

**ELK POINT SANITATION DISTRICT  
BOARD OF TRUSTEES**

**MINUTES OF PUBLIC MEETING**

April 4, 2023 • 3:00 PM  
Teleconference/Video Meeting

**Board Members Present**

Marty Bibb  
Tim Gilbert  
Brad Oneto  
Anne Harry  
Cathy Oyster

**Others Present**

Steve McVicar, CPA  
Lola Klarlund

1. ACTION ITEM: Call meeting to order and roll call. The teleconference meeting was called to order at 3:07 P.M. by Chairman, Marty Bibb. Those in attendance are noted above.
2. ACTION ITEM: Approval of agenda. The agenda was unanimously approved with a motion made by Anne Harry and seconded by Tim Gilbert. The vote was unanimous.
3. PUBLIC COMMENT: None
4. ACTION ITEM Approval of November 7, 2022 minutes. The minutes were approved unanimously with a motion made by Cathy Oyster which was seconded by Tim Gilbert. Comment was made that the prior minutes were informative.

5. ACTION ITEM: Board review of the proposed contract from Douglas County Lake Tahoe Sewer Authority and approval for legal review. Steve presented a summary of the contract and the conversations he had with Douglas County Sewer District. All Board Members had questions regarding the contract and specific language used in certain sections. In summary, the following items were discussed in detail:

The Board wanted to see examples of other contracts for other GIDS to compare the proposed contract with other GIDS.

The need to have an attorney review the proposed contract was discussed in detail to ensure The Board is doing everything in their fiduciary duty for Elk Point.

The proposed contract is to be effective beginning in the next fiscal year starting July 1, 2023.

A spreadsheet with the planned upgrades was reviewed. The estimated cost given to Elk Point by DCDS was \$213,901. The main items to be purchased and installed are a pump retrofit, a generator and transfer switch, a second pump retrofit, and a second generator and transfer switch. The Board had questions regarding what specifically these items were and when they would be needed; for example: What exactly is a pump retrofit? Steve will take this up with DCDS to find the answers.

Article 1 second paragraph discusses the current average daily flow from EPSD, how it's measured, the need for EPSD to purchasing and installing a new meter. The proposed contract states that DCDS shall continue to treat and dispose of an average of 28,000 gallons of sewage per day for EPSD. There is a paragraph discussing if the average daily flow exceeds this number, a new calculation and contract would be required.

Questions consisted of how is the average daily flow currently determined? Is there a meter now? What is the cost of a new meter and installation? Who would be responsible for this new meter? How is the 28,000 measured and calculated. How much is EPSD currently using? Basically, the entire calculation in Article 1 paragraph 3 needs to be explained in greater detail.

Article 2 discusses operation and maintenance of the collection system and the notion that DCDS will operate and maintain the system. There are exceptions for catastrophic events and

the need to create a special assessment and such special assessment will be due within 90 days of receipt of the documentation supporting the increased costs from the catastrophic event.

Questions consisted of the definition of a catastrophic event. The timing of the delivery of documentation and what the timing of a special assessment would be. How would DCDS calculate the costs of these new items and would EPSD have any say in the expense calculation? Would there be a cap on the amount of repairs?

Article 3 discussed the fees under the proposed agreement. Why is there such a large increase in the fees? What does this consist of?

Article 5 discusses the term of the agreement. It is a ten year agreement. The Board felt this paragraph was vague since it just mentions that the contract will be extended based on current financial terms that are justified at the time. Can this be made more specific and tangible?

Article 6.10 discusses Force Majeure. The Board would like this clause to have more details and explanation regarding what would happen in the event there is a strike. How would this be addressed and handled by DCDS in the event there was a strike that prevented DCDS from fulfilling its obligations under the proposed contract. What steps would be taken by DCDS to ensure EPSD sewage was still properly maintained?

The Board would like to see an addendum for completion of the proposed work that needs to be done based on the spreadsheet of items.

Questions included what is the date this work is expected to be completed? Would it be possible to add a section to list the specific dates to complete the work listed in the spreadsheet of work that needs to be completed? Concern was raised regarding the expenses and if the items listed are the largest expense items. Steve was told by DCDS that these were the largest items.

Steve will discuss these other items with DCDS.

General questions included the following:

The 1971 contract discussed the annexation of Elk Point. The proposed contract doesn't mention this. Why not? Does it mean ESPD is responsible for upgrading and replacing its sewer collection system?

The 1971 Agreement states that maintenance and operation charges to ESPD will also cover repair and replacement of the sewer collection facilities to be installed now or in the future by ELK POINT. The proposed 2023 Agreement doesn't include this language and does not specify whether repair and replace is included in the operation and maintenance in the proposed new a contract.

The proposed contract doesn't specify who pays for repair and replacement of EPSD Collection System, other than to state that EPSD owns it, which presumes that EPSD bears the burden of repair and replace? Can this be identified and detailed further?

Are there issues in the pump they seem to be currently working on? What shape is the pump currently in?

The Board would like to see the scoping reports before they sign the contract. Steve informed the Board that due to the weather they hadn't received the reports, but he would inquire as to the timing.

Marty has an attorney that we will hire to review the contract.

Steve will go back to DCDS with these questions to see their position before the next EPSD Board Meeting.

Brad wanted to know if there were other options for Elk Point regarding the sewage treatment. No other options appear to be viable.

Cathy Oyster made a motion to have Marty contact an attorney for legal review of the proposed contract which was seconded by Anne Harry; the vote was unanimous.

6. ACTION ITEM: Review of hookups within the District and operations and maintenance expenses for the purpose of establishing billing for 2023-24. The maintenance and operations expenditures and hookups were reviewed. Steve informed the Board that there weren't any changes to the hook ups this period  
Cathy signed off at 3:55.
7. ACTION ITEM: Review and approval of 2023-24 tentative budget. Steve McVicar, CPA presented the tentative budget. Comments discussed by the board were the reserve and keeping the fees at a rate that would still enable the Board to maintain a reserve close to 10k.  
The new fee proposed by Steve was \$877, assuming the hookup fees in the proposed contract by DCDS are initiated. This number could change due to the contract. The Board agreed that the cost would be a reasonable number if the proposed contract were in place.  
Tim Gilbert made a motion to approve the tentative budget which was seconded by Brad Oneto; the vote was unanimous.
8. ACTION ITEM: Approval of disbursements to date. The disbursements were reviewed. Steve reported that all account receivables are paid. Anne Harry made a motion to approve the disbursements which was seconded by Tim Gilbert; the vote was unanimous.
9. PUBLIC COMMENT: None
10. ACTION ITEM: Adjournment. The meeting was adjourned at 4:11 P.M. with a motion made by Anny Harry and seconded by Tim Gilbert; the vote was unanimous.

Respectfully submitted:  
Lola Klarlund