

## MINUTES

### **REGULAR MEETING OF JULY 13, 2021 Incline Village General Improvement District**

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairman Tim Callicrate on Tuesday, July 13, 2021 at 6:00 p.m. This meeting was conducted at the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

#### **A. PLEDGE OF ALLEGIANCE\***

The pledge of allegiance was recited.

#### **B. ROLL CALL OF TRUSTEES\***

On roll call, present were Trustees Tim Callicrate, Matthew Dent, Sara Schmitz, Michaela Tonking and Kendra Wong.

Members of Staff present were Director of Finance Paul Navazio, Director of Public Works Brad Underwood, Engineering Manager Kate Nelson, Director of Human Resources Erin Feore, General Manager Diamond Peak Ski Resort Mike Bandelin

Members of the public present were Frank Wright, Cliff Dobler, Mike Abel, Ray Tulloch, Chris Nolet, Denise Davis, Jack Dalton, and others.

#### **C. INITIAL PUBLIC COMMENTS\***

Frank Wright said he spoke earlier at the Audit Committee and most of you should know that the lawsuit filed by Mark Smith has been adjudicated and it is damning. Public records in this District is outrageous. Former General Counsel Guinasso and Trustee Wong are screwing with this District and there is over \$200,000 in costs. This lawsuit has delayed the inevitable and what did you delay? Things in the e-mails that shouldn't come out? Spent this money, suck it up and let us see what it is there. Let us find out what it is in there and let's stop playing games. Any one of Trustees that votes to fight it are complacent. This is damning and it exposes this District for what it is which is stealing, giving away public property at no cost, giving away public property so they can rig elections, and ending up with people like former Trustee Peter Morris on the Board who was the biggest disgrace. We have people calling us liars. There has been unbelievable behavior by a Board Chairman. Let's rope in what has been done and do what is right for our community. We are in the process of losing our beaches because you are not paying attention. If the information he has gets out, watch out.

Mike Abel read his written statement which is attached hereto.

Cliff Dobler read his written statement which is attached hereto.

**D. APPROVAL OF AGENDA (for possible action)**

Chairman Callicrate asked if there were any changes to the agenda as presented; Trustee Schmitz asked that General Business Item I.5. be moved to before General Business Item I.4. Chairman Callicrate said that change is fine and asked for any further changes; none were received so the agenda was approved as amended.

**E. DISTRICT GENERAL MANAGER UPDATE (for possible action)**

District General Manager Winquest went over his submitted report with the following highlights:

- ✓ Formally submitted our special use permit to the United States Forest Services for the parcel across from the Incline High School; forecasting to wrap this up by September;
- ✓ General Manager's Ordinance 7 Committee update – survey is out, this time last week had over 1,300 responses, goal is 2,000, next Wednesday will mark 21 days for release, may shut it down at that time and then will reconvene committee to discuss and formalizing the recommendations to the Board so the Board can begin deliberation;
- ✓ 4<sup>th</sup> of July visits – seeing an increase with picture pass holders and seeing a decrease with punch card holders and paid guests this year; visits are down at Burnt Cedar due to parking and construction restrictions; Incline Spirits are working there on the weekends only due to business limitations and we have closed the IVGID snack bar due to construction and staffing challenges;

Trustee Dent asked, referencing agenda packet page 14, public records requests (PRR), do we have outstanding PRR requests? District General Manager Winquest said yes and we can include them and put them in sequential order. Staff is working diligently to fulfill these requests and noted that some are very significant in volume. Staff is trying to work with members of the community and some of these will take a little longer. Trustee Dent said it is good for us to gauge where we are at. Trustee Schmitz said one clarification on Moss Adams – there is an update to come on the work our Staff is to complete and that she wanted to make that clarification. At our May 12 Board meeting, did we agree for the correspondence to be on our website and if so, what is the status of that effort? District General Manager Winquest said Staff will look into that. Trustee Schmitz said there was an

action item about seeking an independent attorney on property rights with the beaches – do you have an update on that item? District General Manager Winquest said Staff wants to deliver that simultaneously with the General Manager's Ordinance 7 Committee recommendations and that Staff can bring it earlier if that is the Board's desire. Trustee Schmitz said she thought what the Board wanted was to have that information while we were working on Ordinance 7. Trustee Tonking said she recalls that we were going to hire around the same time to work with Staff on Ordinance 7. District General Manager Winquest said, just to clarify, Staff has recommended to get outside legal counsel and the goal was to formally deliver that, as a recommendation, to the Board, to hire outside legal however if the Board desires we can deliver that recommendation earlier. Trustee Schmitz asked who is taking the lead? District General Manager Winquest said he will put together the agenda item and that the Board hires attorneys and he would not be comfortable to choose an attorney however Staff would prefer to vet it at the Board level; he will put together a Board memorandum. Trustee Schmitz said that there is still a lot of confusion about the survey – people think that the day passes are still available and there are questions about Hyatt availability. She knows that Staff did the video however is there any way to help people with filling out the survey as it is a challenge? District General Manager Winquest said the Board passed a resolution that there are no day passes and we put a lot of information within the survey. Staff is doing everything we can to educate and Staff can put together a need to know document or frequently asked question document as one of our committee members worked on it. Anything we can do to help people be as knowledgeable as possible, Staff is doing. He has received a tremendous amount of positive feedback. Trustee Schmitz said thank you on the golf course update as it included expenses and revenues.

**F. REVIEW OF THE LONG RANGE CALENDAR (for possible action)**

District General Manager Winquest said we may not be bringing the Incline Beach House item on August 10 due to staffing as we are down two full time positions. Chairman Callicrate said we can use the old Boardroom if it works for us to keep the meetings on Wednesdays. District General Manager Winquest apologized if the public had a problem with parking. Staff has been talking about bringing back Policy 16.1.1. for discussion and potential revisions and that one thing that the General Manager's Ordinance 7 Committee recommended is to deal with that as Board policy. District General Manager Winquest also stated that the Audit Committee said they will have their next meeting on August 10 at 3 p.m.

Trustee Schmitz said at the Audit Committee they talked about the concerns related to the health of the Utility Fund and that she has an item sitting in the parking lot for a detailed financial review of the Utility Fund. In order to fill the gap,

the \$2 million is being used so we need to decide how we are going to fill the gap. We don't meet the Utility Fund reserve fund balance and cash on hand and this needs to be a Board priority as to how to resolve that status. District General Manager Winquest said he will discuss this with the Board Chairman. Chairman Callicrate said with the rate study contract, this needs to be concurrent. Trustee Schmitz asked for it to be added to the parking lot and noted that she has requested that District General Counsel Nelson do a scope of work for legal services for evaluating Dillon's Rule so she is curious where that is going and that she has also requested some Board training. Chairman Callicrate said that the Board training is stalling as we are having trouble with scheduling a time when all Trustees are available.

Chairman Callicrate said that many in the community know the Hyatt and he was saddened to announce that their long time Director of Operations and Gaming Scott Ruhl passed from an unexpected heart attack. It was a devastating blow and that he wanted to make a public acknowledgement to the Hyatt and Ruhl/Brook families with our condolences and to say thank you for all that Mr. Ruhl and his families have done to make this community what it is and for their contributions.

**G. REPORTS TO THE BOARD\***

**G.1. Treasurer's Report – Checks issued by the District over \$10,000  
(Requesting Trustee: Treasurer Michaela Tonking)**

Treasurer Tonking said the two checks she wanted to point out were First Nonprofit and Mike Menath; both are for District insurance. Treasurer Tonking then provided a quick update on policies – she and Staff are working with Moss Adams on Policies 12.1 and 13.1 and they have a 6-week timeline and that she and Staff will be working with them on a couple of other items. At the August meeting, she is hoping that the Director of Finance will be giving an end of the year investment report. Trustee Schmitz asked about \$725,000 and if it was approved by the Board of Trustees? Treasurer Tonking said reoccurring charges are not approved by the Board. Director of Finance Navazio said that these are premiums paid for POOL/PACT, etc. and under Nevada Revised Statutes provisions, they are budgeted annually and the premiums are paid. The self-insurance one was secured on the open market and was in the front of the Board of Trustees last month. The self-insurance came to the Board of Trustees and the other didn't but Staff would be happy to bring an informational report to the Board if needed. The insurance premiums that we were quoted this year were approved in the budget. District General Counsel Nelson said that the budget approval was

the authorizing action and why it doesn't need to come before the Board of Trustees.

**G.2. Final report regarding the District's utilities management review and asset assessment submitted by Raftelis Financial Consultants, Inc. representative Seth Garrison and Rebekka Hosken (Requesting Staff Member: District General Manager Indra Winquest)**

District General Manager Winquest introduced Raftelis representatives Mr. Seth Garrison and Ms. Rebekka Hosken. Mr. Garrison and Ms. Hosken then gave a Powerpoint presentation that is included by reference. Trustee Dent asked if any other agencies collect monies for projects years in advance? Mr. Garrison said yes and that they looked at the restriction and that the policy is the only restriction of the cash and we looked at it more as unrestricted. Trustee Dent said that the Board did that restriction and do they see other agencies collecting for specific projects for five, six or seven years out? Mr. Garrison said yes, they certain do and it is typically due to rate setting. Another interesting fact is that many agencies have gone to really long bonds (50 to 100 years). Typically, the debt coverage is 20 years and you need to do that rate matching to manage that debt. Trustee Schmitz said she was quite puzzled by the assessment of the Utility Fund as being in very good condition. By June of last year, there was \$5.5 million and that didn't take into account of carryforward projects, etc. and the Utility Fund does not have that amount. We are using \$1 million of the \$2 million to bridge the gap between service and charges. She is a bit puzzled and asked that they re-evaluate those numbers and give us something that is more accurate. She also has a question about the full-time equivalent (FTE) analysis on agenda packet pages 9 and 10. In comparing to FTE, using 35.4 FTE's, 11 are not Utilities, so she would like to see the numbers rerun on the Utility operations, referencing agenda packet page 34. Mr. Garrison said they used the number funded out of the Utility Fund so rightly they should be counted. Trustee Tonking asked if all the member agencies were using those positions that are funded by Utilities? Mr. Garrison said yes. Trustee Schmitz asked if you used Engineering and Fleet? Mr. Garrison said yes. Trustee Schmitz said that she was looking at scope of work and it included things like recommendations on life cycle and revisions and that she didn't see any of those recommendations, so could we review the scope of work and ensure that all of things are contained and identified in the report such as review of life cycle cost analysis methods, no long term fund strategy recommendations, etc. and go back and revisit the scope of work and the specific bullets and ensure that all of those things are covered? Mr. Garrison

said we can do that. On the asset issues, we evaluated the methods, each asset will have its own, we looked at the methodologies and we thought you had that covered. Trustee Schmitz said it might be that she is not seeing it and that she would like to have it more clearly tied to the scope of work. Trustee Tonking said that she agrees with your statement and the amount of knowledge of the Staff which is really exciting. In looking at recommendations, number 3, on agenda packet page 24, do have some examples to build public knowledge and maybe 2 and 3, examples of that? For recommendation 4 – District Audit Committee – was wondering if you see a lot of Audit Committees in your reviews? Mr. Garrison said every Board should have an audit function. The challenging thing is what role does the public play and what the role the Board plays. They are not suggesting an answer to this however the framework the District has is a little atypical to what they have seen. They strongly believe in an audit function but there needs to be the correct separation. Trustee Tonking said, regarding Recommendations 8 and 9, do those align with being more tech savvy? Mr. Garrison said when we met with the lab person, they came with three ring binders. Their recordkeeping is very good, however if you lose the binders or the people, you lose the knowledge. Trustee Wong said thank you for the report as it was extremely thorough and that she appreciates the candor as the Public Works Staff are the unsung heroes of IVGID. One of the things that stood out to her is that, we, as a Board, are not necessarily focusing on the high level policies and getting that message to our Staff. One of the things we need to look at is taking a step back and looking at policies and function in the capacity as a policy setting Board and get out of the function of being into operations. Chairman Callicrate said we are on our way with rectifying our policies and long term debt and pay as you go. For many years, the District has been fearful of going with long term debt as these are long term assets. Mr. Garrison said an observational note, we work with hundreds of utilities, it is very common for new Boards to question the policies and procedures. The evaluation should be transparent and then come up with a policy and move forward and that this is one of the high level things we are trying to emphasize. Chairman Callicrate said that this is a thorough document. Mr. Garrison said if there are other questions, please pass those through the District General Manager and then they will provide those answers.

Chairman Callicrate called for a 10-minute break at 7:34 p.m., the Board reconvened at 7:45 p.m.

**G.3. Review, discuss and provide guidance on Golf Cart Capital Improvement Project #3141LV1898 Championship Golf Carts for**

**2021/2022 (Requesting Staff Member: Director of Community Services/Golf Darren Howard)**

Director of Community Services/Golf Darren Howard said that he was available for any questions. Trustee Tonking asked if there has been a lot of costs around the beverage carts; delaying for another year and not spending a lot of money in maintenance? Director of Community Services/Golf Howard said we can make it for another year with the existing carts. Trustee Dent said he remembers a few years ago when we bought the golf carts - do like the idea of refurbishment and given we are making a pretty heavy down payment, what do you foresee for next year? Director of Community Services/Golf Howard said if we go another season past this one, we will have to replace every golf cart battery. We have already seen a significant downfall in battery performance which becomes an embarrassment to us with breakdowns on the course. The big worry for him going forward is have to put a significant money into them and receive nothing back in trade. Trustee Dent said by investing in the golf carts and getting them to service level, there is a tradeoff, so he is trying to weigh out the costs over the long term. He feels like if we spend \$75,000, he can't understand why we can't use the same amount of usage as we use our golf carts about as half as much as a golf course not at this elevation. The golf courses are losing millions of dollars every year so he is looking at where we can improve. Director of Community Services/Golf Howard said it is just not the battery, it becomes all the items on the golf carts and there is a lot of wear and tear that goes on with a lot of non-resident use and they don't always treat them appropriately; he would recommend leasing as an option. Chairman Callicrate asked if we were to make the investment and get one more year out of these and could we then go to leasing option? Director of Community Services/Golf Howard said yes, if we can make it through this year. Trustee Schmitz said it might be helpful for us to understand a couple of things - replace all the batteries in all of the golf carts, did so during off season, and what would that cost us and how would they weigh in? Off season is an opportunity to do things when we don't have staffing levels to do that during the season. Your bullet point says not up to traditional IVGID standards - what does that mean? Director of Community Services/Golf Howard said if you look at the quality that our venues put out, we are charging \$200 to \$220 for a round of golf and we have a golf cart that is not up to that rate standard as they rattle, the GPS system is old and it has old technology, the seats gets worn out, it is hard to clean floorboards, and, Staff would welcome the opportunity to tour any member of the Board to see the conditions themselves. Trustee Schmitz said that is a great suggestion. Chairman Callicrate said so does \$75,000 keep them working through the rest of this

season? Director of Community Services/Golf Howard said yes, that is correct. Chairman Callicrate said then there is a 6 to 8 month lead time and if we want to go to the leasing structure, it will take 6 to 8 months to get them here? Director of Community Services/Golf Howard said yes. Chairman Callicrate said so it is \$75,000 to get them through this season? Director of Community Services/Golf Howard said yes, and by the end of this month, we will reach that amount. District General Manager Winquest said he wants to make sure the Board of Trustees understood the question – we have already replaced a ton of batteries for this year and with that having happened, how many more batteries do we need to pay for in order for next year to have them be in decent shape or is that hard to know? Director of Community Services/Golf Howard said he thinks we are only half way through the battery replacement, and not all of this has been spent on batteries as this includes labor, etc. Trustee Dent said that the Board doesn't have enough information here and that he thinks there is more information that can be developed. District General Manager Winquest said that Chairman Callicrate was trying to ask based on the maintenance, etc. can we make it one more year or does Staff recommend we replace before next season? Director of Community Services/Golf Howard said that amount is just to get through this year. Chairman Callicrate said so we have already spent \$42,000 and we are going to spend \$22,000 or \$23,000 to limp us through and it is either lease or invest a lot more - we have to make that investment. Trustee Tonking said from personal experience, she has had the GPS break down and she does think our Fleet Department needs to do some work on them. She did see there was some interesting information in the snowmaking memorandum thus you might want to do something like that for these as it would be helpful. Director of Community Services/Golf Howard said he can get with the Fleet Team and work on those numbers. The golf cart fleet we have, we do own, and they are due to change over this year. We will get substantial trade in money on these carts as there is one more good year and after that trade in value will drop significantly. Trustee Schmitz asked if Staff has had difficulty in acquiring batteries? Director of Community Services/Golf Howard said yes, we have such that we ordered a few extra in our last order and it is worrisome to him. Trustee Schmitz said on the trade in, there has been a high demand for used golf carts. We have to make the right decision for the District as there is a lot more demand. Trustee Wong said when the carts at the Mountain Golf Course are of higher quality than the Championship Golf Course, we know we have a challenge. We are not there yet but we are getting close. We do need to look at a new golf cart fleet, and that she is of the opinion that leasing is a better option especially with that trade in value. Chairman Callicrate asked if you are getting enough direction? Director of Community Services/Golf Howard said



no decision tonight but we can't three to four weeks so Staff needs to start the process. District General Manager Winquest said we can start that process and bring back more information on August 10. Trustee Schmitz said you brought up a good point, if Fleet is constantly having to stop what they are doing to work on our golf carts, then they reduce the bandwidth of Fleet especially with Parks. We really need to consider leasing as we purchased the golf carts 5 years ago and we purchased the GPS equipment after market, and leasing allows us to roll it all over. Chairman Callicrate asked Staff to bring it back on August 10.

#### **G.4. Audit Committee Report presented by Audit Committee Chairman Ray Tulloch**

Audit Committee Chairman Tulloch gave a verbal update of the meeting of today and noted that the Audit Committee has changed over the past month. They have had over 14 meetings, over 40 hours of meetings, recognized some learning points, maybe upset people and don't necessarily see that as a bad thing but we have learned some things. During his opening comments, he asked the Audit Committee to behave in a professional manner, asked them to address issues as we have gone down rabbit holes, and has asked the Audit Committee to focus on agenda items so as to come to a resolution. The other issue that he stressed is that they need to focus on their tasks under Policy 15.1.0 as the perception, amongst the public, is that we can identify all sorts of things. The role of the Audit Committee is to provide objective viewpoints and to make sure the District is operating in an ethical manner. Sometimes, we don't release how much we have done, Audit Committee At-Large Member Dobler put together a list of things we have done - 45 items and we have covered 75% of these. Thank you to Trustee Dent for leading us through most of last year and noted that he had a tough job to control him and Audit Committee At-Large Member Dobler. Overall, the Audit Committee has done a lot. We just signed off on the whistleblower procedure which was an important task and we will provide that to the Board of Trustees at its next meeting. We responded to public comments, rode shotgun on the Moss Adams review, and most importantly, most rewarding aspect, has significantly improved the transparency of the organization. The District does get to take advantage of a huge amount of experience and abilities. We all have learned from the past year and we had, as part of our review, several changes to Policy 15.1.0. The Audit Committee is asking the Board of Trustees to hold off on that as it is on our next agenda. Finally, if we were grading the Audit Committee, they would give themselves a B+ as we have upset everyone equally and fulfilled our role. Chairman Callicrate said he appreciates Mr. Tulloch taking up the Chair, lots has transpired

during the last year, successes far outweigh the mistakes, and that he appreciates all the time spent. The Board of Trustees hasn't decided on Policy 15.1.0. and that he respects the comments made. Trustee Schmitz said she wanted to clarify that what Audit Committee At-Large Member Dobler did was that he went through the individual line items and identified accomplished, not accomplished, or work in progress; we accomplished about 75% and it helped us identify the areas on where we want to spend our time and that self-evaluation was very helpful in identifying what we need to focus on. Chairman Callicrate asked that this be shared with the Board of Trustees as it would be helpful. Regarding the public comments that were made earlier about shutting down the Audit Committee, he doesn't know where that came from – it is not the case. Rest assured you are going to operating until you are not.

**H. CONSENT CALENDAR (for possible action)**

- H.1. Review, discuss and possibly approve the Tahoe Truckee Area Agreement for Mutual Emergency Aid (Requesting Staff Member: Director of Public Works Brad Underwood)**
- H.2. Review, discuss and possibly award a professional services contract for the Lakeview ski lift gear reducer service and rebuild; 2021/2022 Capital Improvement Project: Fund: Community Services; Program: Ski; Project # 3462HE1702; Vendor: Artec Machine Systems, Inc. in the amount of \$72,617 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)**
- H.3. Review, discuss and possibly approve a Sole Source Finding, and review, discuss, and possibly authorize a Procurement Contract for a Replacement PistenBully Snow Grooming Vehicle – 2021/2022 Capital Improvement Project; Fund: Community Services; Division: Ski; Project # 3463HE1728; Vendor: Kassbohrer All Terrain Vehicles, Inc. in the amount of \$400,000 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)**
- H.4. Review, discuss, and possibly approve the District's pay grade(s)/salary matrix, and hourly pay rates, in accordance with Nevada Revised Statutes 318.185 (Requesting Staff Members: Director of Human Resources Erin Feore, Director of Finance Paul Navazio, and District General Counsel Joshua Nelson)**

- H.5. Review, discuss, and possibly authorize a Professional Services Agreement for the Sewer Pump Station No.1 Improvements Project – 2599DI1703 – Fund: Utility; Division: Sewer; Vendor: Jacobs Engineering, Inc., in the amount of \$49,660 for the Sewage Pump Station No.1 Electrical Improvements Bid Documents Revisions and Bid Phase Services (Requesting Staff Member: Director of Public Works Brad Underwood)**
- H.6. Review, discuss, and possibly authorize Staff to execute SHI Quote #20696904 for the one-time purchase of a Microsoft Windows Server Data Center License in the amount of \$56,546.64 to be expensed in approved FY21/22 budget (Requesting Staff Member: Director of Information Technology Mike Gove)**

Chairman Callicrate said that we do have one question for District General Counsel; is there a reason why we have to put review, discuss and possibly approve? District General Counsel Nelson said in abundance of caution, Staff does that in the case it is pulled from the Consent Calendar. Trustee Tonking said that she would be abstaining from the vote on Consent Calendar Item H.4.

Trustee Wong made a motion to approve the Consent Calendar as submitted. Trustee Tonking seconded the motion. Chairman Callicrate called the question and the motion was passed unanimously with Trustee Tonking abstaining on Consent Calendar Item H.4.

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

- I.1. Review, discuss, and provide direction on cost savings options for the Recreation Center Men’s and Women’s Locker Room Remodel Project: 4899FF1202 – Fund: Community Services; Division: Recreation (Requesting Staff Member: Director of Public Works Brad Underwood)**

Engineering Manager Kate Nelson gave an overview of the submitted materials. Chairman Callicrate said that this is a high use area so for maintenance, does it makes sense to do away with penny tiles? Commend you for doing what you did and pushing it out, melding of the two to get the most bang for the buck and timing is in your court. Trustee Tonking said her only concern is cost savings – is it worthwhile? Engineering Manager Nelson

said that the lockers are costing the most which take up the most space but you want to spend your money on the lockers. Trustee Schmitz said thank you to Staff and that she commends them as Engineering Manager Nelson has been knowledgeable and that she enjoyed working with them in a truly collaborative effort. If the Board chooses an option of 1 and 2 it really was Staff's preference to have option 2 as that was what Staff thought they were getting and it was really good that we did a walk through on this. The Board of Trustees can choose to do whatever but know that Staff was in favor of wall to wall mirrors and doing away with the penny tiles. Engineering Manager Nelson said that is correct and it goes back to maintenance. Chairman Callicrate asked Staff if they have clear direction as the consensus is for option 2 which the Board all agreed to.

**I.2. Review, discuss, and possibly authorize critical repairs and review, discuss, and possibly authorize the use of alternative storage ponds: Effluent Pipeline and Pond Lining Projects (Requesting Staff Member: Director of Public Works Brad Underwood)**

Director of Public Works Brad Underwood gave an overview of the submitted materials and stated that on Friday, we were notified of a leak on the pipeline, and that Staff worked through the night to get that repaired. Trustee Dent asked if the slip lining will work? Director of Public Works Underwood said we will look at that. Trustee Dent said we do need a retention pond and asked if we are putting it beside the existing pond? Director of Public Works Underwood said yes, we are exploring alternative methods. Trustee Schmitz said she has a similar question – in reading the PICA report, they clearly state they can't make judgements on the joints and that they have to be in good shape to do slip lining - what segment was the leak? Director of Public Works Underwood said it was on Segment 2 at a joint. Trustee Schmitz said we will have questions regarding slip lining as it relative to these joints. Director of Public Works Underwood said we will be back before the Board to discuss that as it is a difficult project and that one of the challenges is storage. This approach is a good one and we will keep communication going. Trustee Schmitz asked if we can do the replacement without the pond if we kept the line running while working? Director of Public Works Underwood said no because we are taking out segments. We had enough time to hold back the effluent. Trustee Schmitz said she wasn't talking about the emergency repairs and that we have done it in the past with the pipe going down alongside. As we are talking about the repairs, are they needing to shut down the line for the repairs? Director of Public Works Underwood said Staff is recommending not moving forward with the critical repairs.

Chairman Callicrate said, based on the recommendations in the memorandum, are there any other questions? Trustee Dent said the Mill Creek Pond #2 is a new location so what are we gaining and what do we need – which size? What are we picking up by going with the bigger pond – are we gaining months? Director of Public Works Underwood said it cuts down the project by at least one year and maybe two years, it will assist the contractor with getting employees for more hours each week, and by building the larger pond we maximize our options on digging up the pipeline. There are several factors to help the construction opportunities - do we know the exact design – not yet. The pond lining has to happen first because by delaying the pond lining, we are delaying the whole thing. As to leaks – prefer to move forward, the pond will be larger, and we have got to provide the contractor with enough work. Trustee Schmitz said if we make use of that different pond are there other costs such as piping, pump station, etc. – other adjunct costs? Director of Public Works Underwood said there is a little bit of work that will have to be done at the pump station – a more robust pump and a pipe that will need to run down so there will be additional work with a higher cost. We will see some savings as we were going to build a type of decant facility but we won't build that with a little bit of savings. By providing Granite with a full week of work, we will see some savings and we are getting a partner with United States Army Corps of Engineers for 75% funding. Trustee Schmitz asked about the odor impact to residents? Director of Public Works Underwood said it is treated effluent with chlorine. District General Manager Winqest said Granite and HDR are here. Granite's John O'Day said that it will shorten the project time and that by utilizing the large reservoir and doubling our production, this should cut your schedule in half. Line it or put in a brand new pipe – allows us more time to explore that as that is the key to this whole project. We do need an entrance and exit pit and the traffic control is going to be the same for either option. Running a new parallel line – there will be some areas with a lot of rock. It is beneficial to put into same trench as it makes it a lot easier however the first mile is very rocky and traffic control could be even more tricky with new pipe. Guardrail areas are going to be tricky as well. Chairman Callicrate said he thinks that the recommendation in the memorandum is the way to go. Mr. O'Day said regarding the decant facility, we will build some type of separate structure and if we don't have to build that, there will be savings there and that could be used to line a bigger pond. Trustee Schmitz said given the flow rate, peak time, how many days of storage do we have at the existing pond #1? Director of Public Works Underwood said an additional day.

Trustee Tonking made a motion to not proceed with Effluent Pipeline critical repairs and authorize Staff to enter into a no cost contract

amendment with HDR to revise the scope of work and approve utilization of Mill Creek Pond #2 for Effluent Storage and authorize Staff to enter into a no cost contract amendment with Jacobs to revise the scope of work. Trustee Dent seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question and the motion was passed unanimously.

- I.3. **A. Review, discuss and possibly approve the District's Form 4410LGF - Indebtedness Report, as of June 30, 2021, for filing with the Nevada Department of Taxation and the Washoe County Debt Commission and**
- B. Review, discuss and possibly approve the District's Form 4411LGF - Five-Year Capital Improvement Plan, to include the IVGID-prepared Five Year Capital Plan Summary for fiscal years 2021-22 through 2026-27 and FY2020-21 Carryforward Schedule, for filing with the Nevada Department of Taxation, the Washoe County Clerk and the State of Nevada Legislative Counsel Bureau**

**(Requesting Staff Member: Director of Finance Paul Navazio)**

Director of Finance Paul Navazio gave an overview of the submitted materials. Chairman Callicrate said do we need to amend these two forms? Director of Finance Navazio said no as they are required to be in conformance with 4404LGF. We will be amending the budget and seeing these in your quarterly budget reports, mostly likely at your first meeting in September you will see it. This is more to inform Washoe County and the State of Nevada about our debt and the supporting funding - what is our current debt, what is our capital funds, and do we have funds to support and if not, how do we plan on financing it. Trustee Schmitz said she is confused - why wouldn't we want to report to the State of Nevada our conversion to Enterprise and those adjustments and why not accurately report to the State of Nevada our carryover projects? Director of Finance Navazio said, referencing agenda packet pages 221 and 222, that we have already shown, on the State forms, as planned expenditures, budgeted and contemplated for expenditure. Trustee Schmitz asked, referencing agenda packet 211, what are they? Director of Finance Navazio said those are funding sources and that in the General Fund, as an example, it identifies where it is coming from i.e. property taxes, etc. and that the funding sources is the second set of columns; this attempts to describe for the State of Nevada the funding sources. Trustee Schmitz said is this how it is to be noted on the State

forms? Director of Finance Navazio said yes. Trustee Schmitz said on June 9, 2021, she brought up that the Board of Trustees has never appropriated the \$1.5 million for the pond lining and rather they appropriated \$36,000. She doesn't think the Board took action to appropriate so she is not sure how we have a carryover? Director of Finance Navazio said of the \$2 million that was budgeted for the effluent pipeline, the amounts that were available to carryover, a portion was carried over for effluent pipeline, and then added was the new \$2 million and the \$1.55 million of last year's monies. \$2 million has been carried forward which is the same funding and spending authority to support initial work on the pond lining project because it is going to require supplemental monies. It is the \$2 million from 2021 that was recommended, proposed, and approved by the Board as seed funding for pond lining. Trustee Schmitz said she doesn't recall that \$1.5 million because we established a new project and that had a zero budget. She doesn't recall the Board ever making a decision to appropriate that money and therefore result in a carryover. Director of Finance Navazio said that the Board approved a budget that included \$1.55 million for the pond lining project and that the funding source was a carryover of money that was carried over from last year. Funding was from one year to the next and reallocated to the pond lining project and we discussed this at some length during the budget. Pipeline to pipeline and reallocate and carryover, Staff presented a budget that resulted in the same result without too much concern about reallocation and carry over and we basically said \$1.55 million in the pipeline project is carried over and it is the pond lining project. Chairman Callicrate said by being in the budget, we did this? Trustee Dent said can we not make that a common practice as it should be a one off and not a common practice. Director of Finance Navazio said he can assure you that it will not be a common practice. Trustee Tonking said at the last meeting when we discussed it, we did say we were going forward as we had to make sure we addressed it and that we all agreed that was where the funding was coming from. Director of Finance Navazio said as far as the State of Nevada goes, there is no carryover. Appropriations end on June 30 and new appropriations start on July 1 therefore it is not an issue in the State report. Trustee Schmitz said on agenda packet page 214, for clarification, you are telling us that agenda packet pages 221 and 222 do get submitted? Director of Finance Navazio said typically they don't, we have let them know, however we are not required to be submitted to them and he has no problem putting in the packet to the State as they will see it in the next budget form. Trustee Schmitz said on agenda packet page 214, under Recreation Center, restroom remodel, no new appropriations, no carryover, she doesn't understand? Director of Finance Navazio said those are projects that we will be recommending for carry forwards and that they will likely have a carry

forward, however we don't have the dollar amount identified yet. Trustee Schmitz said she doesn't understand why it doesn't have anything; are these projects not moving forward? Director of Finance Navazio said on agenda packet pages 221 and 222, there is \$170,000 budgeted for that project and that Staff will continue to charge last year's dollars until the middle of August and when we know what has been used, the balance will come to the Board to carry over to complete that project. On agenda packet page 214, the projects that are carry overs are approved and contemplated. Chairman Callicrate said that there has been a change and it may come across as kind of startling, this is being done differently, and our Director of Finance is trying to make it cleaner and that it may not come across that way as we continue to take actions in August and September. As long as we are compliant with State and then we clean it up, etc. that is our goal and it is a tough transition to get to the sweet spot and that if we are being law abiding first and foremost, then he has no issue with it. District General Manager Winquest said he understands the confusion surrounding the pond lining project – completely understands it as it is not perfect and Staff will not make it a common practice but there is nothing wrong with what we are doing rather it is just wonky. The way our Director of Finance wants to provide transparency on carry over, it is a significant upgrade and we want the Board to be comfortable with what we are doing. He wants to point out, and we are not making it a common practice, but that we will have the same thing with the Burnt Cedar pool as we didn't have funding but we wanted to start the project. There is no deception going on, Staff is not manipulating anything, and we are just trying to get these projects executed and we acknowledge this on the Burnt Cedar pool and the pond lining. This is a much better way of handling the carry overs.

Trustee Tonking made a motion to approve the District's Form 4410LGF Indebtedness Report, as of June 30, 2021, and direct Staff to file the documents with the State of Nevada Department of Taxation and Washoe County Debt Commission by August 1, 2021 and approve the District's Form 4411LGF Five Year Capital Improvement Plan, as of July 1, 2021, the related IVGID-prepared Five Year Capital Plan Summary, and the Carryforward Schedule, for the fiscal years starting July 1, 2021 for filing with the Nevada Department of Taxation, the Washoe County Clerk and the State of Nevada Legislative Counsel Bureau by August 1, 2021. Trustee Wong seconded the motion. Chairman Callicrate asked for further comments, receiving none, he called the question and the motion was passed unanimously.



Chairman Callicrate called for a 10-minute break at 9:30 p.m.; the Board reconvened at 9:39 p.m.

**I.4. Review, discuss and possibly approve the appointment of Mr. Chris Nolet as an Audit Committee At-Large Member, to approve modifications to Policy 15.1.0 to permit Mr. Nolet's appointment and to defer further review and possible modifications of Policy 15.1.0 (Requesting Audit Committee Member: Audit Committee Chairman Raymond Tulloch) (was General Business Item I.5.)**

Audit Committee Chairman Tulloch gave an overview of the submitted materials. Chairman Callicrate said he is in favor if a Trustee is willing to serve as it is important to have two Trustees on the committee and if one of the other members is having a struggle and ends up stepping down, he would consider Mr. Nolet's appointment. He would like to see two Trustees on the committee and he doesn't have an issue with deferral. This is a transition time and that he understands there are some difficulties and that he wants it to continue its work. We are not stopping or shutting it down but he does want to see a second Trustee on the committee. Trustee Tonking said she agrees and that if Trustee Dent won't join, then she will join once Policy 15.1.0 is addressed because we aren't in compliance. Trustee Wong said she agrees with Trustee Tonking and based on the recommendations of Raftelis, it is very different for her. Trustee Schmitz said when she was in the process of compiling and putting together Policy 15.1.0, she pulled in our existing policy and pulled some from the GFOA and that she specifically didn't use GFOA's recommendation of all Trustees as the American Academic of CPA's recommends non-executive members because they are interested in doing more with Sarbanes-Oxley Act. This was a little bit of a hybrid, with two Trustees, and if you go to AICPA and their toolkit, their recommendation is that the executive committee not be participating for separation and independence and so the Government become more in compliance with Sarbanes-Oxley Act. We have a governmental aspect and we have a business aspect which is very important to our organization and we want to ensure that we have that independent body. Whether we one, two or no Trustees, that is a decision that we should make. What they, Raftelis, were citing, was in this book - not governmental and it is strictly independent. Chairman Callicrate said one of the concerns is that we are a chartered governmental entity and while we do have businesses, we still need to have the governmental oversight. He is not against the changes; we have a hybrid. We have an at-large member who is the Chair so we should be looking at this in a broader scope as we need to get it right. If that takes a little longer – a meeting or two - to really hammer this out, he is fine as he

wants to make sure we get it right. He would like to see the recommendations on Policy 15.1.0 from the Audit Committee and then we will make the final decisions, he has no issue with that aspect. We do need to have that hammered down and have the new and improved Audit Committee working. Audit Committee Chairman Tulloch said we need to be in compliant with GFOA, he was surprised by the Raftelis recommendation, however one doesn't hire an electrician to do taxes so one shouldn't hire a utility consultant to do auditing. Audit Committee Chairman Tulloch then cited Douglas County and Washoe County Audit Committee make up; he stated that he did a little research on Douglas County and that some of the changes they made were in response to a Grand Jury inquiry, and that this was just for background. The decision is for the Board and that the Audit Committee will be bringing back their suggestions. District General Counsel Nelson said if a Trustee is willing to serve, the Board can't appoint them tonight but it can agendize it for action. Trustee Schmitz said she would like to go on record as being very supportive of Mr. Nolet who is willing to serve and who brings knowledge and professionalism; he would be a true gem to add. Chairman Callicrate said he agrees and should there be a change, which is somewhat eminent, he would be willing to go forward with Mr. Nolet and that he would like to have another Trustee serve so please agendize that item and then give us some time to discuss with our Trustees who might be willing to serve and we will have the Policy 15.1.0 information; things could change by August 10. Trustee Tonking said she was not addressing the GFOA make up rather her concern is the scope doesn't align with GFOA. It is less with the people and that we need to discuss that, nail that down and the concept of independence. Trustee Dent said he would be willing to serve during the interim, if that took a couple more months, he would be willing to do that for a few months. Chairman Callicrate said he appreciates the work that has been done and that he wants to get it right. Audit Committee Chairman Tulloch said thank you and no slight taken or intended, as the Audit Committee is trying to put forward some solutions on Policy 15.1.0. Trustee Dent said he wants to second what Trustee Schmitz said about Mr. Nolet; thank you for showing interest and that when the timing is right, you will be seated. Chairman Callicrate said he appreciates anyone stepping forward who wants to help.

**I.5. Review, discuss and provide direction on possible revisions to Board Policy 15.1.0 – Audit Committee (Requesting Trustee: Board Chairman Tim Callicrate) (was General Business Item I.4.)**

Chairman Callicrate tabled this item until the next meeting.

**I.6. Review, discuss and possibly approve the District's Strategic Plan for 2021-2023 (Requesting Staff Member: District General Manager Indra Winqest)**

District General Manager Winqest gave an overview of the submitted materials.

Suggested changes:

- District General Manager Winqest: Add something about internal controls under Finance.
- Trustee Schmitz: Workforce issues with Utilities versus our seasonal venues; review each and have this for Utilities and then this for seasonal venues – reflect as there should be some separation.
- Residents, customer and parcel owner – review the document; they are different and have different definitions - different for Utilities versus seasonal venues.
- Trustee Tonking: Agree with Trustee Schmitz – sub-bullet it to make the point.
- Trustee Dent: Agrees with Trustees Schmitz and Tonking – agree more detailed than in year's past, like the idea of being a little more focused and drilling down – good start, not ready to move forward tonight.
- Trustee Wong: Good start, all need to buy into, and identify how are the decisions we are making are supporting this Strategic Plan.
- District General Manager Winqest: If each of you could read the Governance section and be prepared to submit any feedback that you might have.

Trustee Schmitz asked why it is a problem to provide feedback on this document as our District General Manager would have the opportunity to be the filter and decide what he wanted to incorporate so she doesn't understand why it is not acceptable? District General Counsel Nelson said that means he acts as a conduit for all of you and that is fine line. It would be ok to provide redline and put all of those in the packet as part of the process. Trustee Schmitz said what if they are anonymous? District General Counsel Nelson said it is a good idea but no. Trustee Schmitz said it is up to the District General Manager to decide what goes in. Chairman Callicrate said the point is well taken and let's bring it back on August 10 and come prepared to discuss it and adopt it either on August 10 or August 25.

**J. MEETING MINUTES (for possible action)**

**J.1. Meeting Minutes of May 12, 2021**

Chairman Callicrate asked for changes, none were provided so the meeting minutes were approved as submitted.

**J.2. Meeting Minutes of May 26, 2021**

Chairman Callicrate asked for changes, none were provided so the meeting minutes were approved as submitted.

**J.3. Meeting Minutes of June 9, 2021**

Chairman Callicrate asked for changes, none were provided so the meeting minutes were approved as submitted.

**K. FINAL PUBLIC COMMENTS\***

Denise Davis said we heard a lot of good things about our utilities tonight. She has gone on several facility tours and have been happy with what she saw. Are we perfect? No, but we have Staff who are proud of the work they do. She has no concerns when she turns on a faucet or flush a toilet. Earlier this evening, Mr. Wright made a comment regarding the Ordinance 7 committee. She is also a member of the committee. First, an overwhelming majority of the committee voted that employee access to facilities was beyond the purview of our committee. We are not ignoring the issue. Second, for the record, she is not and have never been an IVGID employee or received a single penny in payment from IVGID. The committee has one current and one former IVGID employee and they both recuse themselves when the topic involves IVGID. It's insulting for committee members to be accused of ulterior motives. Finally, the Ordinance 7 committee is only making recommendations to the Trustees. They can choose to take all our recommendations, take none of our recommendations, or come up with recommendations of their own. The Ordinance 7 committee is not making any decisions. Please complete the online survey.

**L. ADJOURNMENT (for possible action)**

The meeting was adjourned at 10:19 p.m.

Respectfully submitted,

Susan A. Herron  
District Clerk

Attachments\*:

\*In accordance with NRS 241.035.1(d), the following attachments are included but have neither been fact checked or verified by the District and are solely the thoughts, opinions, statements, etc. of the author as identified below.

Submitted by Mike Abel: Written Statement of Public Comments

Submitted by Cliff Dobler: Written Statement of Public Comments