

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of September 9, 2020

DATE: September 2, 2020

General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ) <i>*updated</i>	Will depend on determined next steps	GM Winqest/DPW Pomroy Trustees Wong/Dent	Performed interview with Lumos & Associates on August 20. Working group determining next steps. Additional update will be given on Sept. 9.
Effluent Pipeline Project Request for Qualifications (RFQ)	See above	GM Winqest/DPW Pomroy Trustees Wong/Dent	See above
Burnt Cedar Pool Project <i>*updated</i>	Design Phase	Engineering Manager Chorey/GM Winqest	Schematic Design Proposal on agenda for 9/9/20 BOT Meeting
<u>Internal Controls Project(s)</u>			
Review of Internal Control Policies and Procedures	Winter/Spring	Director of Finance Navazio	Draft framework / project plan shared with Audit Committee; prioritizing procurement policy review
Construction Contract Review <i>*updated</i>	Winter 2020	GM Winqest/Director of Finance Navazio	Moss Adams contract audit commenced July. Doc review phase underway; stakeholder interviews scheduled 8/31-9/15
Ordinance 7 Administrative Revisions <i>*updated</i>	Fall/Winter 2020	GM Winqest	Finalizing GM Advisory Committee. Board will be updated on 9/9/20.
Smith vs IVGID Litigation <i>*updated</i>	Ongoing	Legal Counsel/Board of Trustees/GM Winqest	Update to be provided by Legal Counsel at the 9/9/20 BOT mtg

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utilities Performance/Asset Management Review <i>*updated</i>	Hiring of Consultant Fall 2020	GM Winqest/Board	BOT approved proceeding with a Performance/Asset Management Review at the 8/12/20 BOT meeting
2020/2022 Strategic Plan	February 2020/21	Senior Management Team/Board of Trustees	Will discuss, in the future, during long range calendar
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit.
2020/2021 Budget Kick off Workshop <i>*updated</i>	November 2020	GM Winqest/Director of Finance Navazio	Will discuss during long range calendar
Recreation Punch card accounting <i>*updated</i>	Fall 2020	Director of Finance Navazio	Board Workshop scheduled on 9/9/20
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winqest/DPW Pomroy	No Update

COVID–19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. The Chateau Grille is currently open with limited capacity and reservations are required. Weddings, Banquets and Events are currently taking place with significant restrictions based on state and county guidelines and restrictions. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored.

- High Sierra Patrol is currently on site 12:00pm – 10:00pm
- All Beach Parking lots open 7am – 9pm daily (High Sierra Patrol locks gates at 9pm)
- Ski Beach Boat Ramp Gate is currently staffed from 8am – 7:30pm daily.
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only. Physical/Social Distancing required. Pop up tents only allowed in specific areas.

Beach operations are constantly changing and Staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID–19 and observed behavior at the beach properties.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering Staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances. We expect to discontinue this by December 1.
- Solid waste violations and fines have been reinstated as of all new violations beginning August 31, 2020.

Ordinance 7 General Manager Advisory Committee

A General Manager's Advisory Committee is in the final stages of creation and the goal is to have a kick off meeting in late September. Prior to a first meeting, all committee members will be given a variety of historical and supporting material and data for thorough review. Staff is anticipating this will be 4-month process and should include opportunities for the community to weigh in prior to presenting recommended draft amendments to Ordinance 7. A formal process and timeline will be presented to the Board of Trustees in October, 2020. Committee members are all full time residents and have a strong understanding of the district. The Board of Trustees will be provided with a verbal update on the committee members and the process at the September 9, 2020 Board of Trustees Meeting.

Gymnastics Program Update

Our gymnastics program came to fruition because many families have been asking about a program in Incline. These families have been driving to Truckee and Reno so their children can participate in gymnastics. The IVGID Parks & Recreation Department has operated various gymnastics programs over the years but start-up costs have been an issue in the past. The District is thankful for the generosity of the Dave & Cheryl Duffield Foundation for supplying over \$20,000 in equipment to ensure the program is successful. The equipment will be arriving shortly and upon arrival, Staff will inventory all equipment ordered before submitting for reimbursement from the Duffield Foundation.

With only minimal marketing, the program is currently at capacity which is currently at 32 girls signed up for the session that starts on September 9, 2020. The program will be separated into 4 program options (2 beginner & 2 intermediate) with a maximum of 8 gymnasts per session. The gymnasts will participate in a four-week program, one day a week, at a cost of \$70 for IVGID pass holders and \$88 for non-pass holders. This equates to \$17.50 per session for IVGID pass holders. The program will be run by Recreation Specialist Sharla Baker who is a local resident and has an extensive background in operating gymnastics facilities and programs. Mrs. Baker will work on a commission basis and is a member of the IVGID staff

who works limited part time hours as the instructor. All equipment and programs will remain at the Recreation Center until further notice. This will be an annual, ongoing program.

This program will take place on Wednesday & Thursday evenings in the rear part of the recreation center gymnasium. We have beginners from 5:45 – 6:45pm both evenings and then we have the intermediate to advanced group from 6:55 – 8:00pm. The District still hopes to collaborate with the Lake Tahoe School on facility usage if and when possible.

Gymnastics Program Financial Projection per session:

32 participants at \$70 = \$2,240.00 Gross Revenue

Instructor Commission 70% = \$1,568.00

IVGID Commission 30% = \$672.00

The financial projection is based on all participants paying the resident rate. IVGID commission is expected to cover all IVGID related expenses which include minimal staff and material time to oversee and administer the program. The Recreation Center is available at the programming times and this is not expected to impact the users of the Recreation Center as it is scheduled during non-peak time. More information will be provided after the first program has concluded. Parks & Recreation Department Staff will continuously evaluate the need for any changes to aspects of the program including pricing in order to ensure the program is cost neutral to the community.

TWSA Grant Funds Awarded

Tahoe Water Suppliers Association was awarded a \$62,000 NDEP 319h Source Water Protection grant with the Tahoe Center for Environmental Sciences, for a 2-year educational campaign on micro-plastics pollution and ways to reduce single use plastics from getting in the environment. The Federal EPA highlighted this collaborative work in conjunction with the Lake Tahoe Summit hosted by Senator Cortez Mastro.

See the following link to the website. Other grants were also awarded to other Lake Tahoe Agencies.

<https://www.yourtahoeplace.com/news/u.s.-epa-awards-nearly-100000-to-address-microplastic-pollution-in-lake-tahoe>

Golf Operations – July Update

Following is a golf operations update for July 2020 prepared by Director of Golf/Community Services Darren Howard.

-Net Calculations-

Round Totals	Daily Averages			
	2019	2020	2019	2020
Championship Course	6133	5469	198	176
Mountain Course	4870	4587	157	148

Revenues (Championship Course)	2019	2020
Admissions & Fees	\$351,544.70	\$283,928.75
Play Passes **	\$161,172.00	\$174,779.32
Range Fees	\$38,249	\$42,283.25

**Net Revenue for play was \$49,974.38 below last year for June*

Revenues (Mountain Course)	2019	2020
Admissions	\$173,460.75	\$164,460.75
Play Passes	\$22,095.00	\$15,134.62

**Net Revenue for play was \$15,960.38 behind last June*

****Note: All Fees listed above are now NET numbers.**

Championship Course	Mountain Course
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June	2019	% of Play	2020	% of Play	2019	% of Play	2020	% of Play
Total Rounds	6133		5469		4870		4587	
Residents	1577	25.7%	1779	32.6%	1784	36.6%	2251	49%
Play Pass	2233	36.4%	2216	40.5%	669	13.7%	774	16.9%
Guest of Resident's	577	9.4%	593	10.8%	550	11.3%	547	12%
Non-Resident	1470	24%	730	13.3%	1620	33.3%	903	19.7%
Other	276	4.5%	151	2.8%	247	5.1%	112	2.4%
Golf Green Fee Dollars per Round	\$83.60		\$84.09		\$35.78		\$36.18	
Merchandise Sales per Round	\$19.36		\$14.62		\$3.82		\$3.06	
Total Golf Dollars per Round**	\$114.35		\$109.25		\$41.66		\$39.26	

***84% of rounds were Residents or Residents Guest – Championship Course**

***78% of rounds were Residents or Residents Guest – Mountain Course**

Championship Course

July overall was a very profitable month for golf even with COVID-19 restrictions. Normally, the maximum capacity for golf rounds in July is 7440, with COVID-19 restrictions, this July capacity was 5868 rounds. By months' end, the Championship Course finished July with 93.2% of capacity available. Tee times have moved to 12 minute intervals except for a few mid-day times that will be back to 15 minute intervals for availability of carts for afternoon times. There were 4 days of play impacted by rain and hail and two maintenance days that also impact play. Golfers are still riding one per cart unless they arrive to the course together. Practice facilities remain at capacity daily and range revenues are 10% ahead of July 2019. Pace of Play is continuing to be at an all-time low and this makes golfers very happy! For July, we still did not allow shotgun starts.

Mountain Course

July was an exceptional month for the Mountain Course as well. Tee times for July were at 15 minute intervals. The intervals for the Mountain Course are higher than the Championship Course due to less carts available. Normal July play capacity is 7192, but for this July capacity was limited to 5580 for the month due to COVID-19 restrictions. The Mountain Course finished the month with 82.2% of play capacity. There were 4 days of play impacted by rain and hail.

Merchandise

Overall all, sales are continuing to grow daily and with the individual "Fitting Days", we saw incredible success with custom fit club orders. Most of the custom club orders will show-up in August as most club manufacturers are still operating at 50% capacity and orders are taking longer to arrive to us. More emphasis this year was put on increasing our Merchandise margins and the Merchandising team has done an incredible job of taking us from 20% margins to 37.5% for July. This incredible jump in margins and better overall management of expenses and payroll has allowed Merchandising to operate at achieving their overall bottom-line budget.

Overview

All staff at Championship and Mountain courses continue to provide the best, safest experience for golfers. The golf course is in great condition and even with the limited restrictions for tee times, golf operations have not missed turning carts for a tee time and expenses have been held to a minimum. Overall, the bottom line for Championship Course (including F&B) is \$284,488 (*Revenues ahead of expenses*) for July and Mountain Course is \$65,715 ahead (*Revenues ahead of expenses*) for July. Overall, the Championship Course (Golf) is \$12,503 ahead of budget and F&B at Chateau is \$35,455 below budget. Only being open at 50% is affecting the overall F&B budget. We had budgeted to be at least 80% for July and unfortunately restrictions still keep us from getting there. Overall, the Mountain Course is \$6525 ahead of budget and all managers are managing their departments with the bottom-line in mind while still providing services that can be provided, with COVID-19 restrictions in mind.

Note: Figures were taken from Innoprise as of August 31, 2020.

Capital Projects Update September 2, 2020

Design

Mountain Golf Cart Path Replacement

A multi-year Capital Improvement Project to reconstruct the cart pathways at the Mountain Course. An engineering consultant has been contracted, for the amount of \$27,500, to complete; an evaluation of the existing pathway, a geotechnical investigation, and a design memorandum. A kick-off meeting was held August 13, 2020 and anticipate delivery of the design memorandum in approximately 5 weeks. The design memorandum will be presented to the Board of Trustees for confirmation on how to proceed. Priority A project.

Building Upgrades Water Resource Recovery Facility (WRRF)

A 2020/2021 Capital Improvement Project, this project will replace the access gate at the WRRF with a new vertical lift gate. IVGID Engineering staff prepared bid documents and solicited proposals for the project. Bids were due August 28, 2020 and are currently under review. Staff anticipates construction will occur this fall. Priority B project.

Recreation Center Upstairs Lobby Restroom Remodel

A 2020/2021 Capital Improvement Project to renovate the Recreation Center's upstairs restrooms (men's and women's). The restrooms are showing their age and have fallen below IVGID's standard of service. An architect has been contracted, for the amount of \$16,237, to complete the design and is currently working with staff to develop construction documents. The final design will be presented to the Board of Trustees prior to publically advertising for bids. Priority B project.

Recreation Center Locker Room Improvements

A 2020/2021 and 2021/2022 Capital Improvement Project to renovate the Recreation Center's locker rooms (men's and women's). The locker rooms are showing their age and have fallen below IVGID's standard of service. An architect has been contracted, for the amount of \$40,222, to complete the design and is currently working with Staff to develop construction documents. The final design will be presented to the Board of Trustees prior to publically advertising for bids. Priority A/B project.

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected and worked with IVGID Staff and a community group to develop a preferred conceptual design. On August 12, 2020, the Board of Trustees unanimously selected a preferred option. On September 9, 2020, the Board of Trustees will review a proposal for schematic design services. On September 30, 2020, the Board of Trustees will review the project delivery method (Construction Manager-At-Risk or Design-Bid-Build).

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4-million-gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project.

Construction

Recreation Center Elevator Modernization

A 2020/2021 Capital Improvement Project, this project will modernize the elevator's operational and mechanical control devices. The elevator is original to the Recreation Center and provides the only interior means of ADA access between the two floors. For several years now, the contractor performing regular maintenance on the elevator has warned of increasing difficulty sourcing parts. If the elevator were to breakdown, the difficulty in sourcing parts may result in a prolonged shut down impacting operations. For this reason, a capital project was created for modernization to extend the life of this critical asset. IVGID Engineering Staff prepared bid documents and solicited proposals for the project. Two (2) bids were received on Thursday, July 16, 2020.

- Koch Elevator Company - \$72,587.83
- Otis Elevator Company - \$81,000

This project has a CIP budget of \$97,500. Construction is anticipated to start in late September 2020. Priority B project.

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the

Championship Golf Maintenance Building. This project addresses health and safety issues and prevents future water damage to this facility. A local engineering consultant completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed this October.

Cruz Construction, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$425,433	\$63,485	\$488,918	\$215,518	\$273,400

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering Staff completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed by the end of September.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$456,610	\$0	\$456,610	\$0	\$456,610

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be substantially complete April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$14,847	\$723,847	\$0	\$723,847

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls,

Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with Staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication was awarded at the June 10, 2020 Board of Trustees meeting.

WRRF Aeration System Improvements

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six-200,000-gallon aeration basins with two jet aeration clusters per basin supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, K.G. Walters, on December 11, 2019. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$6,069	\$1,514,569	\$610,431	\$904,138

Water Reservoir Safety and Security Improvements – Phase 1

This project will replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices. The exterior access to the roof area is required to meet the needs of the District to monitor the water quality in the reservoirs and perform routine repairs to radio communication equipment. The ladders also need to be secured from access by the public. The reservoir ladders, fall protection, platforms, and protective railings will meet the current Occupational Safety and Health Administration (OSHA) safety standards. The Board of Trustees awarded the contract to Resource Development Company on April 10, 2019 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 15, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of this project will replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices for the remaining 3 reservoirs. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction is scheduled to begin September 8, 2020 and is scheduled to be completed by October 2, 2020.

Paso Robles Tank, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$109,000	\$0	\$109,000	\$0	\$109,000

Financial Transparency

Fiscal Year 2019/2020 Year-End Audit

Staff has been working on fiscal year-end close and preparation of trial balances and draft financial statements for review by the District's Independent Auditor. We are 10-14 days behind schedule re deliverables, but are working to ensure overall audit plan is completed within required timeframe. Audit team is currently performing their field work (first two weeks in September) "remotely". Draft financial statements are scheduled to be completed in October with the final Comprehensive Annual Financial Report due to be delivered by the end of October.

Fiscal Year 2020/2021

Staff continues to work on updating our operating and capital project reporting to reflect the new fund structure supporting the Fiscal Year 2020/2021 adopted budget. Reviewing our internal and external financial reports is critical to support our goal of financial transparency and demonstrating sound fiscal management of District resources.

Work also continues on the engagement with Moss Adams to perform a review of the District's contract management practices. Consultant is completing document review for identified projects and the team has scheduled interviews with Staff, Board members and community stakeholders through the second week in September.

Washoe County Tax Revolt Update

IVGID has received the following information from Village League's President Mr. Todd Lowe and we thought it important enough to share with our community.

Below are the numbers calculated to show the impact of moving the first payment date from October 2020 until July 2021.

<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>Total Owed by IVGID</i>
<i>\$509,402.31</i>	<i>\$468,861.44</i>	<i>\$381,472.81</i>	<i>\$1,359,736.56</i>

Summary of Implementation Plan Agreement

Recall that in 2019 the District Court ordered the County to make excess property tax refunds to every residential property owner in Incline Village and Crystal Bay during the 2003-2006 period with interest by October 2021. The County and State both appealed the District Court's decision to the Nevada Supreme Court. In a similar 2006 District Court ruling which was also appealed to the Supreme Court it took until 2011 to get a final ruling and start the refund process. And those refunds required over two years to distribute, cost the County over \$1 million dollars to process and left nearly 3,000 taxpayers with no refund at all.

Rather than expend many hundreds of thousands of dollars in litigation expenses with interest still accruing at over \$5,000 per day only once again for the County to lose the fight and delay refund payments until the year 2024, we entered into settlement negotiations. We felt there had to be a better outcome for taxpayers and the County if we could devise a "kinder and more gentle" implementation of the Court's ruling. My meeting with you, Ryan and trustee chair Wong helped shape our objectives. Those negotiations, which were long and difficult were fruitful, producing the agreement approved yesterday by the Board of County Commissioners.

The essential terms of the agreement were worked out between December 2019 and February 2020. Those terms, memorialized before a Supreme Court Judge are attached to the final agreement as an exhibit. You can get that from our website. When the pandemic hit and we resumed further negotiations to modify that agreement based on expected impacts and difficulties.

The Court's ruling stands in every regard except the implementation details of order items 7 and 8. Those provisions direct the Treasurer on how and when to make refund payments. Here is a summary of where we ended up.

Who Gets A Refund

Every owner of a residential parcel starting in the 2003/4 year through the 2005/6 tax year is eligible for a refund. There are some 9,000 parcels in Incline Village and Crystal Bay. Some

1,500 of those are owned by the US government, Nevada State, Washoe County or IVGID; all of whom are exempt from paying property taxes. So that leaves about 7,500 parcels. Many of those parcels have been sold during the period so there are multiple owners eligible for a refund. We estimate that the County will need to pay 11,000 owners.

For removal of doubt, if one did not actually pay the excess taxes during the 2003 through 2006 period there is no refund available. Additionally, the Village League gets zero refunds and will not recoup any of the millions of dollars (all donated by our community) of fees and costs. This was a concession made as part of the settlement.

Remember that during 2003 through 2008 Incline Village and Crystal Bay property owners were paying taxes at rate 214% higher than neighboring Nevada Lake Tahoe counties. Even if one did not own property here in 2003 every property owner has benefited by a dramatic reduction in property taxes owed ever since because of the work we did to reverse unconstitutionally made assessments.

How much

The amount of taxes refunded for each parcel is calculated simply by determining the difference between the property tax assessment determined by the Supreme Court in the famous Bakst, Barta, and Drakulich decisions and that which the treasurer actually used for each of the three tax years in question. That difference is then multiplied by each year's applicable tax rate. To that amount interest is added. During the 17-year period during which the County held taxpayers excess tax payments the judicial interest rate varied between 5 and 10.25%. To simplify matters, we agreed to a flat 6% simple interest rate. To further simplify the calculations for the Treasurer we agreed to fix the start date for each interest period to the final day on which a property tax payment could be made during each of the three tax years. For sold properties, the refund amount is prorated between old and new owners based on the number of days of ownership.

To incent the County to make payments soonest and complete the task in reasonable time there is a 24-month interest holiday. During that period interest ceases to accrue. The period begins following the first month that the County starts making refunds and continues for the following 24 months. If the County fails to make payments ratably over that period, they forfeit the interest holiday. Any refunds not made during the holiday resume accruing interest.

How and When

After making the refund calculations the Treasurer is obligated to provide notice to all owners. Current residents of Incline Village and Washoe County residents are notified first. To ensure all owners get notice the County is required to contract a 3rd party search firm to locate anyone they cannot find themselves.

The payment of refunds can start at any time. However, the County has the option to wait until July 1, 2021 to start payments. This was a pandemic-related concession by taxpayers.

Whether they pay sooner or not the refund issuance process must meet a minimum monthly quota. All refund payments must be completed by June 21, 2024.

Unlike previous refund payment scenarios, parcel owners are required to submit claims in order to get a refund. Those claims will be processed on a first in-first out basis. Owners failing to make a claim by May 1, 2023 forfeit getting a refund.

There are many details controlling the Treasurer's action articulated in the agreement. Of particular impact to IVGID and other taxing authorities is that the County cannot reduce their distributions of tax revenues before starting to pay refunds and cannot deduct more than refund amounts actually paid.

Washoe County's Obligations

In order to audit and ensure compliance and fair taxpayer treatment the County has various obligations. Here are a few:

- *Create an implementation website*
- *Calculate refunds in accordance to the agreement*
- *Provide notice to all Owners*
- *Provide a log of all owners, notices and refund payments to the Village League, Court and County*
- *Find every owner, contracting search firms as-needed*
- *Prepare regular progress reports to the Court, County and Village League,*
- *Follow a prescribed dispute resolution process*

For further information and details of the agreement and the refund plan, please visit the Village League's website:

(<http://nevadapropertytaxrevolt.org/wp-content/uploads/2020/08/Taxpayer-Implementation-Agreement.pdf>).

The deal must be approved by the District Court and the State before it becomes law.