oneto explained that based on the time necessary to obtain the needed permits, it is anticipated that construction will begin in the Spring of 2026.

Chairman McLaughlin opened the floor to public comment regarding the matter. There was no public comment. Following a brief discussion among the Trustees, **it was moved by Trustee Rice, seconded by Trustee Nelson and approved unanimously that the Amended and Restated Agreement with Elk Point Sanitation District (EPSD) replacing the current Agreement approved in 1971 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 the Authority and Park Cattle Discharge Monitoring Reports for the second quarter of 2025 have been submitted to and accepted by the Nevada Department of Environmental Protection (NDEP) and the Environmental Protection Agency (EPA).

Mr. Hopkins stated that flows to the plant were very high over the July Fourth holiday this year, topping out at 1.742 gallon on July 4, 2025, the highest daily flow in the last five years.

Mr. Hopkins indicated that Authority staff have recently been working with RHGID personnel on calibrating RHGID's new flow meter near the Safeway parking lot.

Mr. Hopkins reported that the Authority has entered into an agreement with Alpine Septic to decant water in connection with Alpine's drain interceptor cleaning activities on behalf of Douglas County.

With regard to staff training, Mr. Hopkins stated that Authority staff recently attended safety classes related to confined space entry which were conducted at KGID's administration facility.

Regarding the Tahoe Beach Club (TBC), Mr. Hopkins indicated that the Authority, in conjunction with Authority legal counsel and the Authority Engineer, has recently entered into a new easement agreement with TBC to provide for a new sewer main to serve two new buildings being developed at the Beach Club.

Mr. Hopkins reported that he attended the 40th Annual Tri-State Seminar in Las Vegas regarding wastewater and water reclamation. Mr. Hopkins explained that the seminar allowed him to interface with other wastewater professionals and obtain his required continuing education credits.

Mr. Hopkins indicated that during an inspection of the lining of the Authority's emergency storage basin at the plant it was determined that some of the seams in the liner were becoming separated and that repairs were successfully completed by certified professionals.

In anticipation of the Pavement Rehabilitation Project at the plant, Mr. Hopkins explained that piping has been installed for the bypass pump at the export overflow wet well. Mr. Hopkins finally added that the Pavement Rehabilitation Project has been delayed as the result of Tahoe Regional Planning Agency (TRPA) coverage calculations issues as the result of planned accessibility improvements at the administration building.

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 August 19, 2025, briefly summarizing various issues that Wilson Engineering has been involved with on behalf of the Authority. The August 19, 2025, correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that the Pavement Rehabilitation Project has been delayed by TRPA's requirement that a full grading permit be obtained as a result of coverage related to the accessibility improvements planned for the administration building. On this basis, the contract awarded to the lowest responsive and responsible bidder has not been finalized and will not be, based on the fact that work on the project cannot be started this year. Because it was not possible to award the contract in accordance with the action of the Board of Trustees at its last meeting, the project will be rebid in the spring of 2026.

With regard to the Authority's annual flow report, Mr. Anderson stated that he was working with the Authority Controller to accurately reflect the use of actual meter readings from contributing districts. These efforts will not result in any changes to the estimated flows for 2026.

With regard to the metering of incoming influent flows, Mr. Anderson explained that flows from contributing districts are up over last year and that the metering data continues to be very accurate.

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

The Authority Controller, Paula East-Janicki, presented the Controller's Report, reporting that operating expenses were approximately 7% under budget through the end of June. Ms. East-Janicki stated that budget augmentation of $70,250 approved at the last Board of Trustees meeting was not needed and the funds have not been spent.

Ms. East-Janicki reiterated Mr. Hopkins' statement that peak daily influent flows in July were up over July, 2024, but that annual flows are down approximately 1.59% from last year. Ms. East-Janicki added that overall flows from the in-Authority commercial properties are up more than 4.5% over last year.

Finally, Ms. East-Janicki stated that she and the Authority Accountant, Ying Johnson, have begun preparations for the Authority's annual audit that is scheduled to begin at the end of September.

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 $18.9 million invested, with approximately $13.7 million in the Local Government Investment Pool which paid interest of 4.27% in July. Ms. East-Janicki reported that daily sweeps of the Authority's accounts have resulted in interest income of approximately $7,000 in the month of July. Ms. East-Janicki added that five maturing Certificates of Deposit had been reinvested at various rates.

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 the Treasurer.

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

Reports/updates from Board of Trustees concerning the areas or districts they represent

Trustee Nelson reported that the KGID Board recently met and will be considering proposals for snow removal in the near future. Additionally, KGID has entered into an agreement to complete a comprehensive rate study for the district, and it is anticipated that there will be fairly large rate increases based on how long it has been since rates have been adjusted. Trustee Nelson also reported that KGID has hired DOWL Engineering to work on design options related to KGID's Market Street pump station and how sewage is delivered to the Authority's Beach Pump Station. Finally, Trustee Nelson indicated that the KGID is, thus far, very pleased with KGID's new district manager.

Trustee Hauge reported that TDD is waiting on a permit from TRPA before it can complete the removal of the sewer line along the beach in Marla Bay. Trustee Hauge also indicated that TDD

is dealing with a disgruntled homeowner near a TDD pump station as well as another homeowner who is attempting to construct a pier that may impact a TDD sewer collection line. Finally, Trustee reported that a Glenbrook home built in 1998 may not have been paying for sewer service since it was constructed.

Trustee Rice indicated that the subject of the Painted Rock aggregate quarry on Bureau of Indian Affairs property is being discussed at an upcoming County Commission Meeting and that many residents of the Johnson Lane area are very upset. Trustee Rice explained that the County's authority with regard to the use of the property was very limited because of its ownership. Trustee Rice also stated that based on a recent inspection of the Douglas County Jail, he was happy to report that the jail was operating very well.

Trustee Fertala reported that RHGID is ready to begin work on its pump station and that its employee health insurance costs are going up approximately 68%.

Chairman McLaughlin reported that the summer season has been very good, including record attendance at the Celebrity Golf Tournament. Additionally, the upgrades at the various casino properties, as well as Edgewood, are continuing which should be good for business in the long run. Finally, Chairman McLaughlin is looking forward to positive economic activity as a result of hockey and other events at the Tahoe South Events Center.

PUBLIC COMMENT: There was no public comment.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:25 a.m.

Sara Nelson

APPROVED

4933-9356-8614, v. 1

AMENDED AND RESTATED AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT made and entered into this ___ day of _____, 2025 ("Contract Date") by and between DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY, a body political and municipal corporation of the state of Nevada, hereinafter referred to as "AUTHORITY," and the ELK POINT SANITATION DISTRICT, a municipal corporation of the state of Nevada, hereinafter referred to as "EPSD".

W I T N E S S E T H:

WHEREAS, pursuant to the Douglas County Lake Tahoe Sewer Authority Act of 2017, the AUTHORITY is the successor in interest to the DOUGLAS COUNTY SEWER IMPROVEMENT DISTRICT, hereinafter referred to as "DISTRICT"; and

WHEREAS, the AUTHORITY owns and operates a wastewater treatment system serving the entire area of the Lake Tahoe Basin within the boundaries of Douglas County, Nevada, consisting of, among other things, sewage collection, treatment, storage and disposal facilities ("Authority Facilities"); and

WHEREAS, EPSD, organized as an Improvement District pursuant to NRS Chapter 318, owns and is responsible for a sewage collection system serving approximately One Hundred (100) residential units within the Elks Point Subdivision area of Lake Tahoe, Nevada, all within the service area of the Authority; and

WHEREAS, the DISTRICT and EPSD entered into an Agreement dated March 17, 1971 providing for EPSD's acquisition of sewer treatment capacity from the DISTRICT and for the DISTRICT's operation and maintenance of EPSD's sewage collection system ("1971 Agreement"); and

WHEREAS, AUTHORITY receives, processes and disposes of sewerage for three (3) other Improvement District organized pursuant to NRS Chapter 318, all of which have entered or will enter into agreements with the AUTHORITY which provide for cost allocation and sharing similar to the provisions of this Agreement; and

WHEREAS, the parties are each public agencies under NRS 277.100 and NRS 277.180(1) provides that such public agencies may contract with other public agencies to perform any governmental service, activity or undertaking which any of the contracting agencies is authorized by law to perform; and

WHEREAS, EPSD is replacing and upgrading portions of its collection and delivery facilities (the "Project") which Project is anticipated to be complete in 2026, after the date of this Agreement; and

WHEREAS, pending completion of the Project, the parties desire to continue to operate under the provisions of the 1971 Agreement; and

WHEREAS, upon completion of the Project ESPD intends to take full responsibility for the operation and maintenance of its sewage collection system consisting of two sewer lift stations and approximately 2,445 lineal feet of 6 inch and 2,055 lineal feet of 8" underground sewage transmission mains ("EPSD Collection System"); and

WHEREAS, EPSD and AUTHORITY desire to provide for the AUTHORITY's continued treatment of the sewage from EPSD and for EPSD to operate and maintain the EPSD Collection System; and

WHEREAS, upon completion of the Project the parties are desirous of fully replacing the 1971 Agreement and entering into a mutually beneficial agreement to acknowledge

the parties' respective responsibilities with regard to the collection and treatment of sewage from EPSD; and.

WHEREAS, upon completion of the Project the 1971 Agreement will be terminated and fully replaced as set forth herein; and

WHEREAS, upon completion of the Project, the terms of the 1971 Agreement will no longer apply, and will be replaced with the provisions of this agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties do agree as follows:

ARTICLE 0

Recitals Incorporated; Delay in Implementation; Effective Date

Section 0.1. The foregoing recitals are hereby incorporated as though set forth in full at this point.

Section 0.2. The parties agree that they will continue to operate under the terms and provisions of the 1971 Agreement, as amended, pending the Effective Date of this Agreement. Any direction, indication or agreement to the contrary indicated herein shall be applied or interpreted under this Section 0.2.

Section 0.3 The Effective Date of this Agreement shall be the first day of the first month following the completion of the Project as evidenced by a certificate of occupancy or use issued by the County of Douglas.

ARTICLE I

Capacity Rights; Measurement of Flows; Facilities Included

The AUTHORITY does by this Agreement grant and reserve unto EPSD a capacity right to an average of Twenty-Eight Thousand (28,000) gallons of sewage per day flow in the

Authority Facilities, for so long as same may be owned or operated by AUTHORITY or its duly constituted successors or successors in interest.

Said capacity shall include the perpetual right for EPSD to deliver up to Twenty-Eight Thousand (28,000) Gallons per day of Average Daily Flow, defined as the total flow averaged over any consecutive thirty (30) day period.

Should the Average Daily Flow from EPSD be exceeded at any time, EPSD shall purchase additional capacity to accommodate such flows at AUTHORITY's then-applicable rate for sewer capacity.

AUTHORITY acknowledges and agrees to the foregoing reservation of capacity upon the condition that EPSD shall not sell, assign, hypothecate, contract for or otherwise transfer any right or interest therein without first obtaining the written consent of AUTHORITY. EPSD shall not be allowed to collect the sewage from any area outside the boundaries of EPSD without prior written consent of AUTHORITY, it being intended that the capacity shall be used only within the boundaries of EPSD. The written consent of AUTHORITY shall not be unreasonably withheld.

ARTICLE II

Operation and Maintenance of Collection System

EPSD shall operate and maintain the EPSD Collection System in such a manner as necessary to deliver all sewage from EPSD to the AUTHORITY's system for treatment and disposal in accordance with all applicable laws and regulations. The AUTHORITY and EPSD acknowledge and agree that in the event of an emergency related to the EPSD Collection System or a catastrophic failure of any portion of the EPSD Collection System, the AUTHORITY shall have the right, but not the obligation, to take all reasonable steps necessary to prevent or minimize any negative environmental impacts and preserve the delivery of sewage from the EPSD

Collection System to the Authority Facilities. In the event of such an emergency or catastrophic failure of any portion of the EPSD Collection System, EPSD acknowledges and understands that the AUTHORITY may impose a special assessment on EPSD to cover the AUTHORITY's actual costs associated with repairing or replacing the said portion of the EPSD Collection System. EPSD agrees to promptly pay any such special assessment upon being provided with written documentation of the AUTHORITY's actual costs. In any event, such an assessment will be paid by EPSD within ninety (90) days of receipt of the described documentation.

ARTICLE III

Costs of Treatment; Quarterly Payments

EPSD shall pay the AUTHORITY a sum equal to its pro-rata portion of the total costs incurred in the maintenance and operation of those jointly used facilities reasonably required in the collection, processing, treatment and disposal of EPSD's sewage based upon the percentage which the annual flows of EPSD bears to the total annual flow then being treated by AUTHORITY.

"Total costs" shall include, but not necessarily be limited to, all fixed and variable costs relative to the collection, processing, treatment and disposal of sewage, as well as all direct and indirect administrative costs related to the operation of said system and facilities, further including, without limitation the material, labor and any other costs of any addition or replacement of parts, equipment, pipe, pumps, pump stations, or other facilities of AUTHORITY, jointly used by EPSD, including, but not limited to, replacement of said parts, equipment, pipe, pumps, pump stations, or any facilities for causes of normal wear and tear, failure, casualty, calamity, storm, flood, snow and winter hazards.

Said payment shall be calculated by application of the following formula: Each year AUTHORITY shall estimate the amount of its maintenance and operational charges required for

the forthcoming fiscal year. The meter readings provided for herein shall be used as a basis to determine the percentage of the total amount to be levied against EPSD. In the event the meters do not function properly, an estimate of flows shall be based upon other reasonable and available data.

The annual charge to EPSD shall thereupon be calculated by determining the proportion that such meter readings of the previous twelve consecutive month period bears to the total of all meter flows of sewage collected, processed, treated and disposed of by the AUTHORITY during the same time period. This proportion multiplied times the estimate of the maintenance and operation charges for the forthcoming fiscal year, shall result in the annual assessment to be levied against EPSD for its share of maintenance and operational charges.

The previous year's annual assessment for maintenance and operational charges shall be recomputed using the proportion determined above and applying it to the previous year's maintenance and operational charge. If this calculation established that EPSD was assessed for more than its share of the previous year's maintenance and operation charge, the amount of over-assessment shall be deducted from the annual assessment for the forthcoming fiscal year's maintenance and operational charge. If the calculation establishes that EPSD was under-assessed for the previous year's maintenance and operational charge, the amount of the under-assessment shall be added to the annual assessment for the forthcoming fiscal year's maintenance and operational charge.

Said payments shall be made quarterly, in advance on or before July 15, September 15, January 15, and April 15 of each fiscal year, commencing upon the Effective Date Pending revision based on actual experience as provided herein, EPSD's initial quarterly payments shall be consistent with the Authority's then-effective rate schedule.

The responsibility for maintenance and operation of those facilities required for the sole use of EPSD shall exclusively be the responsibility of EPSD.

In the event that EPSD fails to pay when due any amounts owing to the AUTHORITY, such past due amounts shall accrue interest at the rate of one and one-half percent (1.5%) per month until paid in full.

ARTICLE IV

Future Modification; Expansion or Improvement of Facilities

Notwithstanding the provisions of Article III above, AUTHORITY may, in its sole discretion as its Board of Trustees may determine, make any necessary capital improvements for any purpose including, but not limited to, capital improvements required by law or regulation, to jointly used sewage disposal facilities. EPSD shall pay an additional sum for joint use towards the costs of said capital improvements to said sewage disposal facilities so jointly used, except for capital improvements that increase treatment and disposal capacity for AUTHORITY's sole use related to its direct individual customers. The cost of such capital improvements shall be treated as part of "Total Costs", as defined in Article III above.

If modification, expansion or extension of the system or its facilities is required by law or regulation solely to improve the quality of the effluent or to change the point of discharge of the effluent, but does not increase the capacity of the system, then EPSD shall be required to make payment to AUTHORITY for its share of such costs regardless of whether the decision to do so is that of any public regulatory agency or that of the AUTHORITY. If such modification or expansion should be financed by AUTHORITY by the incurrence of a long-term debt, including but not limited to, General Obligation Bonds, Revenue Bonds or State Loans, EPSD shall pay AUTHORITY each year a portion of the annual payment upon said long-term debt (including

principal and interest) equal to the percentage that EPSD agrees to pay AUTHORITY for annual payments for maintenance and operation during any year of said debt repayment, in order to bear its proportionate share of such costs.

It is the intent of this section to ensure that each party to this Agreement shall bear its fair share of all appropriate costs for the collection, treatment and disposal of sewage emanating from within its boundaries.

ARTICLE V

Connection to the Joint System; Inspection of District; Metering System

No connection to the lines of AUTHORITY or installation of any transmission line, pump station, or other sewer collection facilities to be constructed by EPSD which may affect the facilities of AUTHORITY, or which are maintained by AUTHORITY, shall be undertaken or completed without first receiving AUTHORITY'S written approval. The inspection and approval of all construction, or installation of facilities associated with the metering and connection to Authority Facilities and all points of connection of EPSD, shall be accomplished by the AUTHORITY's designated engineer prior to EPSD's transportation of any sewage into the joint facilities, all costs of which shall be paid by EPSD.

The point of connection to the lines of AUTHORITY shall be at its present point of connection that is on Elk Point Road upstream of the AUTHORITY's Main Pump Station that is located near the intersection of Elk Point Road and U.S. Highway 50.

EPSD shall be required to bear all costs of expansion or relocation of any point of connection at such time as required by AUTHORITY to do so, provided AUTHORITY can reasonably show the need for said changes. The parties acknowledge that multiple users connect to Authority's system between the EPSD boundary and the point of connection. Expenditures

benefiting multiple users will be allocated amongst those users based on their respective uses of such improvements.

ARTICLE VI

Metering of Flows

Flows of sewage from EPSD shall be metered by a meter owned by EPSD, which shall be of a type and kind approved by AUTHORITY. EPSD shall cause the meter to be periodically inspected and calibrated. The meter shall be installed by EPSD at a location designated and approved by AUTHORITY, which location shall only transmit flows generated by EPSD customers. The inspection, calibration and metering shall be done in accordance with generally accepted industry practices, all at EPSD's cost. EPSD shall provide all necessary metering devices to measure and record sewage flows continuously at the EPSD connection point with AUTHORITY, and shall change or modify such metering devices or the location thereof as may from time to time be reasonably necessary or required, the costs of which shall be borne by EPSD.

ARTICLE VII

EPSD Facilities – Construction and Cost; Easements

The cost of constructing and placing into use the EPSD sewage collection systems, trunk sewers, pump stations and other facilities, together with all lands and necessary easements and the connection with Authority Facilities shall be at the sole expense of and be the exclusive responsibility of EPSD. EPSD shall pay all costs of acquiring said lands and easements, including, but not limited to, legal, engineering, appraisal and court costs. EPSD further agrees to make such grants of easements, special use permits, or other documents which may be required to properly service the physical space where connection is made to the Authority Facilities, as may be necessary from time to time to service or repair Authority Facilities.

ARTICLE VIII

Compliance with Rules and Regulations

EPSD shall not cause or permit any liquids or materials to be discharged from their system which shall interfere with or prevent the effective use or operation of the Authority Facilities. EPSD shall comply with all rules and regulations adopted by AUTHORITY respecting types of sewage and other waste which may be discharged in the joint system, the manner of discharge, the use of grease traps and regulating plumbing, drainage and sewering, and further agrees to adopt as its own minimum requirements applicable provisions of the ordinances adopted by the AUTHORITY and any applicable State or Federal regulatory body.

ARTICLE IX

Liability Insurance

Each party agrees to procure and maintain in force during the term of this Agreement public liability insurance in companies duly licensed to transact business in the State of Nevada, to protect against liability on comprehensive general liability, and including, but not limited to, contractual liability insurance, damage claims through public use of or arising out of accidents occurring in the operation of any of the works and facilities of the insuring party, and for damage claims due or incident to either in whole or in part, and whether direct or indirect, the construction, operation, repair, existence or failure of any of said works and facilities of the insuring party in a minimum coverage of bodily injury liability, $500,000 for each person, $1,000,000 for each occurrence, $1,000,000 aggregate bodily injury and property damage, and a comprehensive excess indemnity occurrence limit of $1,000,000. Such insurance policies shall provide coverage for each party's liability on such claims or losses. Certificates of insurance shall be delivered to the other party for keeping. Both EPSD and AUTHORITY agree to obtain a written obligation from their insurers to

notify AUTHORITY in writing at least thirty (30) days prior to cancellation or refusal to renew any such policy or policies of EPSD and AUTHORITY. Such amounts of insurance coverage may be increased, decreased or modified, if in the sole judgment of AUTHORITY, it is advisable to do so.

ARTICLE X

Total or Partial Destruction or Failure of Facilities

In the event the jointly used sewage treatment and disposal facilities of AUTHORITY are totally or partially destroyed, or totally or partially fail, and cause interruption of joint use service so that AUTHORITY cannot treat and dispose of EPSD's sewer and waste water as herein defined, or the operation of state, regional or federal law causes said interruption of service, or any cause beyond the control of AUTHORITY causes said interruption of service, EPSD shall hold AUTHORITY harmless from interruption of service, and AUTHORITY shall retain all payments made by EPSD. AUTHORITY shall make all reasonable efforts to cause a resumption of such interrupted service, pending which EPSD's charges shall be suspended or recalculated based on the level of services provided by AUTHORITY.

ARTICLE XI

Joint Liability; Indemnity

In the event any judgment is entered against AUTHORITY and EPSD or either of them, because of the concurrent negligence of AUTHORITY and EPSD or either of them, or against their Boards of Directors, Trustees, Officers, Agents and Employees, an apportionment of liability to pay said judgment shall be made by the court of competent jurisdiction hereinafter provided. EPSD shall hold AUTHORITY harmless and shall indemnify and reimburse AUTHORITY for all

costs, fees and other expense incurred by AUTHORITY and arising as a result of EPSD's misconduct.

ARTICLE XII

Retention of Payments

In the event of termination of this Agreement by reason of the default of EPSD as herein provided, EPSD shall not be entitled to refund of any payments made to AUTHORITY prior to the date of termination.

ARTICLE XIII

Default in Payment; Penalties

In the event that EPSD shall be in default in the making of any payment required of it under this Agreement, or for the breach of any other covenant contained herein, and such default continues after sixty (60) days' written notice to cure such default, AUTHORITY hereby reserves the right to discontinue service to EPSD as set forth herein without further notice being required prior thereto. If the quarterly statement, or any part thereof, is not paid within thirty (30) days after presentation, interest shall accrue thereon in favor of AUTHORITY at the rate of one and one-half percent (1.5%) per month. The sole remedy of EPSD shall be to pay under protest and submit the matter to arbitration. If not paid, the AUTHORITY shall have the right to sever connection of the EPSD system with its systems, and same shall not be again reconnected until all charges and interest and the cost of disconnection and reconnecting are paid to the AUTHORITY.

Service shall not be terminated if such termination would be violative of any state, federal or local law, ordinance, rule or regulation.

ARTICLE XIV

Settlement of Dispute or Controversy

This Agreement shall be governed by and construed pursuant to the laws of the State of Nevada. In the event that any party to this Agreement brings suit against one or both of the other parties with respect to matters arising from or growing out of this Agreement, all costs and expenses, including without limitation attorneys' fees, incurred by the prevailing party therein shall be paid by the other party(ies), which obligation on the part of the other party(ies) shall be deemed to have accrued on the date of the commencement of such action and shall be enforceable whether or not the action is prosecuted to judgment. All actions arising directly or indirectly as a result or in consequence of this Agreement shall be instituted and litigated only in the Ninth Judicial District Court in Douglas County, Nevada.

ARTICLE XV

Term of Agreement; Termination

This agreement shall continue in perpetuity unless sooner terminated by agreement of the parties hereto in writing, it being the clear understanding of the parties that, notwithstanding such termination, EPSD shall not be entitled to any reimbursement for any monies theretofore paid pursuant to this Agreement.

ARTICLE XVI

Compliance with Rules and Regulations

During the term of this Agreement, EPSD covenants and agrees to comply with all duly adopted and applied rules and regulations of the AUTHORITY with regard to the collection, treatment and disposal of sewage as such rules and regulations are made applicable to other public

entities who are served by the AUTHORITY. Such rules and regulations may relate to, but not be limited to, plumbing, drainage and the manner of discharge of sewage.

ARTICLE XVII

Miscellaneous

Section17.1 Cooperation. EPSD shall cooperate with the AUTHORITY in carrying out the terms and purpose of this Agreement. AUTHORITY and EPSD further agree to cooperate in the compliance with any licensing or operational requirements of the Nevada Division of Environmental Protection or any other governmental entity as it relates to the subject of this Agreement. To that end, each party shall designate a representative for the other to contact in all matters relevant hereto.

Section 17.2 1971 Agreement; Entire Agreement. This Amended and Restated Agreement fully terminates and replaces the 1971 Agreement described above and this Agreement constitutes the entire and only understanding between the parties concerning its subject matter, and supersedes any and all prior agreements, arrangements, communications or representations, whether oral or written with respect thereto. No alteration, amendment, change, modification or waiver to this Agreement shall be valid or binding unless the same is in writing and signed by duly authorized representatives of the parties hereto.

Section 17.2.1 Continuation of Service. Notwithstanding any provision of this Agreement to the contrary or otherwise, the parties will continue to operate as they historically have and consistent with the terms of the 1971 Agreement pending the completion of the Project. Upon acceptance of the Project by Douglas County community development, all provisions of this Agreement will implement and become fully effective. EPSD anticipates that the Project will be ready for use in mid-2026.

Section 17.3 Notices. All notices required or permitted to be given by law or by the terms of this Agreement shall be in writing and shall be considered given upon personal service of a copy on the party to be served, or twenty-four (24) hours after mailing such notice by certified mail, return receipt requested, postage prepaid, addressed to the parties as follows:

(a) If to AUTHORITY, such notices shall be sent to:

Douglas County Lake Tahoe Sewer Authority
P.O. Box 578
Zephyr Cove, NV 89448
Email: rhopkins@dcsid.com

and to:

James R. Cavilia, Esq.
Allison MacKenzie Ltd.
402 North Division Street
Carson City, NV 89703
Email: jcavilia@allisonmackenzie.com

(b) If to EPSD, such notices shall be sent to:

Elk Point Sanitation District
Post Office Box 531
Zephyr Cove, NV 89448
Email: epsanitationdistrict@gmail.com

and to:

Bradley Oneto
Email: stanleyele@aol.com

and to:
Minden Lawyers, LLC
1664 U.S. Hwy 395 N. Ste 105
Minden, NV 89423

Any party may change the address to which notices to it hereunder are addressed by a notice in writing to the others.

Section 17.4 Consent. Whenever the approval or consent of any party is required for any purpose under this Agreement, that approval or consent will not be unreasonably withheld or delayed. Without limiting the foregoing, if any approval or consent is requested by either party, unless the consenting party notifies the requesting party within thirty (30) days that it will not grant the approval or consent, the consenting party will be deemed to have given the approval or consent on the thirty-first (31st) day.

Section 17.5 Waiver. Neither a course of conduct, nor any waiver by either party with respect to a default or breach of any provision of this Agreement by the other party shall operate or be construed as a waiver of any subsequent default or breach, or as a modification of this Agreement.

Section 17.6 Attorney's Fees. If any party commences an action against the other party to enforce any of the terms hereof or because of the breach of either party of any of the terms hereof, the prevailing party shall be entitled to reasonable attorney's fees, costs and expenses incurred in connection with the prosecution or defense of such action.

Section 17.7 Limited Liability. The parties will not waive and intend to assert all available applicable statutory liability limitations in all cases, including NRS Chapter 41. Contract liability of both parties shall not be subject to punitive damages.

Section 17.8 Reasonable Care. Each party shall exercise reasonable care in the performance of its obligations and rights under this Agreement to ensure that the other parties' facilities and operations are not impaired or damaged.

Section 17.9 Force Majeure. Neither party shall be deemed to be in violation of this Agreement if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires,

explosions, or acts of God, including, without limitation, earthquakes, floods, winds, epidemics, pandemics or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Agreement after the intervening cause ceases.

Section 17.10 Severability. If any provision contained in this Agreement is held to be unenforceable by a court of law or equity, this Agreement shall be construed as if such provision did not exist, and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Agreement unenforceable.

Section 17.11 Time of Essence. Time is of the essence of this Agreement and each term, covenant and condition thereof.

Section 17.12 Authority. The parties hereto represent and warrant that the person executing this Agreement on behalf of each party has full power and authority to enter into this agreement and that the parties are authorized by law to perform the services set forth herein.

The parties hereto are associated with each other only for the purpose and to the extent set forth in this Agreement, and in respect to performance of services and payment of fees pursuant to this Agreement, each party is and shall be a public agency separate and distinct from the other party and, subject only to the terms of this Agreement and any other agreements between the parties, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.

Section 17.13 Captions. The captions of this Agreement do not in any way limit or amplify its terms and provisions.

Section 17.14 Binding on Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, successors and assigns for all time.

Section 17.15 Execution of Additional Documents. In addition to documents and other matters specifically referenced in this Agreement, the parties agree to execute and/or deliver, or cause to be executed and/or delivered such other documents and/or materials, carrying out the terms and conditions of this Agreement, as may be reasonably necessary to effect the transactions contemplated by this Agreement.

Section 17.16 Counterparts. This Agreement may be executed in one or more counterparts, and each counterpart shall constitute an original instrument, but all such counterparts shall only constitute one and the same instrument.

Section 17.17 Authorship. The parties expressly acknowledge and agree that this Agreement has been jointly drafted and that each part had the opportunity to negotiate the term and obtain the assistance of counsel in reviewing the terms hereof before approving. This Agreement shall not be construed in favor of or against any party hereto but shall be construed in a neutral manner.

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IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

ELK POINT SANITATION DISTRICT

By:_____
Bradley Oneto, Chairman

ATTEST: _____
Doreen Andriacchi, Secretary

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY

By:_____
John Mclaughlin, Chairman

ATTEST: _____
Sara Nelson, Secretary

4934-0038-4094, v. 1

Meeting Date: August 20th, 2025

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

Authority Manager's Monthly Report: July - August 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 Second Quarter 2025 DCLTSA Treatment Plant and Park Cattle Discharge Monitoring Reports have been submitted to and passed by the NDEP and EPA.

2. Peak Summer Daily Flow comparison for the past four years:
   2025: **1.742** million gallons – 07/04/2025
   2024: 1.644 million gallons – 07/05/2024
   2023: 1.640 million gallons – 07/02/2023
   2022: 1.575 million gallons – 07/04/2022

3. DCLTSA staff have been working with RHGID personnel on tuning the new flowmeter installed near the Safeway parking lot. Round Hill staff have been very responsive and helpful in getting flow reporting anomalies fixed promptly.

4. We have entered into a dewatering / decanting agreement with Alpine Septic, who will be doing drain interceptor cleaning work under contract for Douglas County.

5. Our staff attended confined space entry safety training classes, which were graciously held at the Kingsbury GID administration facility.

6. Working in conjunction with Authority legal counsel and our engineer, we have entered into a new easement agreement with the Tahoe Beach Club. The agreement provides for access to a proposed new sewer main that will serve Building 11 and 12, scheduled to be constructed as part of the Phase 3 TBC project. Mr. Anderson or Mr. Cavilia may provide greater detail if needed.

7. I attended the 40th Annual Tri-State Seminar in Las Vegas, Nevada. The Tri-State event brings together wastewater and water reclamation professionals from Arizona, California, and Nevada. The seminar provides informative classes and continuing education opportunities for wastewater professionals.

8. Routine inspection of our HDPE (plastic) lined Emergency Sewage Storage Basin discovered several areas where fusion-welded seams in the plastic liner were becoming separated, creating the potential for leaks. All repair work has been completed by certified professionals and leak-tested for soundness. (photo attached)



Photo showing separation of HDPE seam from concrete.

9. Control conduits and piping for the Engine Driven Emergency Bypass Pump to be installed at the Export Overflow Wet Well has been installed in advance of the upcoming 2025 Pavement Rehabilitation Project to prevent cutting up our brand-new asphalt. Kickoff of the Pavement Rehabilitation Project has encountered some delays while we await new coverage approval from the TRPA. The new coverage requested is to allow for an ADA compliant sidewalk and ramp for the Administration Building. (Photos attached)



Hand-digging trench from the Mechanical Building to the…


…Export Overflow Wet Well in background.

WILSON ENGINEERS

1603 Esmeralda Avenue
Minden, NV 89423

9060 Double Diamond Pkwy, Suite 1B
Reno, NV 89521

Office: 775-782-2322

August 19, 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 – July & August 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 June 25, 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 LLC, (Wilson), assisted and participated with Authority personnel on several engineering-related assignments on an as-requested basis. These services included assisting the Authority by reviewing and responding to engineering and permitting related questions, reviewing and analyzing flow data, and providing input and recommendations regarding various requests received by the Authority for plan approvals, mapping requests and easements. More specifically during the period we reviewed updated design drawings for the South Room Expansion Project that is underway at Edgewood, and updated surveying drawings and easement documentation received from Tahoe Beach Club as needed to provide service to their buildings numbered Adjusted Parcel 11 and Adjusted Parcel 12.

1. Annual Flow Report Text Updates
   We are working with Ms. East-Janicki to re-work and clean-up some of the language contained in the Annual Flow Report to more accurately reflect the use of meter readings rather than estimating flows from Round Hill General Improvement District. Through this process, no changes will be made to either the flows recorded nor the estimate of flows for 2026.

2. 2025 Pavement Rehabilitation Project: Canvas of Construction Bid Proposals Received and Recommendation for Award
   As you will probably recall, at the conclusion of the Board's June meeting, I recommended that the formal award of the construction contract for this project be predicated on and subject to the timely receipt of the TRPA permit. Subsequent to the Board's meeting, TRPA determined that this project requires a full permit rather than a relatively simple Grading Permit. This determination was primarily due to increases in site coverage resulting from construction of the ADA access to the Administration Building. After receiving notice of their determination, we prepared

and submitted the modified application as well as provided supplemental documents to TRPA as requested to document the volume of earthwork and depth of cuts/fills expected with the project.

Earlier this week, I spoke directly with a representative of TRPA whose primary role is to intake permit requests. She informed me that our project is currently "…number 36 in their queue for assignment." Once assigned, they have up to 60 days to review and provide comments that must then be addressed. We discussed whether this project would qualify as a Minor Permit, which results in a shorter review period. However, while the project's characteristics meet the other criteria, because the earthwork exceeds 50 cubic yards it will be processed as a regular permit.

Additionally, last week I spoke to the Project Manager for F.W. Carson to obtain their availability and schedule for completing the work assuming a permit from TRPA would be forthcoming. Even at this date, they anticipate that they would not be able to complete the entire scope of work before inclement weather this fall. That is, if a permit was available today, their schedule will require that the site work be completed in 2026.

Based on these inputs, particularly the inability to obtain a permit from TRPA, I regrettably recommend that the Board not award the project but re-bid the work this winter once a TRPA permit has been issued and acknowledged.

Summary of Influent Flows – Year to Date:

Utilizing flow data collected and submitted to us by Ms. East-Janicki, we have reviewed and compiled that data through July 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 holidays (i.e., New Years, Martin Luther King Day, President's Day, etc.) as well as reported daily precipitation. Based on our review of the flow data, the variation in sum of the flows received from the contributing districts is about 1.8% greater than the flows measured at the plant. This difference is well within the accuracy limits of the meter manufacturers.

The average daily flow during June 2025 as measured by the influent meter was calculated to be 1.30 million gallons per day (MGD). The average daily flow during July 2025, again as measured by the influent meter, was 1.44 MGD. These monthly average daily influent flow volumes are somewhat higher than the average daily flow measured in 2024 (1.12 MGD). Year to date, the average daily flow measured at the Plant meter is about 1.16 MGD.

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.

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Yours faithfully,

WILSON ENGINEERS LLC

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

Attachments

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

Controller's General Status Report

August 20, 2025

- The Budget to Actual Spreadsheet in your packet shows that we finished the last fiscal year more than 7% under the original budget. After the augmentation approved by the Board at the June meeting, we were within every operating expense line item and did not need the additional $70,250 we added as a contingency.

- While, as Rob pointed out, Peak Summer Daily Flows were up in July, overall through July Influent flows here at the plant were down 1.59% over 2024. All the participating districts' measured flows and flow percentages were down as well. However, flows at the Authority's Beach Pump Station were up 4.58%. Through June, In-Authority commercial flows were up 5%, with Bally's leading that charge, up 56%. That distribution is likely to change in the coming months with Harvey's and the Golden Nugget's rooms becoming available.

- Ying and I are preparing for the annual audit to begin sometime at the end of September. The auditor's requests began rolling in last week.

Investment Report

The Authority's investments total more than $18.9 million, with $13.7 million of that amount being held in the Local Government Investment Pool (LGIP). In July, LGIP was still paying 4.272%. We have 5 CDs of $245,000 each that are maturing or have matured in the past weeks. Our Wells Fargo sales representative was reassigned, and we weren't notified. I've connected with the new sales representative. By the Board meeting I anticipate having the CDs reinvested and will give you

full details then. In the interim, the money is earning slightly more than 4% in the Wells Fargo Money Market holding account.

Regarding the new sweep function instituted on our operating checking account, interest of $7,073 was earned in July, so thanks again to Keith Fertala for bringing this to our attention.

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 Chairman to sign them and return them to me for our records.