

November 23, 2021

To: IVGID Board of Trustees, IVGID Audit Committee, Counsel Josh Nelson and Director of Finance Paul Navazio

From: Clifford F. Dobler

THIS MEMORANDUM REPLACES MY AUGUST 2, 2021 MEMORANDUM IN ITS ENTIRETY

Subject: Non-compliance with NRS 354: Issuing contracts for the Burnt Cedar Pool construction in excess of available resources with the possible intent to mislead the public and the Board of Trustees in order to obtain approval of these contracts.

Executive Summary

At the April 29, 2021 Board of Trustees meeting, IVGID senior staff requested approval and appropriation of \$4,042,045 for 5 contracts to construct a new Burnt Cedar Pool without having available resources as defined in NRS 354.410 (**Exhibit A**) which may have violated provisions of NRS 354.626 "UNLAWFUL EXPENDITURE OF MONEY IN EXCESS OF AMOUNT APPROPRIATED; PENALTIES; EXCEPTIONS." (**Exhibit B**)

The Board of Trustees approved the following contracts according to the meeting minutes (**Exhibit C**):

• CORE Construction - Guaranteed Maximum Price	\$3,749,404
• CORE Construction - Alternates #1,#2,#3,#4,	96,461
• TSK Architects - Construction Administration	105,680
• TRI Sage - Construction Inspection Services	69,500
• Reno Tahoe Geo Associates, Inc.	21,000
Total Contracts	\$4,042,045

Available Resources

According to NRS 354.410, available resources for a capital projects fund would be the unappropriated ending fund balance based on the 2020/2021 budget submitted to the State on Form 4404LGF. The budgeted ending fund balance for the Beach Capital Projects Fund was \$2,753,172 (**Exhibit D**). On December 20, 2020, \$258,289 was appropriated for additional design work and Resolution 1882 (**Exhibit E**) was also approved and submitted to the Nevada Department of Taxation. As a result, the available resources were reduced to \$2,494,883 from the Beach Capital Projects appropriations of the Beach Facility Fees.

Appropriations exceeding Available resources

The Board of Trustees approving contracts for \$4,042,045 exceeded Available Resources and the appropriations in the Beach Capital Projects Fund by **\$1,547,162**. The approval appears to directly violate NRS 354.626 which states:

*"No governing body or member thereof, officer, office, department or agency may, **during any fiscal year**, expend or contract to expend any money or incur any liability or enter into any contract which by its terms involves the expenditure of money in excess of the amounts appropriated for that function..."*

When contracts are issued there must be available resources and appropriations to cover the contracts. Contracts are commitments against resources. Logic should have prevailed that if there were not available resources, then contracts in excess of available resources could not be issued no matter when expenditures under the contracts take place. The

presumption that since only \$1,000,000 of the \$4,045,045 would be spent in fiscal year 2020/2021 does not render NRS 354.626 irrelevant and exempt the District from compliance.

Resolution 1886 - Deficient in so many ways

On April 29, 2021, Mr. Navazio presented Resolution 1886 (**Exhibit F**) to the Board of Trustees to appropriate and provide a budget augmentation of only \$1,000,000 from available resources of the Beach Capital Projects Fund in order to provide funding for commencement of construction work in the current fiscal year ending June 30, 2021. The Resolution was unanimously approved by the Board of Trustees.

Issues

According to NRS 354.626, the Board of Trustees could not issue contracts exceeding the available resources in the Beach Capital Projects Fund. Appropriating only \$1,000,000 would not satisfy the requirements of NRS 354.626. According to the 4/29/2021 Board meeting minutes (**Exhibit G**), Mr. Navazio made the following statement: *"There is sufficient funds available in the fund balance, we are not asking nor is it required that the Board appropriate the entire amount of the contract, this is an early opening and that is what we clarified with the State of Nevada Department of Taxation just earlier this week."* A request for public records did not provide any evidence that the Department of Taxation ("DofT") was informed of the dollar amount that contract commitments exceeded available resources. According to Mr. Navazio, the only guidance provided by the DofT (**Exhibit H**), which was included as a supplemental to the 4/29/2021 Board of Trustees agenda, was that the District may use unappropriated current year revenues and projected fund balance as an "available resource" as defined in NRS 354.410. Nothing was evidenced by the DofT regarding only appropriating a PORTION of the funds needed for fulfillment of the contracts issued to satisfy NRS 354.626.

Mr. Navazio continues: *"so the funding plan is to advance no more than \$1 million that would be spent on this contract, and the small risk that the Board absolutely needs to be aware of is that the recommendation to proceed with the contract tonight presumes that the Board is going to approve next year's capital budget that will include the balance of the funding that is needed for the project."* This statement circumvents the requirements of NRS 354.626. It is quite apparent that Mr. Navazio was well aware that available resources were not adequate and NRS 354.626 was not being complied with.

After approval by the Board of Trustees, the DofT may have accepted Resolution 1886 augmenting the 2020/2021 budget for only \$1,000,000 based upon incomplete information. There is no written record demonstrating that Staff provided the DofT with the total amount of money of the Board approved contracts exceeding available resources in the Beach Capital Projects Fund and the DofT permitting only \$1,000,000 to satisfy the requirements of NRS 354.626.

Within Resolution 1886 (**Exhibit I**) the following statement was made: *"WHEREAS, the funding for construction phase of the Burnt Cedar Pool Renovation Project in the amount of \$4,350,000 is included in the District's Capital Improvement Program for FY 2021/22."* This is a factually incorrect statement as the 5 year plan for 2021 to 2025, approved on 5/27/2021, only provided \$2,700,000 for fiscal year 2021/2022 (**Exhibit J**) and when the 2021/2022 capital budget was approved on May 27, 2021 (**Exhibit K**), there was only \$3,350,000 budgeted for the Burnt Cedar Pool project.

On September 15, 2021, in a verbal conversation with IVGID Counsel Josh Nelson, I had indicated that NRS 354.626 had been violated by issuing contracts in excess of available resources. He stated the following:

- Since the CORE contract has a "Owner May Terminate for Convenience" clause (**Exhibit L**), then IVGID would always have available resources since, if resources were not available, the contract could be cancelled.
- NRS 354.626 has never been tested in the courts.
- We will try to do better next time.

Inaccurate information on Available Budget, Estimated Project Budget and false Project Summary provided to the Board of Trustees on April 29, 2021 with the possible intent to deceive.

At the April 29, 2021 Board of Trustees meeting, a memorandum dated April 21, 2021 provided inaccurate information on the Total Available Budget, the Estimated Project Budget and a false Project Summary for the Burnt Cedar Pool Project (**Exhibit M**) as follows:

Total Available Budget

• FY 20/21 Funds	\$225,000
• FY 20/21 Budget Augmentation - Resolution 1882	258,289
• FY 21/22 Funds	4,350,000
Total	\$4,833,289

Estimated Project Budget

• Design and District Staff time - Previously appropriated	\$475,130
• Construction Contracts - Construction and Support	4,071,365
• District Staff Time during Construction	75,000
• Construction Reserve (permits, furnishing, etc)	175,000
Total	\$4,767,175

For the record, the project budget and subsequent augmentation for fiscal year 2020/2021 was only \$483,289 (\$225,000 and \$258,289) and an additional \$2,700,000 was planned in fiscal year 2021/2022 and approved by the Board of Trustees. **As such, the estimated costs of \$4,767,175 were \$1,583,886 higher than what was contemplated.**

Stating that the Available Budget was \$4,833,289 was entirely false and directly violated NRS 354.410 as the \$4,350,000 for FY21/22 budget did not exist, and therefore, could not be available.

Rather than reporting the actual facts, a false unapproved Project Summary (**EXHIBIT M**) was included. It stated that the capital budget for fiscal 2021/2022 was \$4,350,000 when the actual plan was only \$2,700,000.

This may indicate intent to deceive the public and the Board that the approved capital plan provided adequate funds for the project and the funds were available.

During the entire period of time from August 2020 until April 2021, the Board was made aware that the Beach Capital Projects Fund did not have adequate resources to fund the estimated costs. As early as August 12, 2020, the project estimate was \$5,623,480 and suggestions were made to 1) increase the current Beach Facility Fee, or 2) keep the Beach Facility Fee high for the next fiscal year, or 3) borrow money.

As the estimated costs settled into \$4.8 million, the existing budget and the large cost overrun was never discussed.

On May 5, 2021, the Board of Trustees, aware that since the Community Services Funds had a substantial amount of excess fund balance above appropriate levels, agreed to allocate a major portion (\$5.3 million = 87%) of the 2021/2022 Facility Fees to the Beach Fund, with the understanding that approximately \$1,100,000 would be used to fund operations and the remaining \$4,200,000 would be used to fund some small capital projects and provide funds for a new building at Incline Beach. However, because the Burnt Cedar Pool project was over the original budget by almost \$1.6 million, nothing was allocated in

the 2021/2022 capital budget or in the five year capital plan for a new building at Incline Beach. Thus, by ignoring the requirements of NRS 354.626, the increased costs of the Burnt Cedar Pool were never addressed.

Conclusions

1. Violation of NRS 354.626 - Issuing contracts without available resources.
2. Inference that the Nevada Department of Taxation provided IVGID with a "green light" to augment the 2020/2021 budget for only \$1,000,000 when approved contracts exceeded available resources.
3. The Board of Trustees and the public were deceived by representations that the 5 year capital plan for fiscal year 2021/2022 had \$4,350,000 budgeted for the Burnt Cedar Pool project when the plan only had \$2,700,000.
4. The 2021/2022 budgeted Facility Fees of \$5.8 million was understood to be substantially allocated for Beach operating activities shortfalls and to provide funds for a new building at Incline Beach but instead a major portion (40%) was directed to cover estimated cost overruns of the Burnt Cedar Pool.

Requests and Recommendations

- 1. The Department of Taxation must be notified that contracts were issued for the Burnt Cedar Pool in excess of Available Resources and request what corrective actions should be taken.**
- 2. IVGID Counsel Josh Nelson should submit his 9-15-2021 verbal comments to me in writing and provide his opinion on how IVGID had not violated NRS 354.626.**
- 3. Davis Farr LLC should be notified that a violation of NRS 354.626 may have occurred. Certain disclosure requirements must be made in the Notes to the Financial Statements for the June 30, 2021 Comprehensive Annual Financial Report (now known as the Annual Comprehensive Financial Report "ACFR").**

EXHIBITS

- A. NRS 354.410
- B. NRS 354.626
- C. Excerpt of Board of Trustees meeting minutes of April 29, 2021 approving contracts and augmenting the Beach Capital Projects Fund budget by \$1,000,000 for fiscal year 2020/2021
- D. Beach Capital Projects Fund Budget for fiscal year 2020/2021 - Form 4404LGF
- E. Resolution 1882 - Augmenting Beach Capital Projects Fund Budget for \$258,289 to increase design contracts
- F. Resolution 1886 - Augmenting Beach Capital Projects Fund Budget for \$1,000,000 to fund construction costs until the end of fiscal year 2020/2021
- G. Excerpt of Board of Trustees meeting minutes of April 29, 2021 regarding statements made by Paul Navazio
- H. Guidance provided by the Department of Taxation - April 26, 2021 - Available Resources
- I. Resolution 1886 - Error in reporting the 2021/2022 budget of \$4,350,000 which was not approved by Board of Trustees
- J. Five Year Capital Plan and Project Summary for the Burnt Cedar Pool for fiscal year 2021/2022 indicating only \$2,700,000 was approved by Board of Trustees
- K. Capital Improvement Project Summary Report Budget for 2021/2022 indicating only \$3,350,000 was approved on May 27, 2021
- L. Excerpt of Core Construction Contract: "Owner May Terminate for Convenience" clause
- M. Excerpt of a 4/21/2021 memorandum to Board of Trustees of the Total Available Budget and the Estimated Project Budget for Burnt Cedar Pool submitted to the Board of Trustees on April 29, 2021

EXHIBIT A

NAC 354.410 Available resources. ([NRS 354.107](#), [354.594](#), [354.598005](#))

1. An unappropriated ending balance of any governmental fund, except a fund for capital projects, is not an available resource. Available resources are:

- (a) An opening balance which is larger than anticipated;
- (b) Revenues in excess of those budgeted;
- (c) Revenues generated from previously unbudgeted sources; or
- (d) An unappropriated ending balance of a fund for capital projects.

2. The difference between the total of the original budgeted resources and the total of the revised resources is the amount available for budget augmentation.

[Tax Comm'n, Local Gov't Reg. part No. 10, eff. 1-13-72; A 2-7-76; 1-14-82]—(NAC A 8-2-90; A by Com. on Local Gov't Finance by R201-01, 4-5-2002)

EXHIBIT B

NRS 354.626 Unlawful expenditure of money in excess of amount appropriated; penalties; exceptions.

1. No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or **contract to expend** any money or incur any liability, or **enter into any contract** which by its terms involves the expenditure of money, in excess of the amounts **appropriated for that function**, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law. Any officer or employee of a local government who willfully violates [NRS 354.470](#) to [354.626](#), inclusive, is guilty of a misdemeanor and upon conviction thereof ceases to hold his or her office or employment. Prosecution for any violation of this section may be conducted by the Attorney General or, in the case of incorporated cities, school districts or **special districts**, by the district attorney.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically **do not apply to:**

(a) Purchase of coverage and professional services directly related to a program of insurance which require an audit at the end of the term thereof.

(b) Long-term cooperative agreements as authorized by [chapter 277](#) of NRS.

(c) Long-term contracts in connection with planning and zoning as authorized by [NRS 278.010](#) to [278.630](#), inclusive.

(d) Long-term contracts for the purchase of utility service such as, but not limited to, heat, light, sewerage, power, water and telephone service.

(e) Contracts between a local government and an employee covering professional services to be performed within 24 months following the date of such contract or contracts entered into between local government employers and employee organizations.

(f) Contracts between a local government and any person for the construction or completion of public works, money for which has been or will be provided by the proceeds of a sale of bonds, medium-term obligations or an installment-purchase agreement and that are entered into by the local government after:

(1) Any election required for the approval of the bonds or installment-purchase agreement has been held;

(2) Any approvals by any other governmental entity required to be obtained before the bonds, medium-term obligations or installment-purchase agreement can be issued have been obtained; and

(3) The ordinance or resolution that specifies each of the terms of the bonds, medium-term obligations or installment-purchase agreement, except those terms that are set forth in subsection 2 of [NRS 350.165](#), has been adopted.

↳ Neither the fund balance of a governmental fund nor the equity balance in any proprietary fund may be used unless appropriated in a manner provided by law.

(g) Contracts which are entered into by a local government and delivered to any person solely for the purpose of acquiring supplies, services and equipment necessarily ordered in the current fiscal year for use in an ensuing fiscal year and which, under the method of accounting adopted by the local government, will be charged against an appropriation of a subsequent fiscal year. Purchase orders evidencing such contracts are public records available for inspection by any person on demand.

(h) Long-term contracts for the furnishing of television or FM radio broadcast translator signals as authorized by [NRS 269.127](#).

(i) The receipt and proper expenditure of money received pursuant to a grant awarded by an agency of the Federal Government.

(j) The incurrence of obligations beyond the current fiscal year under a lease or contract for installment purchase which contains a provision that the obligation incurred thereby is extinguished by the failure of the governing body to appropriate money for the ensuing fiscal year for the payment of the amounts then due.

(k) The receipt by a local government of increased revenue that:

(1) Was not anticipated in the preparation of the final budget of the local government; and

(2) Is required by statute to be remitted to another governmental entity.

(l) An agreement authorized pursuant to [NRS 277A.370](#).

(Added to NRS by [1965, 736](#); A [1969, 801](#); [1971, 1016, 1345](#); [1973, 68, 1155](#); [1975, 40, 279, 711](#); [1981, 1769](#); [1985, 648](#); [1987, 1720](#); [1995, 1908](#); [1997, 573](#); [1999, 833](#); [2001, 1812, 2324](#); [2003, 162, 802](#); [2005, 579](#); [2009, 432, 852](#); [2011, 1690, 2728](#); [2013, 2715](#))

NRS 354.529 “Function” defined. “Function” means a group of related activities aimed at accomplishing a major service or regulatory program for which a governmental unit is responsible, including, without limitation, **general government**, public safety, public works, health, welfare, **culture and recreation**, conservation of natural resources, urban redevelopment and housing, economic development and assistance, economic opportunity and activities relating to the judiciary.

(Added to NRS by [1981, 1756](#); A [2001, 1797](#))

EXHIBIT C

Minutes
Meeting of April 29, 2021
Page 9

General Manager Winqest said that he will follow up with the Director of Finance on the parcels as well as follow up on professional services. Yes, it is beneficial for Staff to know what the Board would like to see in the memorandums as that would help Staff to get that feedback. Trustee Dent said he likes that idea and that he has three items to be added to the long range calendar that are coming through Audit Committee – meeting minutes of 3/11/2021 - page 89, consultant re: employee benefits; page 91, price all venues for non-profits; and then an item that was passed at today's meeting – interviews dates and times for next Audit Committee member appointment which will be for a two-year term. Trustee Wong said she thought we needed to reschedule one of the May meetings. District General Manager Winqest said we are going to keep the May 26 meeting because of noticing, etc. of the public hearing.

G. DISTRICT GENERAL COUNSEL UPDATE (for possible action)

There is no District General Counsel update for this agenda.

H. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.

H.1. Audit Committee Chairman Matthew Dent – Verbal Report on Audit Committee Meeting of April 29, 2021

Audit Committee Chairman Dent said that the Audit Committee reviewed the whistleblower program draft and that we are getting there. This item will be coming back to us in June and then it will be forwarded to the Trustees. On internal controls, we are making a little progress, Audit Committee At-Large Member Derrek Aaron is the liaison and that he has just started on this effort and that there was no update as he wasn't present for today's meeting. We also had the engagement letter with Davis Farr and the Audit Committee had a discussion with Jennifer Farr and we are awaiting an audit work plan. The next Audit Committee meeting is scheduled for June 9, 2021 at 4 p.m.

I. CONSENT CALENDAR (for possible action)

There are no Consent Calendar items for this agenda.

 **J. GENERAL BUSINESS (for possible action)**

J.1. Review, discuss, and possibly authorize or approve:

- (A) Four contracts for the Burnt Cedar Swimming Pool and Site Improvement Project - Fund: Beaches; Project 3970BD2601. Vendor: CORE Construction in the amount of \$3,845,865 which includes adding alternates #1, #2, #3, #4, Tri-Sage Consulting in the amount of \$69,500, Reno Tahoe Geo Associates, Inc. in the amount of \$21,000, TSK Architects in the amount of \$105,680;**
- (B) Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available funds within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project**

(Requesting Staff Member: Engineering Manager Nathan Chorey)

District General Manager Winqest said we got guidance from the Department of Taxation that is why we had the change to this item. Engineering Manager Chorey introduced CORE Construction representatives Travis Coombs and Daniel Salego, who gave a brief overview of the submitted material. Engineering Manager Chorey gave an overview of the submitted materials. Trustee Schmitz said, on agenda packet pages 167G and 167H, related to CMAR contingency, will any savings or approved value engineering be added to the contingency? On agenda packet 167G, it says CORE has say on the use and does the District have a change order process so we have some control as it says it is used at CORE's discretion so she is asking to have that modified so the District has more decision making on some of those things. Director of Public Works Brad Underwood said we have had that decision with CORE and there is an approval process so that oversight is included and that yes, we can have some modification to that language. Trustee Schmitz asked District General Counsel Nelson if that change could be made; District General Counsel Nelson said yes, we can make that change. Trustee Schmitz said on agenda packet page 21, on the cost sheet, there is a line item in the amount of \$175,000. It talks about it being reserves however it appears to be for things outside the construction project. Can this potentially be removed from this project because this is supposed to be about the pool? The painting of the building is part of maintenance and the fact that it says reserves, well, she needs clarification please. Engineering Manager Chorey said all the funds are for this project as we don't want to paint the building but the Tahoe Regional Planning Agency (TRPA) is requiring us to improve the value and it is a direct requirement of this project by TRPA. Trustee Schmitz said so it is not reserves but it is for other construction costs. Trustee Schmitz said

she does have questions about financing. We have to set aside the funds for the entire project and that she is concerned about what our fund balance is and are we still in compliance or below for our policy relative to the beach fund? Trustee Dent said agenda packet page 201 says it is time and material with a not-to-exceed – is that correct? Engineering Manager Chorey said yes, that is correct, time and material with a not-to-exceed. Trustee Schmitz asked if the bid sheets were acceptable from a contract perspective? Look at agenda packet page 192, used as a basically scope of work statement, other pages are letters, agenda packet page 199, that should have Exhibit A on the top of it is a letter, is this acceptable for a contract as well as legally acceptable to protect the District as far as a scope of work goes? District General Counsel Nelson said yes and that he is working with the Public Works team on updating and that it is very consistent with past District practice. Trustee Wong said thank you to Engineering Manager Chorey for fostering this project along and that it has been a pleasure to work with you; it is extremely exciting to vote on this project after all this work. Trustee Schmitz asked if the Director of Finance will be addressing the financial question? Director of Finance Navazio said regarding funds and fund balance question – as proposed, the project budget is built into next year's budget and one of the actions items tonight is to advance those funds. With this project, this year's budget, and what is proposed for next year, the Beach Fund is projected to end, next fiscal year, with a fund balance that continues to meet the current fund balance policy in the Beach Fund and to be clear, it is close. Also, this project is not dipping into the fund balance. Trustee Schmitz said she would like clarification as we can't talk about future funds, we can only talk about the funds that we have in this fiscal year's budget and so her question is in this fiscal year, she doesn't believe we have the funds to appropriate \$4.7 million to this and in addition what does it do to this fiscal year's fund balance? Director of Finance Navazio said we have been collecting monies this year through the increase in the beach fees, there is sufficient funds available in the fund balance, we are not asking nor is it required that the Board appropriate the entire amount of the contract, this is an early opening and that is what we clarified with the State of Nevada Department of Taxation just earlier this week so the funding plan is to advance no more than \$1 million that would be spent on this contract, and the small risk that the Board absolutely needs to be aware of is that the recommendation to proceed with the contract tonight presumes that the Board is going to approve next year's capital budget that will include the balance of the funding that is needed for the project. From a cash flow standpoint – we have the funds available, from a budget appropriations standpoint, the resolution that is part of this packet would provide the budget authority for the contractor's charges before the end of the fiscal year, we

would have the remaining portion, \$3.35 million, included in next year's budget, based on our estimates and at the end of the project, the Beach Fund is able to support the project and not dip into the operating reserve, and the current recommendation in front of the Board provides appropriate budget authority consistent with Nevada Revised Statutes (NRS) related to this kind of project. Trustee Schmitz said so this is something that you reviewed with the Department of Taxation and how this is being presented is all acceptable per NRS and the Department of Taxation? Director of Finance Navazio said correct, we explained the situation to the State and they are comfortable with the revised resolution. Trustee Dent asked if Staff will have the breakdown for this at the next meeting? Director of Finance Navazio said the budget workshop next Wednesday will include forecasts and projections for each of the major funds, including the Beach fund, as well as projections on ending this fiscal year and that he is not sure about the additional breakdown. Trustee Dent asked if we have enough time to update this information such that we aren't getting an addendum to the packet? Director of Finance Navazio said yes. Trustee Schmitz said on page 167, I., it talks about what is excluded and it talks about lifeguard chairs, reels lane markers, and such so are all those types of things included in our estimated project budget? Engineering Manager Chorey said yes those items are included in our reserves because IVGID can procure those items less expensively ourselves. Trustee Schmitz said on page 167D, it talked about carpentry, interior, etc. what is that for? Engineering Manager Chorey said we are going into the mechanical room for the pool and we are going to have to totally reorient that room. Trustee Schmitz said if we approve this as it states with all the alternatives or will the alternatives come back up for discussion at a later date and time. Engineering Manager Chorey said we are recommending approval tonight and you are welcome to discuss them. The concrete color will be discussed further as there is a small sample that is forthcoming that we are going to review and approve. Trustee Schmitz said the concrete is sort of a Tahoe color and that is the color of our rocks. Engineering Manager Chorey said that is why we are having them pour a standard concrete sample next to the color concrete square, solicit feedback and make a decision.

Trustee Wong made a motion to:

1. Award a guaranteed maximum price construction contract to CORE Construction in the amount of \$3,749,404, consisting of a \$3,508,440 base contract and \$240,964 for CMAR Contingency and allowances, for construction of the Burnt Cedar Swimming Pool and Site Improvement Project.

2. Award add alternates #1, #2, #3 and #4 to CORE Construction in the amount of \$96,461 for the Burnt Cedar Swimming Pool and Site Improvement Project.
3. Authorize Chair and Secretary to execute the contract based on a review by General Counsel and Staff.
4. Authorize Staff to approve all change orders associated with the contract and the CMAR contingency and allowances.
5. Authorize Staff to utilize construction reserves for additional work, permit fees, and District furnished material/Furniture, Fixtures and Equipment (FFE) up to \$160,000.
6. Authorize Staff to enter into a Short Form Agreement with Tri-Sage Consulting in the amount of \$69,500 for services during construction of the project.
7. Authorize Staff to enter into an Additional Services Addendum with Reno Tahoe Geo Associates, Inc. in the amount of \$21,000 for services during construction of the project.
8. Authorize Staff to enter into an Additional Services Addendum with TSK Architects in the amount of \$105,680 for services during construction of the project.
9. Approve Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available resources within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project.

Trustee Tonking seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question – the motion was passed unanimously.

Chairman Callicrate called for a break at 7:33 p.m., the Board reconvened at 7:47 p.m.

J.2. Review and discuss and possibly authorize or approve: (revised at the start of the meeting – Approval of the Agenda)

EXHIBIT E



RESOLUTION NO. 1882

A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT’S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$258,289 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) TO THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR DESIGN CONTRACT WORK

WHEREAS, an additional appropriation of \$258,289 is required in order for the District to execute the design contract for the Burnt Cedar Swimming Pool Renovation Project;

NOW, THEREFORE, IT IS ORDERED, as follows:

Incline Village General Improvement District Board of Trustees authorizes a budget augmentation of \$258,289 from available resources, as defined, within the Beach Capital Improvement Fund (Fund 590) to provide for a supplemental appropriation to the Fiscal Year 2020/2021 project budget for the Burnt Cedar Swimming Pool Renovation Project (CIP #3970BD2601).

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 9th day of December, 2020, by the following vote:

AYES, and in favor thereof,
NOES,
ABSENT,

Kendra Wong
Secretary, IVGID Board of Trustees



RESOLUTION NO. 1886

A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

WHEREAS, the Board of Trustees has established the Burnt Cedar Swimming Pool Renovation Project (CIP#3970BD2601) as a priority project and funding to support the project is included in the adopted Five-Year Capital Improvement Plan; and

WHEREAS, the original FY 2020/21 approved budget included \$225,000 for planning and design work expected to be undertaken in the current fiscal year; and

WHEREAS, at their meeting of December 9, 2020 the Board of Trustees approved Resolution No. 1882 to augment the project budget by \$258,289 to supplement funding to complete the pre-design phase of the project; and

WHEREAS, at same meeting of December 9, 2021, the Board of Trustees approved a CMAR delivery method and authorized Staff to solicit proposals and negotiate a guaranteed maximum price (GMP) contract to complete construction of the project, consistent with the requirements of NRS 338.169; and

WHEREAS, the funding for construction phase of the Burnt Cedar Renovation Project in the amount of \$4,350,000, is included in the District's Capital Improvement Program for FY 2021/22; and

WHEREAS, the Board of Trustees intends to award contracts and commence construction on the Burnt Cedar Pool Renovation Project in the current fiscal year; and

WHEREAS, Nevada Revised Statutes (NRS) 354.598005 provides procedures and requirements for augmentation of local agency budgets, including the requirement that budget augmentations within governmental Capital Funds require the governing body to adopt a formal resolution authorizing the budget augmentation from available resources, as defined; and



RESOLUTION NO. 1886

A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR

WHEREAS, the Nevada Administrative Code 354.410 provides for definition of "available resources" for budget augmentation to include an unappropriated ending balance of a fund for capital projects." And

WHEREAS, the final, approved FY 2020/21 budget for the District's Beach Capital Fund (Fund 590) reflects an unappropriated fund balance, as reported to the Department of Taxation on Form4404LGF, which constitutes available resources to support this budget augmentation; and

NOW, THEREFORE, IT IS ORDERED, as follows:

1. Incline Village General Improvement District Board of Trustees authorizes a budget augmentation of \$1,000,000 from available resources, as defined, within the Beach Capital Improvement Fund (Fund 590) to provide for a supplemental appropriation to the Fiscal Year 2020/21 capital project budget for the Burnt Cedar Swimming Pool Renovation Project (CIP #3970BD2601).

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 29th day of April, 2021, by the following vote:

AYES, and in favor thereof,
NOES,
ABSENT,

Sara Schmitz
Secretary

EXHIBIT G

Minutes
Meeting of April 29, 2021
Page 9

General Manager Winqest said that he will follow up with the Director of Finance on the parcels as well as follow up on professional services. Yes, it is beneficial for Staff to know what the Board would like to see in the memorandums as that would help Staff to get that feedback. Trustee Dent said he likes that idea and that he has three items to be added to the long range calendar that are coming through Audit Committee – meeting minutes of 3/11/2021 - page 89, consultant re: employee benefits; page 91, price all venues for non-profits; and then an item that was passed at today's meeting – interviews dates and times for next Audit Committee member appointment which will be for a two-year term. Trustee Wong said she thought we needed to reschedule one of the May meetings. District General Manager Winqest said we are going to keep the May 26 meeting because of noticing, etc. of the public hearing.

G. DISTRICT GENERAL COUNSEL UPDATE (for possible action)

There is no District General Counsel update for this agenda.

H. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.

H.1. Audit Committee Chairman Matthew Dent – Verbal Report on Audit Committee Meeting of April 29, 2021

Audit Committee Chairman Dent said that the Audit Committee reviewed the whistleblower program draft and that we are getting there. This item will be coming back to us in June and then it will be forwarded to the Trustees. On internal controls, we are making a little progress, Audit Committee At-Large Member Derrek Aaron is the liaison and that he has just started on this effort and that there was no update as he wasn't present for today's meeting. We also had the engagement letter with Davis Farr and the Audit Committee had a discussion with Jennifer Farr and we are awaiting an audit work plan. The next Audit Committee meeting is scheduled for June 9, 2021 at 4 p.m.

I. CONSENT CALENDAR (for possible action)

There are no Consent Calendar items for this agenda.

J. GENERAL BUSINESS (for possible action)

J.1. Review, discuss, and possibly authorize or approve:

- (A) Four contracts for the Burnt Cedar Swimming Pool and Site Improvement Project - Fund: Beaches; Project 3970BD2601. Vendor: CORE Construction in the amount of \$3,845,865 which includes adding alternates #1, #2, #3, #4, Tri-Sage Consulting in the amount of \$69,500, Reno Tahoe Geo Associates, Inc. in the amount of \$21,000, TSK Architects in the amount of \$105,680;**
- (B) Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available funds within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project**

(Requesting Staff Member: Engineering Manager Nathan Chorey)

District General Manager Winqest said we got guidance from the Department of Taxation that is why we had the change to this item. Engineering Manager Chorey introduced CORE Construction representatives Travis Coombs and Daniel Salego, who gave a brief overview of the submitted material. Engineering Manager Chorey gave an overview of the submitted materials. Trustee Schmitz said, on agenda packet pages 167G and 167H, related to CMAR contingency, will any savings or approved value engineering be added to the contingency? On agenda packet 167G, it says CORE has say on the use and does the District have a change order process so we have some control as it says it is used at CORE's discretion so she is asking to have that modified so the District has more decision making on some of those things. Director of Public Works Brad Underwood said we have had that decision with CORE and there is an approval process so that oversight is included and that yes, we can have some modification to that language. Trustee Schmitz asked District General Counsel Nelson if that change could be made; District General Counsel Nelson said yes, we can make that change. Trustee Schmitz said on agenda packet page 21, on the cost sheet, there is a line item in the amount of \$175,000. It talks about it being reserves however it appears to be for things outside the construction project. Can this potentially be removed from this project because this is supposed to be about the pool? The painting of the building is part of maintenance and the fact that it says reserves, well, she needs clarification please. Engineering Manager Chorey said all the funds are for this project as we don't want to paint the building but the Tahoe Regional Planning Agency (TRPA) is requiring us to improve the value and it is a direct requirement of this project by TRPA. Trustee Schmitz said so it is not reserves but it is for other construction costs. Trustee Schmitz said

she does have questions about financing. We have to set aside the funds for the entire project and that she is concerned about what our fund balance is and are we still in compliance or below for our policy relative to the beach fund? Trustee Dent said agenda packet page 201 says it is time and material with a not-to-exceed – is that correct? Engineering Manager Chorey said yes, that is correct, time and material with a not-to-exceed. Trustee Schmitz asked if the bid sheets were acceptable from a contract perspective? Look at agenda packet page 192, used as a basically scope of work statement, other pages are letters, agenda packet page 199, that should have Exhibit A on the top of it is a letter, is this acceptable for a contract as well as legally acceptable to protect the District as far as a scope of work goes? District General Counsel Nelson said yes and that he is working with the Public Works team on updating and that it is very consistent with past District practice. Trustee Wong said thank you to Engineering Manager Chorey for fostering this project along and that it has been a pleasure to work with you; it is extremely exciting to vote on this project after all this work. Trustee Schmitz asked if the Director of Finance will be addressing the financial question? Director of Finance Navazio said regarding funds and fund balance question – as proposed, the project budget is built into next year’s budget and one of the actions items tonight is to advance those funds. With this project, this year’s budget, and what is proposed for next year, the Beach Fund is projected to end, next fiscal year, with a fund balance that continues to meet the current fund balance policy in the Beach Fund and to be clear, it is close. Also, this project is not dipping into the fund balance. Trustee Schmitz said she would like clarification as we can’t talk about future funds, we can only talk about the funds that we have in this fiscal year’s budget and so her question is in this fiscal year, she doesn’t believe we have the funds to appropriate \$4.7 million to this and in addition what does it do to this fiscal year’s fund balance? Director of Finance Navazio said we have been collecting monies this year through the increase in the beach fees, there is sufficient funds available in the fund balance, we are not asking nor is it required that the Board appropriate the entire amount of the contract, this is an early opening and that is what we clarified with the State of Nevada Department of Taxation just earlier this week so the funding plan is to advance no more than \$1 million that would be spent on this contract, and the small risk that the Board absolutely needs to be aware of is that the recommendation to proceed with the contract tonight presumes that the Board is going to approve next year’s capital budget that will include the balance of the funding that is needed for the project. From a cash flow standpoint – we have the funds available, from a budget appropriations standpoint, the resolution that is part of this packet would provide the budget authority for the contractor’s charges before the end of the fiscal year, we



would have the remaining portion, \$3.35 million, included in next year's budget, based on our estimates and at the end of the project, the Beach Fund is able to support the project and not dip into the operating reserve, and the current recommendation in front of the Board provides appropriate budget authority consistent with Nevada Revised Statutes (NRS) related to this kind of project. Trustee Schmitz said so this is something that you reviewed with the Department of Taxation and how this is being presented is all acceptable per NRS and the Department of Taxation? Director of Finance Navazio said correct, we explained the situation to the State and they are comfortable with the revised resolution. Trustee Dent asked if Staff will have the breakdown for this at the next meeting? Director of Finance Navazio said the budget workshop next Wednesday will include forecasts and projections for each of the major funds, including the Beach fund, as well as projections on ending this fiscal year and that he is not sure about the additional breakdown. Trustee Dent asked if we have enough time to update this information such that we aren't getting an addendum to the packet? Director of Finance Navazio said yes. Trustee Schmitz said on page 167, I., it talks about what is excluded and it talks about lifeguard chairs, reels lane markers, and such so are all those types of things included in our estimated project budget? Engineering Manager Chorey said yes those items are included in our reserves because IVGID can procure those items less expensively ourselves. Trustee Schmitz said on page 167D, it talked about carpentry, interior, etc. what is that for? Engineering Manager Chorey said we are going into the mechanical room for the pool and we are going to have to totally reorient that room. Trustee Schmitz said if we approve this as it states with all the alternatives or will the alternatives come back up for discussion at a later date and time. Engineering Manager Chorey said we are recommending approval tonight and you are welcome to discuss them. The concrete color will be discussed further as there is a small sample that is forthcoming that we are going to review and approve. Trustee Schmitz said the concrete is sort of a Tahoe color and that is the color of our rocks. Engineering Manager Chorey said that is why we are having them pour a standard concrete sample next to the color concrete square, solicit feedback and make a decision.

Not true

Trustee Wong made a motion to:

1. Award a guaranteed maximum price construction contract to CORE Construction in the amount of \$3,749,404, consisting of a \$3,508,440 base contract and \$240,964 for CMAR Contingency and allowances, for construction of the Burnt Cedar Swimming Pool and Site Improvement Project.

2. Award add alternates #1, #2, #3 and #4 to CORE Construction in the amount of \$96,461 for the Burnt Cedar Swimming Pool and Site Improvement Project.
3. Authorize Chair and Secretary to execute the contract based on a review by General Counsel and Staff.
4. Authorize Staff to approve all change orders associated with the contract and the CMAR contingency and allowances.
5. Authorize Staff to utilize construction reserves for additional work, permit fees, and District furnished material/Furniture, Fixtures and Equipment (FFE) up to \$160,000.
6. Authorize Staff to enter into a Short Form Agreement with Tri-Sage Consulting in the amount of \$69,500 for services during construction of the project.
7. Authorize Staff to enter into an Additional Services Addendum with Reno Tahoe Geo Associates, Inc. in the amount of \$21,000 for services during construction of the project.
8. Authorize Staff to enter into an Additional Services Addendum with TSK Architects in the amount of \$105,680 for services during construction of the project.
9. Approve Resolution Number 1886 authorizing a budget augmentation of \$1,000,000 from available resources within the Beach Capital Fund (Fund 590) in support of the Burnt Cedar Swimming Pool Renovation Project.

Trustee Tonking seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question – the motion was passed unanimously.

Chairman Callicrate called for a break at 7:33 p.m., the Board reconvened at 7:47 p.m.

J.2. Review and discuss and possibly authorize or approve: (revised at the start of the meeting – Approval of the Agenda)

EXHIBIT H

Following guidance provided by the Department of Taxation on Monday, April 26, 2021, IVGID Staff is issuing a REVISED Agenda, Memorandum and Resolution related to the Agenda Item J.1. – Burnt Cedar Swimming Pool project on the agenda of April 29, 2021.

Specifically, the Department of Taxation has advised that the District MAY use unappropriated current year revenues and projected fund balance (as of June 30, 2021) as reported on our Final FY20/21 Budget (Form 4404LGF) as an “available resource”, as defined in NAC 354.410 to augment the FY2020/21 budget.

Therefore, and as a result of the above guidance, attached are a REVISED Board of Trustees agenda, Memorandum (please remove pages 16 through 23 and replace with the attached pages 16 through 23), which has changes in the subject matter (B), I. Recommendation, 9. revised text is in **bold**, and V. Financial Impact and Budget, last two paragraphs with revised text in *italics*, and please remove and replace pages 25 – 26, Resolution Number 1886, with the attached pages 25 – 26 entitled Resolution Number 1886, which has had changes made to the resolution header and near the end of the resolution under “Now, therefore, it is ordered, as follows:” is attached hereto.

Please feel free to contact Director of Finance Paul Navazio, pcn@IVGID.org, should you have any questions related to these revisions prior to the Board meeting.



RESOLUTION NO. 1886

A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR

RESOLVED, by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

WHEREAS, the Board of Trustees has established the Burnt Cedar Swimming Pool Renovation Project (CIP#3970BD2601) as a priority project and funding to support the project is included in the adopted Five-Year Capital Improvement Plan; and

WHEREAS, the original FY 2020/21 approved budget included \$225,000 for planning and design work expected to be undertaken in the current fiscal year; and

WHEREAS, at their meeting of December 9, 2020 the Board of Trustees approved Resolution No. 1882 to augment the project budget by \$258,289 to supplement funding to complete the pre-design phase of the project; and

WHEREAS, at same meeting of December 9, 2021, the Board of Trustees approved a CMAR delivery method and authorized Staff to solicit proposals and negotiate a guaranteed maximum price (GMP) contract to complete construction of the project, consistent with the requirements of NRS 338.169; and

WHEREAS, the funding for construction phase of the Burnt Cedar Renovation Project in the amount of \$4,350,000, is included in the District's Capital Improvement Program for FY 2021/22; and

WHEREAS, the Board of Trustees intends to award contracts and commence construction on the Burnt Cedar Pool Renovation Project in the current fiscal year; and

WHEREAS, Nevada Revised Statutes (NRS) 354.598005 provides procedures and requirements for augmentation of local agency budgets, including the requirement that budget augmentations within governmental Capital Funds require the governing body to adopt a formal resolution authorizing the budget augmentation from available resources, as defined; and



RESOLUTION NO. 1886

A RESOLUTION OF THE BOARD OF TRUSTEES AUGMENTING THE DISTRICT'S FISCAL YEAR 2020/21 BUDGET TO APPROPRIATE \$1,000,000 IN AVAILABLE RESOURCES FROM THE BEACH CAPITAL FUND (FUND 590) IN SUPPORT OF THE BURNT CEDAR SWIMMING POOL RENOVATION PROJECT (CIP# 3970BD2601) TO PROVIDE FUNDING FOR COMMENCEMENT OF CONSTRUCTION WORK IN THE CURRENT FISCAL YEAR

WHEREAS, the Nevada Administrative Code 354.410 provides for definition of "available resources" for budget augmentation to include an unappropriated ending balance of a fund for capital projects." And

WHEREAS, the final, approved FY 2020/21 budget for the District's Beach Capital Fund (Fund 590) reflects an unappropriated fund balance, as reported to the Department of Taxation on Form4404LGF, which constitutes available resources to support this budget augmentation; and

NOW, THEREFORE, IT IS ORDERED, as follows:

1. Incline Village General Improvement District Board of Trustees authorizes a budget augmentation of \$1,000,000 from available resources, as defined, within the Beach Capital Improvement Fund (Fund 590) to provide for a supplemental appropriation to the Fiscal Year 2020/21 capital project budget for the Burnt Cedar Swimming Pool Renovation Project (CIP #3970BD2601).

* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 29th day of April, 2021, by the following vote:

AYES, and in favor thereof,
NOES,
ABSENT,

Sara Schmitz
Secretary

EXHIBIT J



5 Year Capital Improvement Plan Summary Beaches

Description	Project Number	Project Title	Project	2021	2022	2023	2024	2025	Total
Beaches									
	3970BD2601	Burnt Cedar Swimming Pool Improvements	Engineering Manager	225,000	2,700,000	-	-	-	2,925,000
	3972BD1301	Pavement Maintenance, Ski Beach	Senior Engineer	6,000	8,500	15,000	256,000	6,000	291,500
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000	55,000	55,000	55,000	-	220,000
	3972BD1707	Burnt Cedar Dumpster enclosure	Senior Engineer	35,000	-	-	-	-	35,000
	3972FF1704	Beach Furnishings	Parks Superintendent	7,000	21,000	-	-	-	28,000
	3972LE1720	2014 John Deere 5075E Tractor #698	Fleet Superintendent	-	-	-	-	54,000	54,000
	3972LI1201	Pavement Maintenance, Incline Beach	Senior Engineer	6,500	6,500	31,500	6,500	6,500	57,500
	3972LI1202	Pavement Maintenance, Burnt Cedar Beach	Senior Engineer	12,500	12,500	67,500	12,500	12,500	117,500
	3972RS1701	Replace Playgrounds - Beaches	Senior Engineer	7,500	7,500	15,000	100,000	100,000	230,000
	3973FF1204	Incline Beach Kitchen	Food and Beverage Director	-	7,260	-	-	-	7,260
	3973LI1302	Incline Beach Facility Replacement	Engineering Manager	100,000	-	-	-	-	100,000
	3974FF1101	Burnt Cedar Beach Kitchen	Food and Beverage Director	-	6,800	-	-	-	6,800
	3999BD1702	Resurface Burnt Cedar Pool Patio Deck	Buildings Superintendent	-	-	-	-	29,100	29,100
	3999BD1703	Replace Ski Beach Entrance Gate	Buildings Superintendent	-	-	-	19,500	-	19,500
	3999BD1708	Ski Beach Bridge Replacement	Senior Engineer	-	-	120,000	-	-	120,000
	3999DI1706	Burnt Cedar Beach Backflow Device Replacement	Engineering Manager	-	-	45,000	-	-	45,000
	Total			454,500	2,825,060	349,000	449,500	208,100	4,286,160



Project Summary

Project Number:	3970BD2601
Title:	Burnt Cedar Swimming Pool Improvements
Project Type:	D - Capital Improvement - Existing Facilities
Division:	70 - Beach Aquatics
Budget Year:	2021
Finance Option:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description				
<p>The Burnt Cedar Swimming Pool and Toddler pool fiberglass surfaces require periodic replacement. Over time, discoloration, cracking and surface failure will create health and safety impacts to continued use of the pools. Breakdown of the pool surface will allow materials to cloud the water and make it unsanitary and cloudy water will not meet health dept safety code requirements. It has been determined the pool has reached the end of its service life. This project is for full swimming and toddler pool replacement, associated mechanical systems improvements, and pool deck replacement.</p> <p>A consultant will be selected to complete an alternative layout analysis and evaluate existing mechanical systems. Consideration will be given to reducing the maximum depth of the pool, providing a zero-entry pool edge for improved ADA access, maintaining a water slide, and a second toddler pool or splash pad.</p>				
Project Internal Staff				
<p>Engineering will manage the project. The Director of Parks and Recreation will determine the needs for the project and coordinate project timing because the pool will need to be out of service during the summer season to complete the work.</p> <p>A community interest committee will be convened by the General Manager.</p>				
Project Justification				
<p>This project will reconstruct the swimming and toddler pool, mechanical equipment and pool deck. The cost estimate is a placeholder at this time because the exact scope of work has not been identified for the replacement Burnt Cedar pool facility. The General Manager will lead a community group to received input on community desires and needs for a new pool facility. It is anticipated at this time that construction will occur in the summer of 2021. The impact to the facility will be substantial during the summer operation period. Construction will require the closing of the pool facility for the whole summer or a portion of the summer.</p>				
Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2021				
Design	225,000	0	225,000	
Year Total	225,000	0	225,000	
2022				
Construction Management	225,000	0	225,000	
Construction Reserves	225,000	0	225,000	
Placeholder - Construction	2,250,000	0	2,250,000	
Year Total	2,700,000	0	2,700,000	
2027				
Placeholder - Construction	175,000	0	175,000	
Year Total	175,000	0	175,000	
2034				
Placeholder - Construction	200,000	0	200,000	
Year Total	200,000	0	200,000	
	2,600,000	0	2,600,000	
Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2019	Jun 30, 2022	Engineering Manager	

Can not even add

EXHIBIT K

2022 Capital Improvement Project Summary Report - 5.26.2021



Department Description	Project Number	Project Title	Project Manager	2022	2023	2024	2025	2026	Total	
Recreation Center	4884BD1702	Replace Bird Netting	Buildings Superintendent	-	-	17,720	-	-	17,720	
	4884BD1804	Chemtrol System for Recreation Center Pool	Buildings Superintendent	-	22,000	-	-	-	22,000	
	4884FF1501	Resurface Recreation Center Patio Deck	Buildings Superintendent	-	-	-	-	35,000	35,000	
	4884LI1102	Recreation Center Parking Lot Reconstruction	Senior Engineer	-	350,000	300,000	300,000	-	950,000	
	4884LI1102X	Pavement Maintenance, Recreation Center Area	Senior Engineer	7,500	7,500	7,500	7,500	6,000	36,000	
	4884RS1503	Replaster Recreation Center Pool	Buildings Superintendent	-	-	200,000	-	-	200,000	
	4886LE0001	Fitness Equipment	Recreation Center Manager	53,000	49,000	70,000	57,200	51,300	280,500	
	4899BD1305	Paint Interior of Recreation Center	Buildings Superintendent	15,500	-	15,500	-	-	31,000	
	4899FF1202	Rec Center Locker Room Improvements	Engineering Manager	800,000	-	-	-	-	800,000	
	4899LV1721	2012 15-Passenger Van #667	Fleet Superintendent	-	-	-	-	45,800	45,800	
	4899LV1723	2017 Chevy Compact SUV #751	Fleet Superintendent	32,000	-	-	-	-	32,000	
	4899OE1607	Recreation Center Printer Copier Replacement 980 Incline Way	Director of IT	-	-	-	-	25,000	25,000	
	Total				908,000	428,500	610,720	364,700	163,100	2,475,020
	Community Services Shared	4999LV1802	2017 Dodge Caravan ADA #769	Fleet Superintendent	-	-	64,000	-	-	64,000
Total						64,000			64,000	
Total Community Services				3,870,130	6,299,700	3,796,020	3,553,820	4,445,853	21,965,523	
Beaches	3970BD2601	Burnt Cedar Swimming Pool and Site Improvements	Engineering Manager	3,350,000	-	-	-	-	3,350,000	
	3972BD1301	Reconstruct Pavement - Ski Beach	Senior Engineer	-	-	250,000	-	-	250,000	
	3972BD1301X	Pavement Maintenance, Ski Beach	Senior Engineer	8,500	15,000	6,000	6,000	6,000	41,500	
	3972BD1501	Beaches Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	55,000	55,000	55,000	55,000	-	220,000	
	3972BD2101	Ski Beach Boat Ramp Improvement Project	Engineering Manager	-	-	-	20,000	715,000	735,000	
	3972BD2102	Beach Access Improvement Project	Engineering Manager	45,000	-	-	-	-	45,000	
	3972FF1704	Beach Furnishings	Parks Superintendent	21,000	-	-	-	-	21,000	
	3972LE1720	2014 John Deere 5075E Tractor #698	Fleet Superintendent	-	-	-	54,000	-	54,000	
	3972LI1201	Pavement Maintenance, Incline Beach	Senior Engineer	6,500	31,500	6,500	6,500	12,500	63,500	
	3972LI1202	Pavement Reconstruction - Burnt Cedar Beach	Senior Engineer	-	-	-	-	835,000	835,000	
	3972LI1202X	Pavement Maintenance, Burnt Cedar Beach	Senior Engineer	12,500	67,500	12,500	12,500	-	105,000	
	3972RS1701	Replace Playgrounds - Beaches	Senior Engineer	-	7,500	100,000	100,000	-	207,500	
	3972RS1701X	Playground Repairs - Beaches	Senior Engineer	7,500	7,500	-	-	-	15,000	
	3973FF1204	Incline Beach Kitchen	Food and Beverage Manager	7,260	-	-	-	-	7,260	
	3974FF1101	Burnt Cedar Beach Kitchen	Food and Beverage Manager	6,800	-	-	-	-	6,800	
	3999BD1702	Resurface Burnt Cedar Pool Patio Deck	Buildings Superintendent	-	-	-	29,100	-	29,100	
	3999BD1703	Replace Ski Beach Entrance Gate	Buildings Superintendent	-	-	19,500	-	-	19,500	
	3999BD1708	Ski Beach Bridge Replacement	Senior Engineer	-	120,000	-	-	-	120,000	
	3999DI1706	Burnt Cedar Beach Backflow Device Replacement	Engineering Manager	-	45,000	-	-	-	45,000	
	3999LI1902	Burnt Cedar Beach Eastern Stormwater Improvements	Senior Engineer	-	-	-	-	189,200	189,200	
Total				3,520,060	349,000	449,500	283,100	1,757,700	6,359,360	
total				12,125,628	12,087,200	8,538,020	9,428,440	13,667,253	55,846,541	

EXHIBIT L

- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within 7 days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.
- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond will govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

16.3 *Owner May Terminate for Convenience*

- A. Upon 7 days' written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
 - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
 - 3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid for any loss of anticipated profits or revenue, post-termination overhead costs, or other economic loss arising out of or resulting from such termination.

16.4 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any

Watermain Replacement Project, Preston Field Retaining Wall Replacement Study, and Burnt Cedar Swimming Pool Improvement Project.

TSK Architects were selected following a request for proposals for qualified architectural consulting firms for involvement in IVGID’s Burnt Cedar Swimming Pool Improvement Project. After an extensive evaluation period and interview process that included four (4) IVGID staff members and one (1) IVGID Trustee, the TSK Architects’ design team was selected and awarded a preliminary design contract on May 20, 2020.

V. FINANCIAL IMPACT AND BUDGET

The approved FY 2020-2021 budget originally included \$225,000 for the design phase of the Burnt Cedar Pool Improvement Project. At the December 9, 2020 Board Meeting, Resolution No. 1882 was approved to augment the FY2020/21 capital budget by \$258,289 from available resources within the unappropriated fund balance of the Beach Capital Fund, in support of the Burnt Cedar Swimming Pool Improvement Project (CIP#3970BD2601). There is an additional \$4,350,000 programmed for this project in the Tentative 2021/2022 Capital Improvement Program Budget (see attached data sheet).

The following table outlines the total project budget, funded through the Beach Fund and related Beach Capital Fund.

Total Available Budget

Description	Amount	Fund
3970BD2601 – FY20/21 Funds	\$225,000	Beach Capital
Budget Augmentation (Res No. 1882)	\$258,289	Beach Capital
3970BD2601 – FY21/22 Funds	\$4,350,000	Beach Fund
Total Available Budget	\$4,833,289	

The table below presents the estimated cost for the Burnt Cedar Swimming Pool and Site Improvement Project budget, based on the Guaranteed Maximum Price received and the recommendations related to Add-Alternate project elements:

Estimated Project Budget

Description	Amount
TSK Architects Conceptual design fees (not to exceed)	\$32,200
TSK Architects Schematic design fees (not to exceed)	\$68,104
TSK Architects Final design fees (not to exceed)	\$216,626
Reno Tahoe Geo Associates (not to exceed)	\$20,700
CMAR pre-construction fees	\$37,500
District staff time during design, 3 rd part cost estimator, permit fees, and miscellaneous project expenses (Period 7/1/19 – 4/15/21)	\$100,000
Design Phase sub-total	\$475,130
CMAR Construction Base Contract (CORE Construction)	\$3,508,440
Alternates #1, #2, #3, and #4	\$96,461
CMAR Contingency and Allowances	\$240,964
Total Guaranteed Maximum Price Contract	\$3,845,865
Construction Administration (TSK Architects)	\$105,680
Construction Inspection Services (Tri Sage)	\$69,500
Special Inspection and Materials Testing (Reno Tahoe Geo Associates, Inc.)	\$21,000
District Staff Time	\$75,000
IVGID Construction Reserves (Additional work, Permit fees, and District furnished material/FFE)	\$175,000
Construction Administration sub-total	\$446,180
Estimated Project Total	\$4,767,175

IVGID Construction reserves are to account for permit fees, deferred submittals, and certain project elements have been removed from the construction contract and will be completed outside of the construction contract. For instance, a TRPA requirement to paint the exterior of the Burnt Cedar Pool Building will be outside of the CMAR contract. District furnished material / Furniture, Fixture, and Equipment (FFE) includes pool elements, security cameras, and patio furniture, as examples.

The estimated project cost estimate for the Burnt Cedar Swimming Pool and Site Improvement Project is \$4,767,175, or \$66,114 below the total available budget. Upon project completion, all savings will revert to fund balance and be available for re-appropriation for future capital projects, subject to Board approval.

FALSE Project Summary

Part of 4-29-2021 Agenda approving Contracts



Project Summary

Project Number:	3970BD2601
Title:	Burnt Cedar Swimming Pool and Site Improvements
Project Type:	D - Capital Improvement - Existing Facilities
Division:	70 - Beach Aquatics
Budget Year:	2022
Finance Options:	
Asset Type:	BD - Buildings & Structures
Active:	Yes

Project Description				
<p>The Burnt Cedar Swimming Pool and Toddler pool fiberglass surfaces require periodic replacement. Over time, discoloration, cracking and surface failure will create health and safety impacts to continued use of the pools. Breakdown of the pool surface will allow materials to cloud the water and make it unsanitary and cloudy water will not meet health dept safety code requirements. It has been determined the pool has reached the end of its service life. This project is for full swimming and toddler pool replacement, associated mechanical systems improvements, pool deck replacement, and other site improvements.</p> <p>An architectural consultant is in the process of completing the final construction documents.</p>				
Project Internal Staff				
<p>Engineering will manage the project. The Director of Parks and Recreation will determine the needs for the project and coordinate project timing because the pool will need to be out of service during the summer season to complete the work. A community interest committee will be convened by the General Manager.</p>				
Project Justification				
<p>This project will reconstruct the swimming and toddler pool, mechanical equipment, and pool deck. The cost estimate is based on the February 2021 cost estimate from the Construction Manager at Risk. It is anticipated at this time that construction will occur in the summer of 2021. The impacts on the facility will be substantial during the summer operation period. Construction will require the closing of the pool facility for the whole summer or a portion of the summer.</p>				
Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2022				
Construction Management	200,000	0	200,000	
Construction Reserves/Internal Services	250,000	0	250,000	
Placeholder - Construction	3,900,000	0	3,900,000	
Year Total	4,350,000	0	4,350,000	
	4,350,000	0	4,350,000	
Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2012	Jul 1, 2019	Jun 30, 2022	Engineering Manager	