MINUTES OF THE REGULAR MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
January 17, 2018

CALL TO ORDER:

A Meeting of the Board of Trustees of the Douglas County Lake Tahoe Sewer Authority (DCLTSA) duly convened at 9:30 a.m. on Wednesday, January 17, 2018 at the Wastewater Treatment Plant, Stateline, Douglas County, Nevada.

ROLL CALL:

Present were Trustees Mike Bradford, Nancy McDermid and Grant Thompson. Trustees Wes Rice and Darya Vogt were present via a telephone connection whereby they could hear everyone at the meeting and everyone could hear them.

RECOGNITION OF OTHERS IN ATTENDANCE:

In attendance were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Engineer Rob Anderson, the Authority's attorney, James Cavilia, and Bob Cook. Representatives of Round Hill General Improvement District (RHGID) and Tahoe Douglas District (TDD) in addition to members of the public were also in attendance.

PUBLIC COMMENT:

None.

Presentation to Board of Trustees by Samuel McMullen at Strategic Research Associates regarding his contract to obtain grant funding for District Development Plan projects

Chairman Bradford introduced Sam McMullen and his associate Connor Cain, providing the Board with a summary of Mr. McMullen's work on behalf of the authority over the years as well as Mr. McMullen's history as a former member of the Board of Douglas County Sewer Improvement District No. 1. Chairman Bradford explained that under the Authority's current contract with Mr. McMullen, Mr. McMullen is paid $2,500 per month to assist the Authority in obtaining federal funding for projects.

Mr. McMullen thanked Chairman Bradford for the introduction and provided the Trustees with a draft plan for seeking federal funding going forward. Mr. McMullen explained how federal funding opportunities had changed in recent years and that in his opinion the only realistic possibility for federal funding for the Authority would be through the Lake Tahoe Summit that takes place annually.

Because of the existence of a funding backlog for previously planned projects throughout the country, Mr. McMullen stated that Lake Tahoe Summit Funding was the Authority's best opportunity. Mr. McMullen explained that in order to be considered at the Summit, efforts would need to start very soon. Mr. McMullen described the Authority as a generally independent organization that has funded its infrastructure needs on its own but that much of the Authority's infrastructure was nearing the end of its useful life. Because of the unique environmental nature of the Lake Tahoe Basin it is very important that the sewer infrastructure be maintained.

Trustee McDermid agreed with the importance of infrastructure in the Tahoe Basin and indicated her belief that infrastructure would be the focus of the Lake Tahoe Summit this year. Mr. McMullen added that grassroots support would be necessary to get funding in a cost-effective way.

Chairman Bradford indicated that the Board needs to understand the value of an ongoing contract with Mr. McMullen and also know what other options there might be for the Authority. Mr. McMullen indicated that his work for the Authority has been done at a reduced rate and he hoped not to increase his fees.

Trustee Thompson stated Mr. McMullen's credentials are great and he would like to see a plan for the Board to consider before making a decision on a contract. Trustee Vogt expressed her appreciation for all of the background information and asked about prior projects that Mr. McMullen assisted the authority with, as well as if Mr. McMullen could work on an as-needed basis. Trustee Rice agreed with the idea of having a more definitive plan for the Board to review at future meeting. At that time, Trustee Rice had to drop off the telephone line.

Chairman Bradford suggested that the matter be placed on the next Board meeting agenda and that Mr. McMullen provide an updated plan and cost analysis for the Board's consideration. Mr. McMullen thanked the Trustees for their time and indicated that he would return to the next meeting with additional information upon which the Board can make a decision.

Chairman Bradford opened the floor to public comment regarding the matter. Janet Murphy of TDD stated that much of the grant funding work on behalf of the Authority had been done by the Authority's engineer at the time, JWA, and that infrastructure of the general improvement districts at the Lake also needed funding and should be part of any effort to obtain funding. John

Fassman of RHGID agreed that cooperation with the other districts at the Lake was very important. There was no further public comment.

Trustee McDermid left the meeting.

APPROVAL OF AGENDA:

It was moved by Trustee Thompson, seconded by Trustee Bradford and carried unanimously that the agenda as noticed be approved and adopted.

MINUTES OF PRIOR MEETING:

It was moved by Trustee Thompson, seconded by Trustee Bradford and carried unanimously that the minutes of the Meeting of the Board of Trustees of DCLTSA, dated December 20, 2017 be approved as presented.

MANAGER'S REPORT:

A. General Status Report

Authority Manager, Rob Hopkins presented the Board with a written summary of various general matters related to the Authority and briefly summarized each item in the written report.

Mr. Hopkins reported that the Muller Lane force main realignment was proceeding with the boring having been recently completed. Mr. Hopkins indicated that the warranty inspection of Export Effluent Tank # 2 was recently completed with no problems being found.

With regard to the newly installed Dissolved Oxygen Sensors, Mr. Hopkins stated that testing had begun and thus far the new system is operating as designed. Training for staff on the operation and maintenance of the new automatic sampling equipment was beginning and Mr. Hopkins reported that this equipment will allow the Authority to have less than 24-hour staffing in the near future. Finally, Mr. Hopkins reported that he would be participating in the mediation on January 31, 2018 with regard to the Underground Emergency Storage Project.

Chairman Bradford opened the floor to public comment regarding the Manager's report. In response to a question from Trustee Vogt, the Authority's legal counsel, Jim Cavilia, indicated that it was not necessary or appropriate for all of the Trustees to attend the upcoming mediation. Mr. Cavilia indicated that the Authority would be represented at the mediation by legal counsel, Mr. Hopkins and Chairman Bradford. There was no further public comment.

ENGINEER'S REPORT:

A. General Projects Status Report

In addition to his participation in the Manager's Report, the Authority Engineer, Rob Anderson presented correspondence dated January 15, 2018 summarizing two issues that R.O. Anderson Engineering has been involved with on behalf of the Authority. The two issues are 1) Authority Engineering Services; and 2) Muller Lane Force Main Realignment. The January 15, 2018 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that approximately $32,000 in retention remained to be paid with regard to the Export Effluent Tank re-coatings. Mr. Anderson indicated that data regarding corrosion of the effluent force main would be reviewed with Authority staff before the February Board meeting. With regard to the Muller Lane Force Main Realignment Project, Mr. Anderson indicated that it was going well and the Nevada Department of Transportation (NDOT) was not expected to begin its construction work until mid-April.

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

ATTORNEY'S REPORT:

A. General Status Report

Other that what he had contributed earlier in the meeting, the Authority's Attorney, Jim Cavilia had nothing additional to report. Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

B. Discussion and possible action regarding leak/warranty issue with the Underground Emergency Storage Tanks

Mr. Cavilia indicated that mediation with the contractor and manufacturer has been set to take place on January 31, 2018. Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment.

AUTHORITY CONTROLLER'S REPORT:

A. General Status Report

Ms. East-Janicki presented the board with a spreadsheet showing actual expenses compared to budget for the current fiscal year. Ms. East-Janicki stated that operating expenses are approximately 4% over budget through November 2017.

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

B. Discussion, report of funds transferred and possible action to transfer additional money from the General Fund to the Construction Fund for payments toward ongoing District Development Plan projects

Ms. East-Janicki provided the Board with a written summary of amounts in each of the funds and the anticipated needs related to ongoing projects. Based upon current and upcoming construction expenses, Ms. East-Janicki recommended that up to $175,000 be authorized for transfer from the General Fund to the Construction Fund. Chairman Bradford 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 Chairman Bradford, seconded by Trustee Thompson and carried, 3-0, that up to $175,000, as needed, be transferred from the Authority General Fund to the Construction Fund.**

C. Discussion and possible action to place Aeration Basin Upgrades on the State Revolving Loan Fund Loan List for Fiscal Year 2018-2019

Ms. East Janicki requested the authority to prepare and submit a pre-application for the Aeration Basin Upgrades to be eligible for State Revolving Loan funding. Ms. East Janicki explained that total cost of the project is approximately $6.5 million and having the project listed does not obligate the Authority to obtain the loan. Chairman Bradford 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 Chairman Bradford, seconded by Trustee Thompson and carried, 3-0, that Ms. East-Janicki be authorized to prepare and submit a pre-application for the Aeration Basin Upgrades to be on the State Revolving Loan Fund list for fiscal year 2018-2019.**

D. Discussion and possible action for Board member to sign contract with the State of Nevada Public Employees' Deferred Compensation Committee in light of October 2017 entity name change to Douglas County Lake Tahoe Sewer Authority

Ms. East-Janicki explained that this was just a housekeeping measure based upon the Authority's new name. Chairman Bradford 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 Chairman Bradford, seconded by Trustee Thompson and carried, 3-0, that the Chairman be authorized to sign contract with the State of Nevada Public Employees' Deferred Compensation Committee on behalf of the Authority.**

E. Investment Report

Ms. East-Janicki presented the Board with a summary of the District's investments, totaling approximately $8.9 million, including approximately $4.9 million in laddered certificates of deposit.

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

APPROVAL OF CLAIMS:

The claims presented were reviewed and approved by Trustee McDermid on behalf of the Board prior to the time she departed.

PUBLIC COMMENT:

None

ADJOURNMENT:

There being no further business, the meeting was adjourned at 11:20a.m.

Danya Vogt

APPROVED

Grant Thompson

4815-9108-7197, v. 1

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

District Manager's Monthly Report – JANUARY, 2018
A. General Status Report

Staff Recommendation:

None. This is an informational item only.

Discussion/Report:

This item is regularly agendized to afford the Authority General Manager the opportunity to update the DCLTSA Board of Trustees on select activities over the previous month.

1. A pre-construction meeting for the Muller Lane Force Main Relocation Project was held December 21st at the offices of Authority Engineer, R.O. Anderson. Personnel from DCLTSA, R.O. Anderson, White Rock Construction, and Douglas County were in attendance. The contractor, White Rock, began doing mobilization on the project in the first week of January, 2018. The latest details of project progress will be covered in the Engineers report.

2. Export Effluent Tank #2 has passed its warranty inspection and has been returned to service. The 11 month warranty inspection for Export Effluent Tank #1 is anticipated to take place in the early fall of 2018.

3. The Authority Emergency Action Plan (EAP) Contact List and Notification Flowchart have been updated for the Treatment Plant, the Effluent Reservoir Dam and the Buckeye Effluent Reservoir Dam. The updates have been provided to the Nevada Division of Environmental Protection for their records and to the Authority staff.

4. The Temporary Discharge Monitoring Report for November for the Muller Lane Force Main Relocation Project has been submitted to the NDEP.

5. Startup testing of the new Dissolved Oxygen sensors, related to automating the existing Treatment Plant aerators, took place the week of January 8th, 2018. In preliminary testing and operation, the new system is operating and functioning as per design.

6. Training for Authority staff on the operation and maintenance of the new automatic samplers, installed as part of the Treatment Plant Automation Project, is anticipated to take place January 17, 2018. (Photos attached)

7. The punch-list walk through inspection for the Treatment Plant Automation Project is tentatively scheduled for Wednesday, January 24th, 2018. At the time of this writing, it is anticipated that this project will be completed on schedule in early February, 2018.

8. Mediation related to the Authority's claim of defective work related to the Underground Emergency Storage Tank project is scheduled to take place Wednesday, January 31st in

Carson City. Questions related to the mediation process may be addressed by the Authority Counsel, James Cavilia.





Export Effluent Chlorine Residual Sampler Panel: Treatment Plant Automation Project.

R O Anderson

January 15, 2018

Via E-mail

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

Authority Engineer's Monthly Report – January 2018

Dear Members of the Board:

The following report presents a summary of activities undertaken on behalf of the Authority since our last meeting together on December 20, 2017. During this period, we participated with Authority personnel in the following areas:

1) Authority General Engineering Services
2) Muller Lane Force Main Realignment

The following paragraphs provide a brief description of these efforts and progress related to each of these specific assignments.

Authority General Engineering Services: R.O. Anderson Engineering, Inc. (ROA) assisted and participated with Authority personnel on various engineering-related assignments including: participation in project coordination meetings and phone calls with Authority staff, legal counsel, and Board members on an as-requested basis. In addition to these activities, we have actively participated in the following specific tasks:

- Export Force Main Corrosion Assessment review: The original V&A corrosion assessment included soil resistivity measurements at approximately 1,000-foot intervals along the entire length of the force main with the highest corrosion potential in Carson Valley. V&A generally concluded that although exterior corrosion is a concern, it is marginal compared to the interior corrosion observed in some areas. Our assessment specific to those field observations and testing results in closest proximity to the location of last year's damaged section, is now mostly complete and when finalized will be provided to Authority staff for their review.
- Effluent Tank Re-coating: The cathodic protection system is installed in Tank 1 and the project is now complete. We have notified the contractor of closeout items required before final payment can be released; we have not yet received a request for final payment. The cathodic protection system will remain inactive until after the 11-month coating inspection to be scheduled approximately October 2018.

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OFFICES
Minden, Nevada
Reno, Nevada

No change orders or progress payments have been processed during this period, the project's financial status remains the same as last month:

Original Contract Price	$ 287,000.00
Net Change by Change Orders	$ 0.00 (0%)
Current Contract Price	$ 287,000.00
Work Completed and Stored to Date	$ 283,000.00 (99%)
Remaining Work to be Completed	$ 4,000.00

This contract allows the Authority to retain 10% of the completed work, therefore, $28,300 has been retained from the payments to the Contractor.

The 11-month warranty inspection of Tank 2 was completed on December 18th, 2017 by Bay Area Coatings Consultants, a specialized coating inspection company, along with Authority staff and ROA representatives. Overall the coating was found to be in good condition with a few areas needing patching, which is not untypical for the warranty inspection. The cathodic protection system in Tank 2 was repaired and energized; Tank 2 is now in standard operation.

Muller Lane Effluent Force Main Relocation: The Pre-construction Meeting was held on December 21, 2017, in preparation for the bore work which commenced early last week. We performed some final insurance certificate and permit coordination with Nevada Division of State Lands and Nevada Department of Transportation (NDOT) respectively and we are performing occasional site visits and coordination as needed. The bore work is progressing smoothly; we expect that pipe will start to be installed on Thursday of this week. When the bore is complete the boring sub-contractor will de-mobilize and the contractor, White Rock Construction, will wait for an appropriate window of dry weather in which the connection contract work can be performed.

We have also been communicating regularly with the representatives of NDOT's team regarding the project's schedule and their estimated bridge construction schedule. Their most recent correspondence indicates that their project will likely commence in mid-April as opposed to the March 1st date discussed at last month's meeting. We, and the contractor, remain optimistic that the weather will cooperate for us to complete our relocation work in advance of NDOT's contractor commencing construction.

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.

Yours faithfully,

R.O. ANDERSON ENGINEERING, INC.

Robert O. Anderson, P.E., W.R.S., CFM
Principal Engineer

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

GENERAL STATUS REPORT – January 17, 2018

General Status Report

I have given you a Budget to Actual spreadsheet which shows that we finished November a little more than 4% over budget. In October, it was 6% over, so we are going in the right direction. Of the $58,000 we are over budget, almost $55,000 of it is from emergency repairs for the effluent line breaks.

Claims:

I sent you copies of the check register and wires sheet for the period of December to mid-January. If there are no questions about those, I would ask that the Treasurer sign them and return them to me for my records.

Transfer of Funds from the General Fund to the Construction Fund

I sent out the Construction Fund Inflows and Expenses spreadsheet with the Board packet. We paid more than $458,000 in construction fund expenses since the last board meeting. I have transferred the $150,000 previously authorized, and there will be $250,000 coming in at some time this month from assessment. However, I anticipate approximately $395,000 in construction fund bills coming due before the next board meeting. Therefore, I would request that the Board authorize me to transfer an additional $175,000 in order to meet those expenses.

Regarding the State Revolving Fund Loan List

I included a letter in your packet from the State Revolving Loan Fund people at NDEP. In anticipation of possibly doing the Aeration Basin upgrade project toward the end of the next fiscal year, I would request that the Board authorize me to submit a pre-application form to NDEP, listing the project for $6.5 million. Putting the project on the list does not obligate us to either accept funds or go forward with the project. It simply allows us the option of obtaining a loan if the Board decides that's the way it wants to go.

Nevada Deferred Compensation Committee

Due to the change in our name and Board structure, the NDC has requested that we sign new contracts with them. This enables us to continue to provide employees the option of saving money through the deferred compensation fund. The Authority does not match any funds put in by the employee, and at the current time 5 of our 12 current employees utilize the deferred compensation option.

Investment Report

At the current time, we have more than $8,895,000 in investments. Of that, $4.9 million is invested in laddered CD's and the rest is invested in interest checking, money market accounts and the Local Government Investment Pool.