



Wednesday, January 15, 2025 Minutes of Public Meeting

423 Elks Ave. office • Video conference

Call to Order: The meeting was called to order at 4:00 P.M. by Chairman Brad Oneto.

Board Members Present: Bradley Oneto, Chairman; Anne Harry, Treasurer; Doreen Andriacchi, Secretary; Kylie Gerken, Trustee; Robert Felton, Trustee.

Others Present:

Beverly Oneto; Victoria Rhodes; via Zoom: Gus Wegren, USDA; Laura Bevan, USDA; Nackey Scagliotti; Marty Bibb.

Approval of agenda: R. Felton **motioned** to approve the agenda moving item 10 to item 5. **Seconded** by K. Gerken. The vote was **unanimous**.

Public Comment: None

USDA Presentation

A. Harry read the following Statement regarding EPSD/USDA Intent to apply for a loan:

The purpose of this January 15, 2025 agenda item is to discuss and approve the Elk Point Sanitation District Board applying for federal assistance in the form of a loan with the United States Department of Agriculture, Rural Development, Rural Utilities Service for a project including the rehabilitation of the Elk Point Sanitation District sewer collection lift stations and the installation of a flow meter. Notice of this public meeting was published in the Tahoe Daily Tribune on January 3, 2025, listing the date, time and place of this January 15, 2025 meeting and inviting the public to attend and comment. The public notice was also posted on the Elk Point Sanitation District website and was agendized and sent to all users of the district via email.

A. Harry **motioned** to approve the Elk Point Sanitation District filing of an application for federal assistance in the form of a loan with the United States Department of Agriculture, Rural Development, Rural Utilities Service for a project including the rehabilitation of the Elk Point Sanitation District sewer collection lift stations and installation of a flow meter. **Seconded** by R. Felton. **Attachment 1: Affidavit**

Discussion:

Gus Wegren explained that it is a requirement that the public and members of the district are aware that EPSD is making an application for a USDA loan. Currently, the interest rate in effect is 4.125%. That rate is in place until March 31, 2025. If the application is processed and approved by that date the rate is locked in at 4.125%. If at the time of closing rate goes down, EPSD would get the lower rate. The term of the loan would be 40 years. Once USDA has completed the processing and underwriting, if USDA is comfortable with the loan repayment ability, EPSD will receive a Letter of Conditions which will outline all the conditions for that loan to be advanced to EPSD for this project. EPSD is not committed to accepting the loan.

B. Oneto asked if the \$1,000,000 specified in the loan application is flexible and if it can be increased. Wegren responded that the amount can be changed. USDA is waiting on final numbers of the Preliminary Engineering Report (PER) from the engineer.

Anne Harry added that we are also waiting for the rate study from Bridget Harris at Rural Community Assistance Corporation (RCAC) before the end of the month.

Wegren added that USDA does not necessarily need the rate study, although it would be helpful. Instead, USDA will use the current rate. If the loan repayment ability is not there using the current rate, USDA will need to consider what the rate study indicates.

R. Felton stated that it would not be good if EPSD needed to come back to the community for more money if the project exceeded the loan. He asked if USDA will help with that.

Wegren responded that in this environment, post covid, they see many projects where there is a cost overrun or bid bust. If the bids come in higher than the estimates, USDA can request additional funds for the cost overrun.

B. Oneto asked about the requirement for reserve funds.

Wegren responded that USDA requires two reserve funds. The first is a payment reserve in case there is a hiccup down the road. A monthly amount of 10% of the payment is required to be held back until one year of payment is accumulated. Which would take about 10 years. The second reserve is a short-lived asset reserve to make the system sustainable. The engineer will help identify the assets that may need to be replaced within 1-15 years. The fund must be set aside to replace those assets down the road. Wegren does not anticipate this fund to be very large.

Public Comment: None

The motion passed **unanimously** following discussion.

Wegren estimates EPSD will receive the Letter of Conditions early in February. Legal should review the Letter of Conditions and advise before the loan is accepted and the contract is signed. Once the Letter of Conditions is accepted. The funds are obligated to EPSD. The engineer shall provide the design plans to USDA for review. If USDA concurs with the design, the plans can go out to bid. Once a contractor is hired that hopefully bid within project cost estimates, construction may begin.

Anne Harry asked about costs such as engineering fees that come due before the loan is granted.

Wegren responded that USDA wants EPSD to contribute some funds to the project. The amount has yet to be determined, but will be 10% of the project cost. If the project cost is \$1,000,000, EPSD will need to expend \$100,000 for the project before the loan kicks in. Engineering costs already expended will count toward the EPSD contribution. If the loan is over \$500,000, USDA requires interim construction financing from a commercial lender. It is possible for USDA to wave this requirement.

Gus Wegren and Laura Bevan left the meeting.

Election of Officers

R. Felton **motioned** to elect Anne Harry as Chairman; Kylie Gerken as Treasurer; and Robert Felton as Secretary; and to give them four-year terms. Bradley Oneto and Doreen Andriacchi would serve two-year terms. **Seconded** by K. Gerken. A discussion ensued about the pros and cons of changing the current officer structure. Ayes: Anne Harry and Kylie Gerken; Nays: Robert Felton, Doreen Andriacchi, and Bradley Oneto.

The motion does not pass.

D. Andriacchi **motioned** to elect Bradley Oneto as Chairman; Anne Harry as Treasurer; and Doreen Andriacchi as Secretary. **Seconded** by A. Harry. Robert Felton abstained. Ayes: Bradley Oneto, Anne Harry, Doreen Andriacchi, and Kylie Gerken. **The motion passed.**

B Oneto **motioned** to assign Anne Harry, Kylie Gerken and Robert Felton four-year terms; and to assign Bradley Oneto and Doreen Andriacchi two-year terms. **Seconded** by A. Harry. Robert Felton abstained. Ayes: Bradley Oneto, Anne Harry, Doreen Andriacchi, and Kylie Gerken. **The motion passed.**

Approval of December 17, 2024 minutes: D. Andriacchi **motioned** to approve the December 17, 2024 minutes as corrected by K. Gerken. **Seconded** by A. Harry. Robert Felton abstained. Ayes: Bradley Oneto, Anne Harry, Doreen Andriacchi, and Kylie Gerken. **The motion passed.**

Chairman's Report

Chairman Oneto contacted the EPCC Board to ask permission to utilize the Elk Point Country Club (EPCC) electrical panel near the front gate for the EPSD flow meter. No response yet.
Chairman Oneto suggested EPSD offer to share the cost of the internet connection in the office with EPCC.

A. Harry **motioned** to share expenses for the office internet connection with EPCC. **Seconded** by K. Gerken. The vote was **unanimous**.
A. Harry will contact the EPCC Board.

Treasurer's Report

Treasurer Harry reported that

- 3 of 4 payments for fiscal year 2024-2025 have been made to the Douglas County Lake Tahoe Sewer Authority (DCLTSA)
- There is one delinquent account. The user has been sent a follow-up invoice and email. A noticed was also placed on the user's door.
- A Tentative Budget Meeting needs to be scheduled before April 15, 2025. Possible dates are April 1-4 or 7-9. A Final Budget Meeting must take place between May 20-31, 2025. Karen Andrews of McVicar CPA will publish notice.
- An Annual Audit or Annual Compilation Report Meeting must take place in November 2025 The meeting must have public notice.
- Accounting suggested legal counsel work with the Department of taxation to increase our percentage of property tax collections.
- RCAC will have the rate study ready by the end of the month. Engineering needs rate study to complete the PER.

Secretary's Report

Secretary Andriacchi reported EPSD received a letter from Michael Fuess, PE; State Engineer USDA Rural Development (Nevada). A. Harry added that the letter acknowledged acceptance of the Preliminary Engineering Report (PER) pending submission of the rate study, which can be added as an addendum to complete the USDA loan application.

Engineering Update

K. Gerken contacted the owner of 450 Reno Ave to ask if the owner has an easement agreement with EPSD. Owner will contact K. Gerken if an agreement exists.

The next DCLTSA meeting is on 2/19/2025

The next EPSD meeting is tentatively scheduled for February 20, 2025 at 3:00 pm

Public Comment: None.

Adjournment: R. Felton **motioned** to adjourn the meeting. **Seconded** by K. Gerken. **The vote was unanimous.**
The meeting was adjourned at 5:45 pm.

Respectfully submitted:

Doreen Andriacchi
Elk Point Sanitation District Board Secretary

Approved by:



Doreen Andriacchi
Elk Point Sanitation District Board Secretary

Attachment(s): Affidavit

See Proof on Next Page

AFFIDAVIT OF PUBLICATION

State of Florida, County of Orange, ss:

Rebecca Bikul, being first duly sworn, deposes and says: That (s)he is a duly authorized signatory of Column Software, PBC, duly authorized agent of Tahoe Daily Tribune now is, and during all times herein named, was a corporation duly organized and existing under the laws of the State of California, and now is, and during all times herein named was the printer of **Tahoe Daily Tribune**, a newspaper of general circulation, as defined by section 6000 of the Government Code of the State of California, printed and published daily (Sundays excepted) in the City of South Lake Tahoe, County of El Dorado, State of California, and that affiant is the principal clerk of said Nevada County Publishing Co.

That the printed advertisement hereto annexed was published in the said Tahoe Daily Tribune, for the full required period of **1** time(s) commencing on **Jan. 3, 2025**, and ending on **Jan. 3, 2025**, all days inclusive.

PUBLICATION DATES:

Jan. 3, 2025

NOTICE ID: afU4rdKSVD4x4LKEdCe

PUBLISHER ID: 350367

NOTICE NAME: NOTICE OF INTENT TO FILE APPLICATION

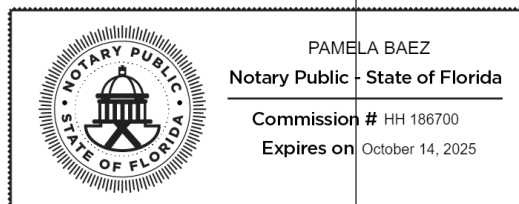
Publication Fee: 89.89

I certify, under penalty of perjury, the forgoing is true and correct.

(Signed) Rebecca Bikul

VERIFICATION

State of Florida
County of Orange



Subscribed in my presence and sworn to before me on this: **01/03/2025**

Notary Public
Notarized remotely online using communication technology via Proof.

NOTICE OF INTENT TO FILE APPLICATION

The Elk Point Sanitation District intends to file an application for federal assistance with the U.S. Dept. of Agriculture, Rural Development, Rural Utilities Service. The project includes the rehabilitation of the sewer collection lift stations and installation of a flow meter. Any comments regarding this application should be submitted to the Elk Point Sanitation District on Wednesday, January 15, 2025 at 4:00P.M. at 423 Elks Avenue, Zephyr Cove, NV 89448

Published: January 3, 2025