MINUTES OF SPECIAL MEETING OF
THE BOARD OF TRUSTEES OF
DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
May 30, 2018

CALL TO ORDER:

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

ROLL CALL:

Present were Trustees Mike Bradford, Nancy McDermid, Wes Rice, Darya Vogt and Grant Thompson.

RECOGNITION OF OTHERS IN ATTENDANCE:

In attendance were Authority Manager Rob Hopkins, Authority Controller Paula East-Janicki, Authority Engineer Rob Anderson Engineering, the Authority's attorney, James Cavilia, and Bob Cook. The meeting was open to the public and there were no other individuals in attendance.

PUBLIC COMMENT:

None.

APPROVAL OF AGENDA:

It was moved by Trustee McDermid and seconded by Trustee Vogt and carried unanimously that the agenda with the removal of Items 6 and 11.B. be approved and adopted.

MINUTES OF PRIOR MEETING:

None.

PUBLIC HEARING

Discussion and adoption of the Final Budget for Fiscal Year 2018-2019

Authority Controller, Paula East-Janicki, presented the Board with a copy of the proposed

Authority budget for fiscal year 2018-1029 and provided the Trustees with a verbal summary pointing out among other things, that the budget includes a 19.38% increase in utility costs. Ms. East-Janicki also directed the Board's attention to the fact that the budget provides for a 35% increase in repair and maintenance costs and a 42% decrease in legal and accounting costs. Ms. East-Janicki indicated that legal fees related to the Emergency Underground Storage Project would be funded from the construction budget.

Ms. East-Janicki reported that the budget included an increase in total operating expenses of only .25%. Authority Manager, Rob Hopkins, complimented Ms. East-Janicki and the Authority staff, for keeping operating costs down despite increases in natural gas and electricity costs of more than 19%. Mr. Hopkins indicated that the pace of maintenance and repairs has continued to increase with fewer employees.

Ms. East-Janicki indicated that the budget includes an additional $13,000 for billing of customers that the Authority is now responsible for. Trustee McDermid observed that the lack of new residential sewer connections in the Lake Tahoe Basin has an impact on the Authority's budget. Ms. East Janicki stated that based upon the best data available the flows of sewage to the Authority's plant are allocated as follows:

In-Authority	48%
Roundhill General Improvement District	8.5%
Kingsbury General Improvement District	22.7%
Tahoe Douglas District	20.8%

Trustee Thompson indicated that based upon TDD's increasing percentage of flows, TDD intends to address the issue of stormwater inflow to its collection system. The Authority Engineer, Rob Anderson, briefly explained what a dramatic effect stormwater inflow can have on the total flow at the Authority plant and that with more accurate flow metering it may be possible to capture interim measurements during the year.

In explaining the Statement of Cash Flows within the budget, Ms. East-Janicki stated that the approved increase in capital assessments is included but that no capital improvement projects are scheduled to be started in the upcoming fiscal year. Based upon a question from a Trustee, a brief discussion took place regarding consolidated taxes that are received by the Authority. Ms. East-Janicki indicated that she would gather additional information on that matter to be presented to the Board at a future meeting. Ms. East-Janicki did indicated that the Authority does not receive any ad valorem tax revenue from the state. Following a brief discussion among the Trustees, **it was moved by Trustee McDermid, seconded by Trustee Rice that the budget for fiscal year 2018-2019 as presented be approved and adopted.** Chairman Bradford opened the floor to public comment regarding the matter. There was no public comment. **The motion was unanimously approved.**

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 thanked Bob Cook for his assistance in coordinating staff training regarding the handling and use of sodium hypochlorite. Mr. Hopkins reported that installation has been completed of sacrificial capacitors to deal with future power surges. The annual cleaning and maintenance of the plant clarifiers and thickeners is continuing. Mr. Hopkins reported on, and included photos in his report of, the replacement of a failing check valve in the export pump building.

Final inspection of the STPUD intertie was completed by TRPA. With regard to the snow removal proposal from Kingsbury Snow Removal, Mr. Hopkins indicated that he has received a written proposal for what the cost of snow removal would be, and he is seeking an additional proposal from a different vendor. Mr. Hopkins indicated that Kingsbury Snow Removal would like to proceed this year and is confident that the appropriate permitting can be completed for the storage of equipment and materials at the plant.

Mr. Hopkins reported that weed control activities are ongoing at the plant reservoir dam as well as the Authority's Buckeye Creek site as required by the Authority's permits.

Finally, Mr. Hopkins indicated that in accordance with his employment agreement with the Authority he has recently provided all Trustees with an evaluation form for his annual evaluation. Mr. Hopkins expressed his hope that his formal evaluation could be completed at the Board's meeting on June 20, 2018. Chairman Bradford encouraged the Trustees to complete the evaluations and expressed his satisfaction with Mr. Hopkins performance. Chairman Bradford added that he would not be at the June 20th meeting, but that he had completed his written evaluation and had rated Mr. Hopkins very high.

Trustee Bradford 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, the Authority Engineer, Rob Anderson presented correspondence dated May 30, 2018 briefly summarizing activities of R.O. Anderson

Engineering on behalf of the Authority. The May 30, 2018 correspondence is incorporated in these minutes by this reference.

Mr. Anderson reported that work had begun on the metering analysis with contributing districts and that he would keep the Board informed of the progress.

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

ATTORNEY'S REPORT:

A. General Status Report

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 there was nothing new to report on this matter. 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 indicated that she had no update on Authority operating expenses, but that purely as a precaution she would be seeking an augmentation of this year's budget at the next Board Meeting. Ms. East-Janicki reported that individuals from Grant Thornton will be at the Authority next week for audit preparation.

With regard to the new billing of customers process, Ms. East-Janicki indicated that she was working with Wells Fargo and had obtained billing software from Core Utilities. The software is also used by RHGID and staff at RHGID has offered to assist Ms. East-Janicki with start-up. Ms. East-Janicki indicated that it was too early to know whether or not an additional employee would be necessary to assist with the billing. Chairman Bradford indicated his preference that if a new employee was needed, Ms. East-Janicki should look for someone with the ability to take over for Ms. East-Janicki at some point in the future. With regard to billing, the Trustees all

agreed that if credit card payments are accepted by the Authority, such payments must include a processing fee to cover the Authority's costs.

Finally, Ms. East-Janicki reported that she anticipates Authority's website design to be completed by June 15, 2018,

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

B. Report of funds transferred from the General Fund to the Construction Fund for payments toward ongoing District Development Plan projects

Ms. East Janicki reported that there had been no expenditures from the Construction Fund since the last meeting so there was no need to authorize any transfer of funds at this time.

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

F. Investment Report

Ms. East-Janicki presented the Board with a summary of the District's investments and reported that one Certificate of Deposit had recently matured and been reinvested.

Chairman Bradford 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 and **it was moved by Trustee McDermid, seconded by Trustee Bradford that the claims as presented be approved.** Trustee Bradford opened the floor to public comment regarding the matter. There was no public comment. **The motion was unanimously approved.**

PUBLIC COMMENT:

There was no public comment.

ADJOURNMENT:

There being no further business, the meeting was adjourned at 10:50 a.m.

APPROVED

4814-8344-3304, v. 1

DOUGLAS COUNTY LAKE TAHOE SEWER AUTHORITY
Staff Report

Subject / Title:

District Manager's Monthly Report – May 30th, 2018 Special Board Meeting
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. DCLTSA staff attended safety training regarding the handling and use of Sodium Hypochlorite, which is the primary disinfection chemical utilized at the Treatment Plant. The training was performed by our vendor, Olin Chemical, and coordinated by Bob Cook.

2. Authority staff has installed RAYCAP Sacrificial Capacitors on critical Authority Variable Frequency Drives (VFDs) at the Main Pump Station this past week. Staff will continue installing the protective capacitors at the Beach Pump Station and the Treatment Plant in the next few weeks. The RAYCAP system was recommended by Yaskawa, the manufacturer of the VFD that failed at the Main Pump Station during the April 1st power surge.

3. The #1 Primary Clarifier has been taken off line for routine maintenance and servicing. This work is generally done during "low-flow" periods in the fall and spring seasons.

4. Thickener #1 has also been taken down for cleaning, inspection and maintenance. Minor upgrades to the scum collection system are being performed by DCLTSA staff.

5. Replacement of a failing check valve and pump isolation valve for the split-case treated wastewater effluent pumps that feed the on-site DCLTSA export effluent tanks and reservoir has been completed. This portion of the replacement project / upgrade was done largely in-house and completes the valve replacement and upgrade project in the Effluent Export Building. (Photo attached.)

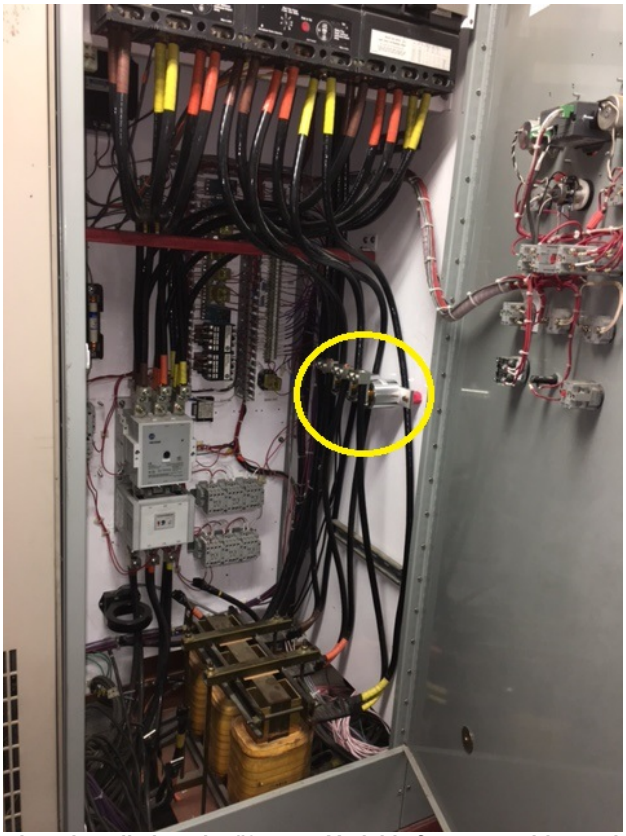
6. The Final Inspection Report from the Tahoe Regional Planning Agency for the STPUD / DCLTSA Sewer Inter-tie Pipeline Project has been received. TRPA

successfully passed the project, with minor comments requiring that DCLTSA notice the TRPA Planning Manager whenever the Intertie is used for emergency or testing purposes.

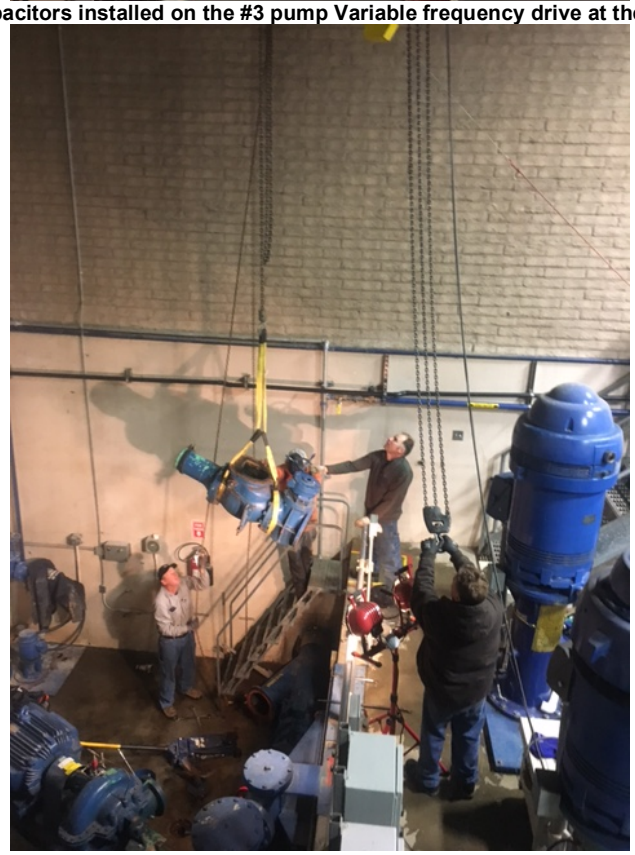
7. DCLTSA staff met with Stephan Haase of Kingsbury Snow Removal to discuss a scope of services and obtain a cost estimate for snow removal at DCLTSA facilities. Kingsbury Snow Removal is proposing to trade snow removal services for access to DCLTSA Treatment Plant property in order to store equipment and materials. The quote obtained will allow DCLTSA to set a value to the Kingsbury Snow Removal proposal. DCLTSA staff will be obtaining a competitive quote for equivalent snow removal services from another area snow removal services provider in the next few days for comparative purposes.

8. Weed control herbicide application is being performed on the DCLTSA Effluent Reservoir Dam and at the DCLTSA Buckeye Reservoir Dams this month. Maintenance of these facilities is required by the Nevada Department of Conservation and Natural Resources Division of Water Resources, and allows DCLTSA to keep the facilities permitted for emergency and / or future use. This was also facilitated by Bob Cook.

9. I have recently e-mailed to each Authority Director a rating score / comment sheet and supporting background material related to my upcoming annual General Manager's Performance Evaluation. Per my contract I am due for a performance review in the May-June time frame each year. I respectfully request that the rating / comment sheets be filled out by each of you and be returned in the next few weeks so that my performance review might be placed on the June 20th, 2017 DCLTSA Board Meeting Agenda. It has been my distinct pleasure to work with you all during this inaugural year of the Douglas County Lake Tahoe Sewer Authority. Thank you all for your continuing faith and support!



RAYCAP system capacitors installed on the #3 pump Variable frequency drive at the Main Pump Station.



DCLTSA staff removing failing check and isolation valves from the reservoir pump; export building.

R O Anderson

May 29, 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 – May 30, 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 May 9, 2018.

During this relatively short period of time, our activities have been limited to general administrative tasks related to the Meter Verification Task Order. The Task Order was executed shortly after the last Board meeting and we have tentatively arranged to set our first set of meters on June 5, 2018. It is our intent to locate the temporary meters at locations where we can collect and then isolate flow data from Tahoe Douglas District (TDD). Due to the arrangement of the piping where flows from TDD discharge to the sewage collection system of Round Hill General Improvement District, we will necessarily involve personnel from all three districts to accomplish this initial set. Pursuant to the Board's direction, the meters will be left in place for 7 days after which flow data will be downloaded and the next meter set installed.

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.

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

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OFFICES
Minden, Nevada
Reno, Nevada

GENERAL STATUS REPORT – May 30, 2018

General Status Report

Since the last Board meeting was only three weeks ago, there is no update on where we stand in this fiscal year's operating expenses. As a matter of caution, I will be asking the Board to augment the budget next month, to be sure we don't go more than 10% over any line item or the total.

Grant Thornton will be here four days next week for the audit preparation cycle. Then they'll be back for the first week in September to do the regular field work.

I am in the process of setting up the billing. I met with two people at Wells Fargo, our bankers, about the larger lockbox which is required. They strongly recommended that I use a billing program meant specifically for utilities in that they build in the capacity to accept downloads directly from bank reports. Therefore, I have demo'ed Core Utilities which Round Hill uses and will be purchasing their software for $4,500. That allows the program to be installed on the server network. The programmers only require a customer spreadsheet, which I hope to have finished by the end of the week, and they will set the program up and have it ready to roll by mid-June. The advantage to Core Utilities is that Patti from Round Hill is very familiar with the ins and outs, and can help if I get stuck.

Wells Fargo has also suggested that I not advise customers upfront that they can pay with credit cards. They – Wells Fargo – have the capacity to accept them but it greatly increases our bank charges.

While the website designer has not yet started the process of setting ours up, he anticipates he can have it done by June 15. I will be speaking with him this afternoon and we'll get it going.

Perforated paper, return envelopes, postage metering… lots of pieces to the billing puzzle.

Transfer of Funds from the General Fund to the Construction Fund

There have been no expenditures from the construction fund (or any other) since the last meeting.

Investment Report:

We had one CD mature last week at 1.1% interest and I was able to reinvest it at 3% for 3 years. That brings the average CD interest to 1.74%. Just like last month, we have a little more than $8,900,000 in investments, spread between liquid cash accounts with Wells Fargo and LGIP and laddered CD's brokered by Wells Fargo. There is a list of current CD's on the table.

Claims:

I sent you copies of the wires sheet for the period of May 9 through May 30. If there are no questions about that, I would ask that the Treasurer sign them and return them to me for my records.