



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at **6:00 p.m.** on Wednesday, January 13, 2021 in the Boardroom at 893 Southwood Boulevard, Incline Village, Nevada.

In compliance with State of Nevada Executive Department, Declaration of Emergency Directives 006, 016, 018, 021, 026, and 029, this meeting is closed to the public and attendance is limited to members of the Board of Trustees and essential staff. Public comment is allowed and the public is welcome to make their public comment either via e-mail (please send your comments to info@ivgid.org by 4:00 p.m. on Wednesday, January 13, 2021) or via telephone (the telephone number will be posted to our website on the day of the meeting).

CLOSED SESSION – TIME CERTAIN - 5:00 p.m. to 5:45 p.m.

The Board may consider a motion to enter a Closed Session to consider negotiating strategy pertaining to the Operating Engineers Local Union No. 3 (pursuant to NRS 288.220).

- A. PLEDGE OF ALLEGIANCE*
- B. ROLL CALL OF TRUSTEES*
- C. INITIAL PUBLIC COMMENTS* - *Unless otherwise determined, the time limit shall be three (3) minutes for each person wishing to make a public comment. Unless otherwise permitted by the Chair, no person shall be allowed to speak more than once on any single agenda item. Not to include comments on General Business items with scheduled public comment. The Board of Trustees may address matters brought up during public comment at the conclusion of the comment period but may not deliberate on any non-agendized item.*
- D. APPROVAL OF AGENDA (*for possible action*)

The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

- E. PUBLIC HEARINGS
There are no Public Hearings for this agenda.
- F. DISTRICT STAFF UPDATES (*for possible action*)
 - 1. District General Manager Indra Winquest – **pages 4 - 10**
- G. REVIEW OF THE LONG RANGE CALENDAR (*for possible action*) – **page 11**
- H. DISTRICT GENERAL COUNSEL UPDATE (*for possible action*)

There is no District General Counsel update for this agenda.

Incline Village General Improvement District

Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of January 13, 2021 - Page 2

- I. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.
1. Final report regarding the District's contract administration submitted by Moss Adams Representative Stephen Bacchetti (Requesting Staff Member: District General Manager Indra Winquest) – **pages 12 - 40**
 2. Treasurers Report (*for possible action*)
 - A. Payment of Bills (*for possible action*) (*For District payments exceeding \$10,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$10,000 provided they are budgeted and the expenditure is approved according to District signing authority policy*) – **page 41**
 3. Audit Committee Chairman Matthew Dent: Report on December 19, 2020 Audit Committee Meeting
- J. CONSENT CALENDAR (*for possible action*) (In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar". A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the General Business section of the meeting. A unanimous affirmative vote shall be recorded as a favorable motion and approval of each individual item included on the Consent Calendar.)
- There are no Consent Calendar items for this agenda.**
- K. GENERAL BUSINESS (*for possible action*)
1. Election of Board of Trustees Officers for the 2021 Term – Effective January 13, 2021 (Requesting Trustee: Chairman Tim Callicrate) – **page 42**
 2. Review, discuss and possibly approve a Code of Conduct for elected and appointed officials (Requesting Trustee: Chairman Tim Callicrate) – **pages 43 - 47**
 3. Review, discuss and possibly approve a Professional Services Contract for Utilities Management Review and Asset Assessment; Vendor: Raftelis; Amount: \$74,175, plus 10% contingency (Requesting Staff Member: Engineering Manager Nathan Chorey) – **pages 48 - 67**
 4. Review, discuss and possibly approve a scope of work with Tri-Strategies for Legislative representation services during the 81st Legislative Session for the State of Nevada beginning on February 1, 2021 (Requesting Staff Member: District General Manager Indra Winquest) – **pages 68 - 69**
 5. Discussion Item Only: As requested by Trustee Matthew Dent, review, discuss and provide direction regarding the proposed 2020/2021 Utility Rate adjustment (Discussion will be led by District General Manager Indra Winquest, Director of Finance Paul Navazio and Engineering Manager Nathan Chorey) – **pages 70 - 88**
 6. Review, discuss and possibly commit Community Services fund balance to priority Board projects (Requesting Staff Member: Director of Finance Paul Navazio) – **pages 89 - 108**



NOTICE OF MEETING

Agenda for the Board Meeting of January 13, 2021 - Page 3

- L. APPROVAL OF MINUTES *(for possible action)*
 - 1. Meeting Minutes of December 9, 2020 – **pages 109 - 134**
- M. REPORTS* *(Reports are intended to inform the Board and/or public)*

There are no Reports for this agenda.

- N. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.
- O. ADJOURNMENT *(for possible action)*

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, January 8, 2021 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of January 13, 2021) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

- 1. IVGID Anne
- 2. Incline Village
- 3. Crystal Bay Post
- 4. Raley's Shopping
- 5. Incline Village
- 6. IVGID's
- 7. The Chateau at

**SUSPENDED – STATE OF NEVADA
EXECUTIVE DEPARTMENT,
DECLARATION OF EMERGENCY,
DIRECTIVES 006, 016, 018, 021, 026, AND
029.**

- Vorderbruggen Building (Administrative Offices)
- Post Office
- Office Center
- Branch of Washoe County Library
- Recreation Center
- Incline Village

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC

District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: *Tim Callicrate - Chairman, Matthew Dent, Sara Schmitz, Kendra Wong, and Michaela Tonking.*

Notes: *Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.*

IVGID'S agenda packets are now available at IVGID's web site, www.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

**NRS 241.020(2) and (10): 2. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting ...10. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to: (a) Disasters caused by fire, flood, earthquake or other natural causes; or (b) Any impairment of the health and safety of the public.*

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of January 13, 2021

DATE: January 6, 2021

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>	Authorize Agreement with CMAR – January BOT Meeting	GM Winqest/Engineering Manager Chorey/ Trustee Dent	The District received submittals from two (2) highly qualified firms. Interviews took place on December 18 th . Staff is in the process of finalizing a CMAR selection.
Effluent Pipeline Project Request for Qualifications (RFQ)	See above	GM Winqest/Engineering Manager Chorey/ Trustee Dent	See above
Burnt Cedar Pool Project	Schematic Design Phase Completed	Engineering Manager Chorey/GM Winqest	Final design contract approved on 12/9/20. CORE Construction has begun Pre-Construction Services
Internal Controls Project(s) Review of Internal Control Policies and Procedures <i>*updated</i>	Winter/Spring	Director of Finance Navazio	Internal Control documents and discussion of project plan for updates planned for Audit Committee meeting of January 27 th .
Construction Contract Review <i>*updated</i>	Winter 2020	GM Winqest/Director of Finance Navazio	Moss Adams contract management review completed; presentation to BOT on January 13 th .
RFP for Independent Audit Services / Financial Reporting	Spring 2021	Audit Committee / Director of Finance Navazio	RFP released on 11/10/20; Responses from firms received 12/17/20; Audit Committee recommendation in Feb. with Board approval in March
Ordinance 7 GM Advisory Committee <i>*updated</i>	Fall/Winter 2020	GM Winqest	Members of the Committee updated the BOT at the 12/09/20 BOT meeting. Next meeting scheduled for 1/12/21

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Smith vs IVGID Litigation	Ongoing	Legal Counsel/Board of Trustees/GM Winquest	Update provided by Legal Counsel at the 9/9/20 BOT mtg
Utilities Performance/Asset Management Review <i>*updated</i>	Hiring of Consultant January 2021	GM Winquest/Board	The District received submittals and have interviewed 2 firms. Currently on the agenda for the 1/13/21 BOT mtg for approval of contract for services.
2020/2022 Strategic Plan	February 2020/21	Senior Management Team/Board of Trustees	Will discuss in the future, during long range calendar. Will set a workshop date after election
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winquest	Have resumed discussions with the USFS regarding special use permit, Legislation in progress
2020/2021 Budget Kick off Workshop <i>*updated</i>	January 20 2021	GM Winquest/Director of Finance Navazio	Long Range Calendar updated to reflect first workshop January 20, 2021
Recreation Punch card accounting	Fall/Winter 2020	Director of Finance Navazio	Board Workshop took place on 9/9/20. Moss Adams Currently evaluating Punch Card Accounting
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winquest/Engineering Manager Chorey	Laura Whitney (USACE) shared new model agreements on 11/23. New target for completion of agreements is 3/31/21
Ski Way Reconstruction Project	TBD	Engineering Manager Chorey	GM Winquest/ Engineering Manager Chorey met with Tyrolian Board Chairman/Vice Chairman on 10/21/20

Diamond Peak Update

Diamond Peak opened for the season on December 4th to IVGID pass holders and Season Pass Holders. On December 10th, our planned opening date the ski area opened to all guests. During the month we saw very good snowmaking weather along with natural snowfall to assist in the building and opening of trails.

- December 4th - open Crystal Ridge, Sunnyside, Lodgepole, Schoolyard, Ridge and Popular

- December 14th - open Lower Showoff, Diamondback, Battleborn, Spillway, Chute and Luggis
- December 17th - open Freeway
- December 19th - open Wiggle and Village South Terrain Park
- December 22nd - open Uphill access with AM routes
- December 29th - open Great Flume, Lightning and Thunder
- December 31st - open Lakeview
- January 1st - open Slalom Glade and FIS
- January 9th - open Village North Terrain Park

During the holiday period from Saturday December 19th through Sunday January 3rd snow conditions were excellent with mostly sunny days adding to the guest experience with a skier count of approximately 25,191 for the period, 26% below the five year average. The final skier visit count for December was 27,557 which is 4% below the ten year monthly average. Through the month of December our ski schools taught 1,602 lessons as compared to 3,891 lessons last December down 58%. For the month we taught lessons to 5.8% of our skier visits compared to 12% last December.

We continue to operate using best practices and guidelines, practice physically distancing from one another, wear a face covering while visiting, do not visit if you are feeling unwell, plan ahead and please remember to visit diamondpeak.com for the latest information about Diamond Peak.

Staffing Recruitment & Notification

The Human Resources and Senior Management teams are very busy with multiple key recruitments. The District has formally hired a Controller who will be starting on January 11th. Recruitment for the Director of Public Works is in the final phase and staff expects to extend an offer to the top candidate in early January. Recruitment of the Parks & Recreation Superintendent has reached the final interview phase as four candidates have advanced to the interview process which will occur in early January. The District General Manager will keep the Board of Trustees and community up to date on these key recruitments.

Dee Carey has submitted her resignation as the District's Director of Human Resources as of January 20, 2021. Dee has served the District for twelve years and is a member of the Senior Management Team. Dee has been an outstanding member of the District team and we thank Dee for her tremendous commitment to the District and leading the Human Resources Department most recently through the current pandemic.

Ordinance 7 General Manager Advisory Committee

A page on the IVGID website has been created and that link is <https://www.yourtahoeplace.com/ivgid/general-managers-committee-on-ordinance-7>. The minutes from the first meeting are posted to this website. The next meeting of this committee is scheduled for January 12, 2021. There will be a verbal update at the Board of Trustees meeting on January 13, 2020.

Key Project Updates

See more information on current district capital projects.

Webpage Link:

<https://www.yourtahoepace.com/ivgid/resources/construction-updates>

Risk and Resilience Assessments and Emergency Response Plan

The America's Water Infrastructure Act (AWIA) requires preparation of Risk and Resilience Assessments (RRA) and emergency response plans (ERPs). Farr West Engineering's contract was authorized at the December 9, 2020 Board Meeting.

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 unanimously authorized schematic design services. On September 30, 2020, the Board of Trustees provided feedback on project delivery with the majority supporting the Construction Manager-At-Risk (CMAR) project delivery method. Final Design was authorized at the December 9, 2020 Board Meeting. The Project is tentatively scheduled to begin construction in May 2021. Construction will require complete closure of the pool and pool deck for an entire season.

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	\$32,720	\$741,720	\$426,907	\$314,813

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/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff has prepared a Request for Proposals (RFP) to solicit responses from potential CMARs and received responses from two (2) highly qualified firms. Interviews of both firms occurred on December 18, 2020.

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/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff has prepared a Request for Proposals (RFP) to solicit responses from potential CMARs and received responses from two (2) highly qualified firms. Interviews of both firms occurred on December 18, 2020.

Financial Transparency

Fiscal Year 2019/2020 Year-End Audit. We are nearing completion of the Comprehensive Annual Financial Report and related audit work. Final report anticipated in mid-January with review by the Audit Committee on January 20th and Board of Trustees on January 27th. Draft of financial statements was reviewed by Audit Committee at meeting of November 19th. The District's request for a 30-day extension to file audit report with the state has been approved. This extension will allow the Audit Committee and Board to consider the results of a third-party review of District financial reporting practices.

The Board was previously advised of correspondence (dated 12/1/20) transmitted to the Nevada Department of Taxation informing them of the District's intent to transition back to Enterprise Fund accounting for our Community Services and Beach activities, effective with the 2021/22 fiscal year. On December 23rd, the Department of Taxation provided the District's Board Chair and Director of Finance a notice of a hearing before the Committee on Local Government Finance, scheduled for January 28, 2021. (See attached Request for Appearance).

Staff completed the close for November 2020 and monthly financial reports are posted on the District's website and on our OpenGov platform. The close for the month of December is scheduled to be completed the week of January 18th.

Finally, Staff has initiated the budget process for development of the District's FY2021/22 budget. An important component of the budget process will be the scheduling of a series of budget workshops with the Board of Trustees to provide opportunity for input prior to presentation of the District's Tentative Budget in March 2021 and approval of the Final Budget in May 2021. There is a Budget Workshop, Wednesday, January 20, 2021, Time: 5 or 5:30 p.m.

Policy 3.1.0, subparagraph 0.4 – Report to the Board on Contracts Signed by the District General Manager

From December 1, 2020 to December 31, 2020

PO Number	Vendor	Description	PO Amt
21-0127	GS O3 Services, LLC	Calibration of ozone analyzers at BC WDP	\$7,800.
21-0129	Jacobs Eng'g	WRRF Aeration Systems Imp.	\$18,000.
21-0134	Farr West Eng'g	Risk & Residence Assessments & Emergency Response Plan	\$19,000.
21-0135	Western Nevada Supply	Various parts	\$6,309.12
21-0138	G3 Eng'g	Mechanical Seal for Pump	\$7,775.
		TOTAL	\$58,884.12

Public Records Requests

Following are the public records requests from December 4, 2020 through December 29, 2020.

Date Requested	By Whom	Subject	Date Responded	Status/Comments
12/05/2020	Dobler, Cliff	Resend of information sent back in January 2020	12/14/2020	Complete
12/16/2020	Gumz, Joy	USDA Forest Service Payment Information	12/22/2020	Complete
12/17/2020	Katz, Aaron	Secret IVGID Quarterly	12/17/2020	Complete
12/17/2020	Dobler, Cliff	Rapid Construction Bid and Complete Bid Documents for Ballfield Project	12/17/2020	Complete
12/17/2020	Katz, Aaron	\$875 Charges to NPRS		Calendared for 01/31/2021
12/17/2020	Katz, Aaron	Multiple Items re: Tree City		Partial response sent 12/17/2020; Balance calendared for 01/31/2021
12/17/2020	Dobler, Cliff	Ballfield 3 Renovation		Rec'd 1/5/2021 – due 1/12/2021
12/17/2020	Dobler, Cliff	RFP for Incline Park Facility Renovation Project between 5/23/2018 and 12/20/2020	01/05/2021	Rec'd 1/5/2021 – due 1/12/2021 Complete
12/22/2020	Gumz, Joy	EFT Question and backup to USFS payment of \$11,800		Rec'd 1/5/2021 – due 1/12/2021
12/24/2020	Dobler, Cliff	Cell Tower Leases (4)	01/05/2021	Rec'd 1/5/2021 – due 1/12/2021 Complete
12/24/2020	Dobler, Cliff	Executed copy of PNC Equipment Finance LLC agreement (golf carts – Mountain) and minutes of approval	01/06/2021	Rec'd 1/5/2021 – due 1/12/2021
12/29/2020	Dobler, Cliff	IT Infrastructure	01/05/2021	Rec'd 1/5/2021 – due 1/12/2021 Complete



STATE OF NEVADA
DEPARTMENT OF TAXATION

Web Site: <http://tax.nv.gov>
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
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STEVE SISOLAK
Governor
JAMES C. DEVOLLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

December 23, 2020

COMMITTEE ON LOCAL GOVERNMENT FINANCE
REQUEST FOR APPEARANCE

CERTIFIED MAIL: 9171 9690 0935 0010 7740 59

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
ATTN: PAUL NAVAZIO, DIRECTOR OF FINANCE
893 SOUTHWOOD BOULEVARD
INCLINE VILLAGE, NV 89451

ZOOM MEETING

Date and Time of Meeting: January 28, 2021, 9:00 a.m.

In compliance with the Governor's Emergency Directive #006 (dated March 22, 2020) and Emergency Directive #026 (dated June 29, 2020), the meeting may be conducted by electronic communications. You may participate by using Zoom or by telephone:

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/84764421320>

Or iPhone one-tap:

US: +13462487799,84764421320# or +16699009128,84764421320#

Or Telephone: Dial (for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782 or +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592

Webinar ID: 847 6442 1320


International numbers available: <https://us02web.zoom.us/j/84764421320>

A representative from Incline Village General Improvement District is requested to appear by teleconference before the Committee on Local Government Finance (Committee) at the date and time above regarding the following:

1. Discussion and review of IVGID's request to transition from Special Revenue accounting, back to Enterprise Fund accounting for the District's Community Service and Beach Funds as reversed beginning in 2015/16 Budget
2. Discussion regarding required valuation of Capital Assets, prior to any proposed transition starting FY 21/22 Budget
3. Discussion from current Independent Auditor regarding proposed transition back to Enterprise accounting from Special Revenue Fund accounting for the Community Service and Beach Funds

The Committee requests that any additional materials regarding this agenda item be received in the office of the Department at least 5 working days prior to the scheduled meeting to allow the Department and Committee Members an opportunity for review.

If you have any questions, please feel free to call Kelly Langley at 775-684-2073.



Jeffrey Mitchel, Deputy Director
Department of Taxation

DATE	DAY OF THE WEEK	TIME	LOCATION	TYPE OF MEETING - 2021	COMPLETED MEMORANDUMS WITH ALL BACK UP MATERIALS FOR AGENDA ITEMS FROM BOARD MEMBERS DUE DATES	ITEMS SLATED FOR CONSIDERATION
01/20	Wednesday	TBD		Audit Committee Meeting	01/11/2021 8 a.m.	Review CAFR 2019/2020 Policy 15.1.0 – fine tune and then send to BOT
01/20	Wednesday	TBD		Budget Workshop #2	01/11/2021 8 a.m.	
01/27	Wednesday	6 p.m.		Regular Board Meeting	01/18/2021 8 a.m.	Board appointments – Audit Committee and Nevada League of Cities Board of Trustees Handbook Review and discussion on next steps Correspondence in Board packet – Chairman Callicrate Approve CAFR 2019/2020 Effluent CMAR contract Approve negotiated payment to ETS (Beko)
01/27	Wednesday	TBD		Audit Committee Meeting	01/18/2021 8 a.m.	Chair Whistleblower Policy Staff update on Internal Controls Chart of Accounts Update RFP for Auditor
02/10	Wednesday	6 p.m.		Regular Board Meeting	02/01/2021 8 a.m.	FY2020/2021 Mid-Year Budget Update Public Records Update (in GM report)
02/24	Wednesday	6 p.m.		Regular Board Meeting	02/15/2021 8 a.m.	Budget Workshop #3 (February - Date TBD)
03/10	Wednesday	6 p.m.		Regular Board Meeting	03/01/2021 8 a.m.	Public Records Update (in GM report)
03/24	Wednesday	6 p.m.		Regular Board Meeting	03/15/2021 8 a.m.	
04/14	Wednesday	6 p.m.		Regular Board Meeting	04/05/2021 8 a.m.	Public Records Update (in GM report)
04/28	Wednesday	6 p.m.		Regular Board Meeting	04/19/2021 8 a.m.	
05/12	Wednesday	6 p.m.		Regular Board Meeting	05/03/2021 8 a.m.	Approval of FY2021/22 Tentative Budget Public Records Update (in GM report)
05/26	Wednesday	6 p.m.		Regular Board Meeting	05/17/2021 8 a.m.	Adoption FY2021/22 Budget (incl. Public Hearing) Approval of Rec Roll – FY2021/22 (incl. Public Hearing)
06/09	Wednesday	6 p.m.		Regular Board Meeting	05/31/2021 8 a.m.	Public Records Update (in GM report)
06/30	Wednesday	6 p.m.		Regular Board Meeting	06/21/2021 8 a.m.	
07/14	Wednesday	6 p.m.		Regular Board Meeting	07/05/2021 8 a.m.	Public Records Update (in GM report)
07/28	Wednesday	6 p.m.		Regular Board Meeting	07/19/2021 8 a.m.	
08/11	Wednesday	6 p.m.		Regular Board Meeting	08/02/2021 8 a.m.	Public Records Update (in GM report)
08/25	Wednesday	6 p.m.		Regular Board Meeting	08/16/2021 8 a.m.	

<i>Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar</i>
RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware
TRPA EIS Contract at Diamond Peak
Split Ordinance 7 (allow 45 days ahead of action)
Enterprise vs special revenue accounting (in process – submitted to the State of Nevada)
General Manager's job description clean up
Utility Rate adjustments (fee schedules) – pushed out from the April 14, 2020 meeting; being discussed on 1/13/2021
Board Policy 7.1.0 and Board Practice 7.2.0 (Trustee Dent) (Navazio)
Pricing policy
September 1, 2021 – General Manager Performance Review and Review of Goals for FY 2020/2021
Review of the Washpad Project (see award made on 06/23/2020)
Report on audit of selected parcels
Report on audit of recreation and beach fees (12/9/2020 meeting)
Some carryovers, a budget augmentation, and fine tuning to the budget (12/9/2020 meeting)

*Budget approval is required after the third Monday however whatever date is selected, a 10-day notice must be given. Must accomplished no later than June 1, 2021.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winqest
General Manager

FROM: Paul Navazio
Director of Finance

SUBJECT: Final report regarding the District's contract administration submitted by Moss Adams, LLC representative Stephen Bacchetti (Requesting Staff Member: District General Manager Indra Winqest)

STRATEGIC

PLAN REFERENCE(S): Long Range Principle #2 Finance

DATE: January 6, 2021

I. ACTION, IF ANY, REQUIRED

There is no action required by the Board of Trustees as this is a report item that provides, in a publicly noticed meeting, the final report regarding the District's contract administration policies and procedures review submitted by Moss Adams, LLC and presented by Moss Adams LLC representative Stephen Bacchetti. Mr. Bacchetti will be present in order to answer any questions that the Board of Trustees may have.

II. BACKGROUND

At its meeting of June 10, 2020 the Board of Trustees authorized then (Interim) General Manager to execute a professional services contract with Moss Adams LLP for in an amount not-to-exceed \$38,000. The scope of work included review of up to five specific contracts, to include identified samples of recent consulting and construction contracts.

The contracts selected for review under this contract included: PICA Corporation (awarded 4/30/14) and HDR (awarded 4/30/14, and amended 2/25/15) engineering consulting contracts related to the Effluent Pipeline Project, Jacobs Engineering contract (awarded 12/12/19) related to the Wastewater Resource

Recovery Facility Aeration project, and the Houston-Smith contract (awarded 8/14/19) related to construction of the Mountain Golf Course Renovation Project.

The recommendations included in this report will assist the District in identifying opportunities to improve policies, procedures and internal controls related to management of professional services consulting and construction contracts to ensure and promote transparency and accountability related to capital program investments.

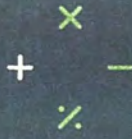
The report prepared by Moss Adams, LLC includes specific findings and recommendations informed by industry best practices in the areas of:

- Contract Administration Management and Controls
- Bid and Procurement Management and Controls
- Change Order and Scope Management and Controls
- Expenditure Management and Controls
- Design and Construction Budget Management and Controls
- Project Close-Out Controls

The report also includes management responses and planned actions and timetable related to each of the key improvement opportunities identified in the report (see Appendix C).

Attachment:

- 1) IVGID Construction Advisory Fact Validation Report prepared by Moss Adams, LLC, dated December 21, 2020



Proprietary & Confidential

FINAL REPORT

Incline Village General Improvement District
CONSTRUCTION ADVISORY FACT VALIDATION REPORT

December 21, 2020

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December 21, 2020

Mr. Paul Navazio
Director of Finance
Incline Village General Improvement District
893 Southwood Blvd.
Incline Village, NV 89451

Dear Mr. Paul Navazio:

Thank you for the opportunity to perform the capital program assessment project for Incline Village General Improvement District. This report summarizes the results of our construction and project controls review.

This engagement was performed in accordance with the Standards for Consulting Services established by the American Institute of Certified Public Accountants as outlined in our professional services agreement dated April 27, 2020. The scope of this engagement is outlined in the body of our report. This report was developed based on information from our review of construction projects and records.

This report is intended solely for the use of Incline Village General Improvement District and may not be provided to, used, or relied upon by any third parties. Moss Adams LLP does not accept any responsibility to any other party to whom this report may be shown or into whose hands it may come.

We appreciate the opportunity to help you continuously improve your construction program performance. Please do not hesitate to contact us if you have any questions or need further assistance regarding this important matter.

Very truly yours,

Moss Adams LLP

Moss Adams LLP
Rancho Cordova, CA

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I. EXECUTIVE SUMMARY

Moss Adams (we, our) was engaged to perform a capital program assessment for Incline Village General Improvement District (IVGID or the District), focusing specifically on eight vendor agreements selected by the District (see Appendix A for additional detail). Our review assessed control activities by conducting thorough interviews (see Appendix B for list of interviewees), inquiries, and document review.

We worked with District management (Management) to develop improvement recommendations to help support the capital program’s success and ensure alignment with best practices. We ranked our improvement recommendations as high, medium, or low priority based on our analysis and experience, including probability and potential impact to project costs, schedule, and scope.

We identified many good practices relating to IVGID’s capital program. A list of some key best practices observed are as follows:

- IVGID maintains a semiannual rolling Strategic Plan, which outlines a number of the District’s long-range principles. These principles can help guide capital program objectives and resource allocation.
- IVGID maintains an annual multi-year (five-year look forward) and current year Capital Improvement Plan (CIP), with detailed policies and procedures for the establishment, maintenance, and contents of the plans.
- IVGID maintains capital program procedural documents in accordance with minimum Nevada Revised Statutes (NRS) requirements.

The project kick-off meeting with IVGID was conducted on July 13, 2020. Interviews were completed and, the majority of requested documents were provided by October 13, 2020, which served as the primary basis of our assessment.

The following table summarizes key improvement opportunities identified within our review procedures, their associated risk level, and category. See Section III for additional observation and recommendation details.

OBSERVATION NO.	KEY IMPROVEMENT OPPORTUNITIES	RISK LEVEL	CATEGORY
1	Implement and finalize policies and procedures defining processes for master planning, reporting, scope definitions and prioritization, and communication efforts.	High	Contract Administration Management and Controls
2	Consolidate all Public Works and Contract Administration policies, procedures, and resolutions.	High	Contract Administration Management and Controls
3	Continue procurement and implementation efforts for new capital program management technology.	Medium	Contract Administration Management and Controls



OBSERVATION NO.	KEY IMPROVEMENT OPPORTUNITIES	RISK LEVEL	CATEGORY
4	Implement policy and procedures for the competitive solicitation of professional services	Medium to High	Bid and Procurement Management and Controls
5	Ensure appropriate documentation and execution of any modification to contractual agreements.	High	Change Order and Scope Management and Controls Application
6	Establish change order and addendum-specific reporting within key capital program reporting.	High	Change Order and Scope Management and Controls Application
7	Ensure all payment processing procedures are completed prior to payment approval.	High	Expenditure Management and Controls
8	Revise current invoice processing policy to effectively receive invoices by the appropriate department	Medium	Expenditure Management and Controls
9	Continue development and formalization of ongoing project-level budget-to-actual expenditure reporting.	Medium to High	Design and Construction Budget Management and Controls
10	Implement and formalize project close-out procedures for professional services.	High	Project Close-Out Controls
11	Implement and update the informally utilized close-out checklists into required close-out procedures for construction projects.	Medium to High	Project Close-Out Controls



II. OBJECTIVE AND SCOPE

Moss Adams performed a capital program assessment for IVGID focusing specifically on eight vendor agreements selected by the District, including associated task orders, addenda, and change orders (see Appendix A for detailed listing of projects reviewed). The objective of our review was to assess the capital program controls in place and operating for the specified projects in order to identify capital program improvement opportunities for the District. Improvement opportunities were categorized as observations with associated risks and improvement recommendations. Our assessment provided specific emphasis on the following areas:

- Contract administration management and controls
- Bid and procurement management and controls
- Change order and scope management and controls application
- Expenditure management and controls
- Design and construction budget management and controls
- Project close-out controls

The capital program assessment was initiated during the kick-off meeting with the District, which was conducted on July 13, 2020. Interviews were completed, and the majority of requested documentation was provided by October 13, 2020, which served as the primary basis of our assessment. See Appendix B for list of personnel interviewed. Our review procedures considered all documentation provided through November 10, 2020.

We performed our services in accordance with Standards for Consulting Services Established by the American Institute of Certified Public Accountants. Accordingly, we provide no opinion, attestation, or other form of assurance with respect to our work, or the information upon which our work is based. The procedures we performed did not constitute an examination or a review in accordance with generally accepted auditing standards or attestation standards.

IVGID should consider the following program objectives, assessments, and or support services in the subsequent quarter:

- Implement comprehensive and consolidated policies and procedures for the capital program, and other critical areas of the organization, to ensure alignment with best practices and to further support operational effectiveness and efficiencies.
- Develop master plans and associated policies and procedures with scope and prioritization definitions and key performance indicators to align with best practices.
- Formalize project-level budget-to-actual expenditure reporting and policies and procedures, including key details such as budget, expenditures, committed/encumbrances, forecasted expenditures, and alignment with approved master plans.



III. DETAILED OBSERVATIONS AND IMPROVEMENT RECOMMENDATIONS

This section details Moss Adams observations and improvement recommendations based on document review and fieldwork for each area of focus of the capital program assessment. Risk levels assigned to our improvement recommendations are provided in the table in the Executive Summary. The risk levels were determined based on our assessment of risk through interviews, documentation review, and past construction audit experience. The following 11 process improvements are grouped by risk area. Observations, Recommendations, and Management Responses are summarized within Appendix C. Within the scope of our engagement, we reviewed four project vendor scopes, comprising eight different contracts and associated task orders, addenda, and change orders (see Appendix A for additional detail).

A. CONTRACT ADMINISTRATION MANAGEMENT AND CONTROLS

Within the scope of our review, we assessed contract administration management and controls applied and in place for the four project vendor scopes (see Appendix A for project detail). Based on documentation and inquiry review, we identified the following three opportunities for improvement within contract administration.

Observation No. 1: Master Planning and Reporting

1	IVGID did not have formalized policies and prodedures defining master planning processes, including when to utilize these procedures, minimum information requirements, who is responsible for each activity, and procedures for final approval.	HIGH RISK
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Based on our review, the District could improve long-range project administration by implementing best practice project master planning and reporting policies and procedures to better plan, manage, and communicate complex multi-year public works projects.

To assess the projects within the scope of our review, we requested and reviewed the Public Works capital projects' master plans and relevant program management reporting and policy documentation. After review, we noted the District maintains a rolling 5-Year Capital Improvement Plan (CIP) to serve as the District's long-range capital plan, including a detailed 1-Year CIP to establish current year activity and budgets. Currently, the District maintains board policies for Strategic Planning (Board Policy No. 1.1.0) and Multi-Year Capital Planning (Board Policy No. 12.1.0). However, it was not apparent the District maintained formalized comprehensive master planning documents or best practice policies or procedures to effectively administer and report on the initiation, implementation, and progression of long-range projects. For instance, the District's most recent Strategic Plan (dated 5/9/2018), did not include specific objectives and performance measurements linked to long-range capital projects, such as the Effluent Pipeline Replacement project.

Per Governmental Finance Officers Association (GFOA) Master Plans and Capital Improvement Planning Best Practice, "to adequately guide the fiscal, operating, and land use needs of the community, finance officers should use Master Plans as a framework for capital project requests that go into the CIP. The CIP should be viewed as a financial blueprint that helps prioritize needs to achieve implementation of the public improvements identified in the Master Plan. The level of funding in the CIP defines the financial capacity to reach the desired goals set forth in the Master Plan." The GFOA defines



Master Plans as “long-range plans (10 - 25 years) that act as a framework for capital project requests that direct the Capital Improvement Plan.” Currently, the District maintains its CIP at a five-year period, as required by Board Policy (No. 12.1.0). The Board Policy also notes needs will be identified from sources such as strategic plans, facility master plans, regional plans, and citizen input processes; however, comprehensive reporting relating to capital projects for the above documents was not available.

Additionally, the District did not have formalized policy and procedures for the timely reporting and communication of such master plan projects. For instance, project level reporting (such as project scope and status, budget vs. forecast, schedule, cash flow, etc.) was not available. Currently, the District reports and approves an annual update to the forward-looking CIP including the following information:

- Project Description
- Project Staffing
- Project Justification
- Forecast Timeline and Expenditures by Year

However, per GFOA Best Practices for Communicating Capital Improvement Strategies, “In addition to communications during initial phases of the project, organizations have a need to maintain communications through the end of the project and report on results. Monitoring of progress and accurate reporting on the project will provide accountability and give credibility to the next project.”

Absent formalized master planning and ongoing reporting policies, it is not clear whether IVGID’s procedures are adequate to meet project management, senior management, and key stakeholder needs.

Recommendation	As a best practice, IVGID should finalize policies and procedures defining processes for master planning, reporting, scope definitions and prioritization, and communication efforts, including when to utilize these procedures (e.g., thresholds), who is responsible for each activity, and procedures for final approval.
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Master Planning policies should also define the frequency of formal reassessment of the master plan, as well as frequency of formal reporting updates on status of the master plan objectives. Documentation requirements for any master plan changes from original approved documents should include, but not be limited to, information surrounding the proposed design change, scope definitions, basis for design change, estimated design change revenue and cost impact, estimated schedule impact, and design change initiator and approver. Master plan reporting should include a summary level Project Stages Report with dates of key milestones achieved, estimated dates of key milestones to be achieved, and appropriate and relevant narrative should be maintained and reported to key stakeholders on a regular basis. Deviations should be discussed with IVGID Management and key stakeholders and documented accordingly within monthly reporting. Responsibilities should be assigned, and appropriateness of the policies and procedures should be evaluated on an ongoing basis. Implementation of formal project master planning procedures for the administration and communication of major capital project plans will provide District oversight and Management more effective and transparent decision-making, and establish accountability and credibility, while timely communicating progress on the District’s overall capital improvement goals.

Management Response	<p>Management concurs with the recommendation to review and update policies related to master capital project planning and reporting, including stakeholder communication efforts.</p> <p>Board Policy 12.1.0 and 13.1.0 establish District framework for multi-year capital planning and capital project budgeting and reporting, respectively.</p>
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These Board policies are supplemented by Board Practice 13.2.0 that outlines roles and responsibility across all phases of a capital project life-cycle.

Capital project planning, management and reporting will be facilitated by implementation of annual capital program planning workshop(s), detailed budgets for specific projects and/or phases, regular quarterly capital program status reports and individual project close-out reports for priority CIP Projects.

Planned Resolution Dates	Regular Quarterly CIP Updates – FY2020/21 Q1 presented 10/27/20
	CIP Planning Workshop (Feb 2021)
	Capital Budget Details – FY2021/22 Budget Process (Winter/Spring 2021)
	Project Close-out Reports – on-going

Observation No. 2: Capital Program Administration Policies and Procedures

2 Public Works policies and procedures should be consolidated, formalized, and approved by the Board.

HIGH RISK

The District maintained procedural documents for purchasing (procurement, payment processing, and change orders), engineering, and capital project budgeting. Procedural documents established various requirements for procurement types, approval requirements, invoice processing, etc. However, documentation to support that policies and procedures were evaluated, reviewed, and approved for appropriateness on a periodic basis was not available. For example, the District maintained a signing authority threshold document for various positions throughout the District; however, the document appeared to be informal. For instance, we received multiple versions of the signing authority (outdated) from various staff members.

Recommendation

As a best practice, the District should consolidate all Public Works and Contract Administration policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures and obtain Board approval.

This manual should highlight all functional areas related to Public Works activities, such as, but not limited to, staffing, contract administration, procurement, financial controls, document control, budgeting practices, master planning, scheduling, invoice/payment application review and processing, change order review and processing, and claims avoidance and management. Additionally, policies should incorporate established roles and responsibilities of both District Staff and Board. The GFOA recommends, within their article "Documenting Accounting Policies and Procedures," that the documentation of accounting policies and procedures should be evaluated annually and updated periodically, no less than once every three years. Any changes in policies and procedures should be updated in the documentation promptly as they occur, and a specific employee should be assigned the duty of overseeing this process. The resulting documentation can also serve as a useful training tool for staff.



Management Response	<p>Management concurs with this recommendation.</p> <p>Existing internal control policies and procedures, including those related to construction contracts and professional services contracts administration are being reviewed, evaluated and updated. These include Board policies and practices, Accounting and Finance policies and procedures, as well as application of applicable NRS requirements. Policies and procedures will be evaluated on a regular schedule as well as upon changes in District staffing and periodic updates to the NRS.</p>
Planned Resolution Dates	<p>Update to District staff delegated spending authority (1/1/21)</p> <p>Review of contract procurement procedures and thresholds (Jan 2021)</p> <p>Invoice Processing and Payment procedures (Jan 2021)</p> <p>Update to Board Policies to provide explicit thresholds and authorities (per NRS) – (Feb 2021)</p>

Observation No. 3: Contract Administration Technology

3	The District could improve contract administration and reporting by leveraging additional technology resources.	MEDIUM RISK
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Currently, the District utilizes two systems for the administration and reporting of capital project accounting and budgeting: Innoprise (Financial ERP) and Questica (Capital Budgeting and Reporting). However, based on inquiry and documentation review, the District does not utilize a capital project management and workflow system.

Per GFOA Best Practices for Technology in Capital Planning and Management, "Systems used across the entire organization for managing the capital program often support the following tasks:

- ✦ *Capital Planning* for multi-year capital forecasting that identifies needs of new items, replacement items, and major renovations.
- ✦ *Capital Budgeting* for managing the organization's 5-year capital improvement program and identifies both approved projects and funding sources.
- ✦ *Project Costing* for tracking the ongoing costs of capital projects including labor, requirements, supplies, and contract costs.
- ✦ *Project Management* to provide managers with project status reports, budget reports, and an ongoing indicator of project progress
- ✦ *Asset Inventory* to list all current capital assets, detailed information on asset location, features, and ownership/responsibility
- ✦ *Asset Management* to track usage information on the item, identify upcoming maintenance items and track history of work performed on the item.
- ✦ *Work Orders* to schedule and manage current work. Systems may also include a method of receiving service requests from both internal and external sources."

Based on inquiry, the District is in process of procuring a new software system to be utilized for capital project management, unanimously approved by the Board on October 27, 2020. Implementation of a capital project management tool will improve project administration, scheduling, analysis, and reporting



while establishing systematic controls over contract management (see Observation No. 5) and document retention (see Observation No. 10).

Recommendation

The District should continue procurement and implementation efforts for new technology and tools to formalize, streamline, and improve contract administration controls and reporting capabilities.

Per GFOA best practices, "GFOA recommends that finance officers take an organizational-wide approach to using technology for capital program management. Use of appropriate technology that can be used by key participants in the process—in finance, engineering, operations, overall management, and other areas can enhance collaboration and improve management of the capital program by providing timely, relevant, and complete information to all... Overall, technology provides the opportunity to transform the planning, budgeting, implementation, and overall management of an organization's capital program. However, to generate the expected return on investment, an organization should properly plan for such a system and detail its specific needs so that a system can be deployed that meets needs across the organization given its resource constraints for both the initial purchase and long term maintenance."

Management Response

Management concurs that existing and best-of-breed technology can greatly improve and streamline contract administration, internal controls and reporting. Currently, the District utilizes several, independent software tools related to capital budgeting and reporting, contract management, fixed assets and stakeholder communication. Existing systems can be improved, incrementally; however the District's transition to a new Financial and Accounting Enterprise Reporting (ERP), provides opportunity to develop integrated capital budget planning and reporting as well as imbedded internal control processes and customized approval thresholds.

Planned Resolution Dates

Contract administration process review (Dec 2020 -Mar 2021)

Updated procedures (July 2021)

Tyler Finance and Accounting ERP / Capital Budgeting (July 2022)

B. BID AND PROCUREMENT MANAGEMENT AND CONTROLS

Within the scope of our engagement, we reviewed the procurement of four project vendor scopes and compared them to the District's established policy and procedures as well as best practice. We identified the contract procurement for the in-scope projects to be in compliance with the District's policies; however, we identified opportunities for improvement in regard to professional services procurement noted below. See Appendix A for a list of projects, vendors, and contracts reviewed.



Observation No. 4: Competitive Solicitation Procedures for Professional Services

4 District policies and procedures did not include competitive solicitation requirements for Professional Service Agreements.

MEDIUM TO HIGH RISK

While the District's policies are in compliance with the Nevada Revised Statutes (NRS) in regard to procurement of professional services (i.e., professional services do not require formal competitive bidding [NRS 332.115]), establishment of competitive solicitation procedures for professional service contracts was not evident in policies and procedures as a best practice based on our experiences.

We reviewed the procurement of three professional service vendors (HDR, PICA Corporation, and Jacobs). Upon request, the District was unable to document formal competitive solicitation procedures performed for the original agreements or task order/addenda. The District was able to document an informal competitive assessment and selection of PICA Corporation through a collaborative review process and recommendation from HDR. For HDR and Jacobs, the District noted a sole source selection due to historical experience with the District. However, formalized procurement and solicitation procedures for professional services ensures the District obtains best value at fair pricing, while also maintaining an up-to-date vendor listing.

Recommendation

As best practice, the District should implement policies and procedures for the competitive solicitation of professional services, including scope definitions and requirements, schedule, format, and threshold considerations.

Format examples would include the timely maintenance of a qualified vendor listing through a Request For Qualifications (RFQ) and Request For Proposal (RFP) process, direct, and/or advertised solicitation. Policy should establish contract value thresholds to direct minimum requirements for competitive solicitation in selecting vendors for professional services.

Management Response

The District follows requirements established by NRS 332, the Local Government Procurement Act, as the highest authority for procedures related to local government purchases, including professional services contracts. NRS 332.115.1(b) specifically provides that professional services are "not adapted to award by competitive solicitation."

Management supports the clarification of Board policy related to the procurement of professional services contracts and consideration of establishment of thresholds for competitive bidding for selected categories of professional services.

Planned Resolution Dates

Agendize for Board discussion and direction (TBD)



C. CHANGE ORDER AND SCOPE MANAGEMENT AND CONTROLS APPLICATION

Within the scope of our engagement, we reviewed the change order and scope management of the four project vendor scopes and compared them to District policies and procedures as well as best practice. We identified two areas of potential exception with the District's change order management policy and procedures, noted below. See Appendix A for list of vendor change orders and amendments reviewed.

Observation No. 5: PICA Corporation Contract and Scope Amendment Management

5	The District did not adequately document and execute contract amendments for PICA Corporation's original professional service agreement.	HIGH RISK
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The District recommended and the Board approved the amendment to the PICA Corporation original short-form agreement in the amount of \$100,000; however, the District did not execute a contract amendment. Per the Board Memorandum dated February 17, 2015, the District requested the Board approve an amendment to the original PICA Corporation agreement in order to fund the remobilization of the contractor to continue and complete remote field-testing inspection services. Based on the memorandum narrative, a remobilization was required due to unforeseen complications and damages to the pipe gauging tool. The Board approved the amendment recommendation in the amount of \$100,000. Based on our review, it appeared the work continued; however, a contract scope amendment was not executed. Per Board Memorandum dated July 13, 2018, upon remobilization and successful pipe gauging, PICA encountered additional complications and damages with the actual inspection tool, allowing only partial completion of the originally scoped work (see Observation No. 9). Without an executed amendment or settlement, the deliverable and responsibilities of the original short form agreement appear unsettled and unclear. As a result, it appeared the District was at risk of undocumented understanding of scope change with the vendor.

Recommendation	As best practice, the District should ensure appropriate documentation and execution of any modifications to contractual agreements, including change in scope, schedule, responsibilities, conditions, and or deliverables.
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Significant modifications or settlements should be approved, ratified, and/or reported to the Board, depending on both financial and master plan scheduling implications

Management Response	Change orders for professional services contracts are generally handled through Additional Services Addendum or separate Task Order, as well as corresponding increase to the Purchase Order established with each contract. Supporting documentation is provided to Accounting. These changes are reviewed for consistency with Board authorization prior to payment of invoices.
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Planned Resolution Dates	Approval process and documentation for change orders to construction contracts will be included as part of overall policy and process documentation effort (See #'s 2,5, and 6).
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Observation No. 6: Change Order Reporting

6 Change order and addendum scope changes were not reported to key stakeholders with key performance indicators to adequately report change order impact and assigned responsibility.

HIGH RISK

Identifying change order and addendum responsibilities may include classifications such as owner-initiated, scope changes, design errors, contract errors, and unforeseen conditions. Without this level of information, responsibility for change orders and associated costs will not be evident to key decision makers. Absent further information, change order reporting is not in line with best practices and lacks information to adequately report to key stakeholders.

Recommendation

As a best practice, IVGID should establish change order and addendum-specific reporting within key capital program reporting to ensure end users understand change order scope, impact, and assigned responsibility.

Change order reporting should include information such as itemized change amount, percentages, descriptions, scope definitions, change responsibility, date of approval, subtotals, and totals for easy end user reference. Change order documentation should be available at the project and program level with both detailed and summary level information available. Summary and detailed change reporting is necessary to understand change order cause, responsibility, pricing, and compliance and to identify potential duplicate work scopes and/or redundancies caused by unclear scope objectives and/or expectations within the master plan. Absent this additional information, change order details are not adequately reported to end users.

Management Response Management supports enhancing capital project reporting to include documentation of approved change orders.

Planned Resolution Dates Quarterly CIP Popular Status Reports – (Feb 2021)
Major Project Status Reports – as scheduled
CIP Project Close-out Reports – as scheduled

D. EXPENDITURE MANAGEMENT AND CONTROLS

Within the scope of our engagement we reviewed the expenditure management and controls of the four project vendor scopes and compared them to District policies and procedures as well as best practice. We identified two areas of potential exception with District's invoice processing policy and procedures, noted below. We reviewed purchase orders, invoices, and approval documentation for the in-scope project expenditures (See Appendix A for projects, vendors, and expenditure amounts).



Observation No. 7: Expenditures Processed in Excess of Contract Value

7 The District processed project payments in excess of contractual agreements for two of eight contracts under review.

HIGH RISK

Based on the documentation provided, we noted the following vendor agreement values, purchase order values, and total billed amounts:

Vendor Name	Contract/PO No.	Original Contract Value + Amendments	Final PO Value	Total Billed
PICA Contract*	Original SFA*	\$423,750.00*	\$503,750.00	\$495,000.00
PICA Contract	ASA 1	\$480,000.00	\$480,000.00	\$484,860.99

* See Change Order Observation No. 5

Per District policy, procedures for construction contracts paid by application, "The Accounting Department will maintain a running reconciliation of the total authorized contract including change orders, less payments and retained amounts. This reconciliation will be compared to actual vendor invoices and the control sheet maintained by Engineering to administer the contract." However, in the two project cases above, it appeared payments were made in excess of the contractual values. No additional approval documentation was provided. Payments in excess of agreed upon values put the District at risk of overpayment and undocumented service terms (see Observation No. 5). Absent additional information, the payment processing engineering control sheet reconciliation process to prevent payments in excess of contractual values was not operating effectively.

Recommendation

The District should ensure all payment processing procedures are completed and reviewed/signed off on prior to payment approval.

The District should consider implementing systematic workflows and sign off requirements, aligned with District policy, to ensure completion and accountability.

Management Response

Management concurs with the recommendation that all payment processing procedures are completed and reviewed prior to payment approval, consistent with current policy and procedures (Accounting and Financial Procedures – Purchasing and Accounts Payable Cycles).

Two instances were identified within the scope of this report. One involved payments processed within the contract authority plus contingency approved by the Board (\$503,750 vs. \$495,000 billed), and one exceeded contract contingency authority by \$61.00 (\$484,800 vs. \$484,861 billed).

Planned Resolution Dates

N/A - Current Policies and Procedures in place.



Observation No. 8: Invoice Processing Controls

8 Per District policy, invoices are to be sent directly to the Accounting Department; however, based on our review and inquiry, invoices are also received by the Engineering Department.

MEDIUM RISK

Within our review, we identified multiple invoices addressed to the District's Engineering Department. For example, Houston Smith Construction Payment Applications were addressed to "Incline Village G.I.D., Engineering Dept. 1220 Sweetwater Road, Incline Village, NV 776-832-1267." Additionally, per inquiry, Engineering's initial receipt of invoices has caused issues with document control, due to multiple versions circulating before or after forwarding to the Accounting Department. Per District policy, "All vendor invoices and statements should be mailed directly to: 893 Southwood Boulevard and forwarded to the Accounting Department. Failure to do so may result in delays in recording the invoice and cause misstatement of accounts payable and the related asset or expense accounts." Absent additional information, all vendor invoice and statements should be sent directly to the Accounting Department, as required by District policy.

Recommendation

The District should revise current invoice processing policies to effectively receive invoices by the appropriate department. Otherwise, ensure the establishment of invoice control procedures by requiring vendors to send all final invoices and statements directly to the District's Accounting Department.

Management Response

Management concurs with the need to review current invoice processing procedures to ensure efficient processing while maintaining effective internal controls related to vendor and contractor payments.

Planned Resolution Dates

Invoice Processing and Payment procedures (Jan 2021) (See Recommendation #2)

E. DESIGN AND CONSTRUCTION BUDGET MANAGEMENT AND CONTROLS

Within the scope of our engagement we reviewed the design and budget management controls in place and applied across the four project vendor scopes. Based on documentation and inquiry review, we identified the following opportunity for improvement within budget management.

Observation No. 9: Project Budget and Status Reporting

9 Timely consolidated project reporting with key project information was unavailable within IVGID management reporting.

MEDIUM TO HIGH RISK

Based on our review, we identified the District establishes initial project budgets and timelines within its annual and 5-year CIP. However, based on available reporting and inquiry, the District does not continue to formally report on budget-to-actual activity on a project level. Currently, the District reviews and reports CIP budget-to-actual on a single line within published Monthly District Financial Reports, without project detail. On the District's webpage, Capital Improvement Project reporting including project level



budget-to-actual was available; however, the most recent reporting was through March 31, 2019. Additionally, on January 22, 2020, the Board approved new quarterly project reporting templates called the Popular Report, including original budget, budget adjustments, and actual expenditure; however, reporting has not appeared to be maintained or available since March 31, 2019. The Board's approved format appeared to be based on a Popular Report presented on December 31, 2019, but did not appear to be maintained or presented by Management on an ongoing basis. Furthermore, the report did not include GFOA minimum recommended information such as schedule performance and estimated/forecast cost updates (see the recommendation below).

Based on the District's current available reporting, it is unclear how Management formally reviews and manages project level budgets on a consistent and timely basis. As best practice, District Management should have timely and accurate budget, forecast, and expenditure reporting available to review in order to 1) help prevent non-compliant and excessive charges and 2) better control and manage project costs.

Based on inquiry, the current financial system has the ability to report budget and actual activity on a line by line (project) basis. However, this level of reporting has not been completed or maintained. Without ongoing budget-to-actual detail reporting, Management does not have adequate and up-to-date information to administer and control expenditures at the program management level.

Recommendation

The District should continue the development and formalization of ongoing project-level budget-to-actual expenditure reporting, including key details such as budget, expenditures, committed/encumbrances, and forecasted expenditures.

Based on GFOA's Best Practices Capital Project Monitoring and Reporting, the District should produce status reports and capital projects' financial and project activity information including, but not limited to, the following information:

- Confirmation that a project plan exists that identifies all required resources and milestone work products and assurance that the project plan is being followed
- Confirmation that the project's scope has been clearly identified upon completion of final design and the project stays within scope or changes to scope have been made consistent with an established process
- Results compared to established measures of performance including, at a minimum, cost and schedule performance indices

Meaningful reports should provide straightforward project information for executive leadership and internal staff as well as citizens and the media, and at minimum:

- Provide a comparison of actual results to the project plan
- Highlight significant changes to project scope, costs, schedule, or funding
- Aid in the reporting, and an annual snapshot of key schedule, cost estimate, and available funding information should be taken to establish baseline data for performance measures and report components

Additionally, as a best practice, project reporting with key project information, including forecasted expenditure amounts, should be consistently reported to Management and key stakeholders. Any forecasted overruns should be addressed with detailed plans to secure additional sources of funding and identify alternative options to reduce projected costs while still meeting the District's objectives and needs. The District should develop and implement policies and procedures for budget establishment and management activities for capital projects. Additionally, formal written policies and procedures, including defined responsibilities and approval authority for internal and public reporting, should be created to ensure accountability, appropriate review, and approval controls are in place.



Management Response	Capital project planning, management and reporting will be facilitated by implementation of annual capital program planning workshop(s), detailed budgets for specific projects and/or phases, regular quarterly capital program status reports and individual project close-out reports for priority CIP Projects. (See Recommendation #1. above).
Planned Resolution Dates	Regular Quarterly CIP Updates – FY2020/21 Q1 presented 10/27/20 CIP Planning Workshop (Feb 2021) Capital Budget Details – FY2021/22 Budget Process (Winter/Spring 2021) Project Close-out Reports – on-going

F. PROJECT CLOSE-OUT CONTROLS

Within the scope of our engagement we reviewed the project close-out controls of the four project vendor scopes, across eight different task orders and addenda, and compared them to District policies and procedures as well as best practice. During our review procedures, we identified the following two observations and opportunities for improvement.

Observation No. 10: Inadequate Professional Service Close-Out Procedures

10	The District did not maintain formal project close-out procedures for professional services, resulting in the potential for incomplete scopes, draft deliverables, and/or documentation.	HIGH RISK
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Based on the documentation provided, no project close-out control documentation was maintained or available for professional service contracts. Additionally, it appeared that contractually agreed upon deliverables were not fully received or retained for two of eight professional service scopes reviewed: PICA's original SFA and HDR's ASA 33002E.

HDR ENGINEERING ASA #33	
Key Contract Deliverable	Received (Y/N)
1) Permits	Y
2) As-Builts	Y
3) 90% Drawings	Y
4) Final Drawings and Specifications	Y
5) Up to six submittal responses and up to three RFI responses	N
6) Final Technical Memorandum.	N



PICA CORP ORIGINAL SFA	
Key Contract Deliverable	Received (Y/N)
1) Preliminary Report	Y
2) Final Report	N
3) Verification Dig Sheets	N

Based on the professional service agreements, both engagements established multiple deliverables to be provided by the vendor, including a final report (or technical memorandum). Further, PICA's agreement established additional "Verification Dig Sheets" as the final phase of reporting. While multiple deliverables from the vendors were available for review (preliminary reports, meeting agendas, preliminary construction drawings, final construction drawings, etc.), final reports (memorandum), and verification dig sheets were not available for review.

Per Board Memorandum dated July 13, 2018, PICA encountered complications and damages with their inspection tool, allowing only partial completion of the originally scoped work; however, no contract amendment, settlement, or memorandum was executed to amend expected deliverables or conditions (see Observation No. 5). Without formalized project close-out controls and procedures, the District is at risk of inconsistent project finalization, potentially resulting in incomplete documentation turnover, unsettled claims, and incomplete originally agreed upon scopes.

Recommendation

The District should formalize and implement project close-out procedures for professional services.

Upon project completion, the District ensure that actions are taken to finalize project activity, including confirming that the established procedures for user acceptance of project work and final project completion have been followed. The District's policy should consider project thresholds and include the compilation of a consolidated project-close out checklist to ensure and report on submittal of documentation by vendors and completion of all critical tasks prior to release of final payment. Checklists should be formally approved to promote accountability and all project close-out documentation should be retained in a formalized manner.

Management Response

Management concurs with this recommendation and will formalize project close-out checklists and procedures for professional services contracts.

Planned Resolution Dates

Formal Project Close-Out Checklist/Procedures – 1/31/21

Observation No. 11: Formalized Construction Close-out Checklist

11 The District has an opportunity to improve construction close-out procedures by formalizing already developed checklists and document retention procedures.

MEDIUM TO HIGH RISK

Based on our review, District policy included procedures for construction project close-out, which separates requirements by contract value thresholds. Additionally, as best practice, the Engineering team maintained three project checklists, including close-out procedures differing by contract value



threshold requirements. However, the District has not formally adopted the checklist into its close-out procedures and does not include overall sign-off of the checklist prior to final payment. Based on our experience, close-out documents are typically delivered to the owner within 14 days of project completion and include, but are not limited to, the following documents:

- Notice of Completion or final deliverable
- Contractor's Affidavit
- Written Acceptance from Landlord Representative
- Conditional Final Lien Waivers and Releases
- Certificate of Occupancy (Temporary)
- Subcontractors List (Final)
- Completed Inspection Cards/Final Inspection Signoff
- Insurance Certificates
- Warranties/Guaranties
- Equipment Manuals/Maintenance Manuals
- Operating Certificates
- All Punch Lists/Completed Punch List
- Air Balance Report
- Start Up Testing Documentation
- Certified Square Footage
- Certificate of Occupancy (Final)

Recommendation

The District should formally implement and update the informally utilized close-out checklists into required close-out procedures for construction projects.

Upon project completion, the District ensure that actions are taken to finalize project activity, including, confirming that the established procedures for user acceptance of project work and final project completion have been followed. The consolidated project-close out checklist ensures and reports on submittal of documentation by the contractor and completion of all critical tasks prior to release of final payment. Checklists should be formally approved to promote accountability and all project close-out documentation should be retained in a formalized manner. Additionally, project management, facilities, and maintenance roles and responsibilities should be clearly defined to ensure that the transition from services rendered are efficient and effective.

Management Response

Management concurs with this recommendation and will formalize project close-out checklists and procedures. (See Recommendation #10, above).

Planned Resolution Dates

Formal Project Close-Out Checklist/Procedures – 1/31/21



APPENDIX A: PROJECTS REVIEWED

We reviewed the following four project vendor scopes, comprising eight different contracts, task orders, and addenda and any subsequent change orders. Based on the documentation provided, we noted the following figures:

Vendor Name	Contract	Original Contract Value	Change Orders/ Amendments	Final PO Value	Total Billed to Date
PICA Corporation	Original SFA	\$423,750	-	\$503,750	\$495,000
PICA Corporation	ASA #1	\$480,000	-	\$480,000	\$484,861
PICA Effluent Pipeline Total		\$903,750	-	\$983,750	\$979,861
HDR Engineering	ASA #33	\$89,807	-	\$89,807	\$89,763
HDR Engineering	ASA #34	\$62,631	-	\$62,631	\$62,558
HDR Effluent Pipeline Total		\$152,438	-	\$152,438	\$152,321
Jacobs Engineering	TO #26	\$40,000	-	\$40,000	\$39,996
Jacobs Engineering	TO #30	\$80,000	\$38,500	\$118,500	\$118,491
Jacobs Engineering	TO #37	\$60,000	-	\$60,000	\$32,663.68
Jacobs Aeration Project Total		\$180,000	\$38,500	\$218,500	\$191,151
Houston Smith Construction	Original Contract Agreement	\$1,006,000	\$87,893	\$1,093,893	\$1,093,893



APPENDIX B: LIST OF INTERVIEWEES

In completion of our review procedures, the following key IVGID personnel were interviewed:

- District Staff
 - General Manager
 - Director of Finance
 - Director of Public Works
 - Engineering Manager
 - Contracts Administrator
 - Controller
- Five Board of Trustees members
- Two community members (former Director of Asset Management and Audit Committee member)



APPENDIX C: RESOLUTION LOG

Below is a schedule of key improvement observations identified during the review, Management responses, and planned resolution date.

Rec. #	Key Improvement Opportunities	Risk Level	Category	Management Response	Planned Resolution Date
1	As a best practice, IVGID should finalize policies and procedures defining processes for master planning, reporting, scope definitions and prioritization, and communication efforts, including when to utilize these procedures (e.g., thresholds), who is responsible for each activity, and procedures for final approval.	High	Contract Administration Management and Controls	Capital project planning, management and reporting will be facilitated by implementation of annual capital program planning workshop(s), detailed budgets for specific projects and/or phases, regular quarterly capital program status reports and individual project close-out reports for priority CIP Projects	Regular Quarterly CIP Updates – FY2020/21 Q1 presented 10/27/20 CIP Planning Workshop (Feb 2021) Capital Budget Details – FY2021/22 Budget Process (Winter/Spring 2021) Project Close-out Reports – on-going
2	As a best practice, the District should consolidate all Public Works and Contract Administration policies, procedures, and resolutions into one document to ensure effective controls and communication of the policies and procedures and obtain Board approval.	High	Contract Administration Management and Controls	Existing internal control policies and procedures, including those related to construction contracts and professional services contracts administration are being reviewed, evaluated and updated. These include Board policies and practices, Accounting and Finance policies and procedures, as well as application of applicable NRS requirements. Policies and procedures will be evaluated on a regular schedule as well as upon changes in District staffing and periodic updates to the NRS.	Update to District staff delegated spending authority (1/1/21) Review of contract procurement procedures and thresholds (Jan 2021) Invoice Processing and Payment procedures (Jan 2021) Update to Board Policies to provide explicit thresholds and authorities (per NRS) – (Feb 2021)



Rec. #	Key Improvement Opportunities	Risk Level	Category	Management Response	Planned Resolution Date
3	The District should consider procuring and implementing new technology and tools to formalize, streamline, and improve contract administration controls and reporting capabilities.	Medium	Contract Administration Management and Controls	Management concurs that existing and best-of-breed technology can greatly improve and streamline contract administration, internal controls and reporting	Contract administration process review (Dec 2020 – Mar 2021) Updated procedures (July 2021) Tyler Finance and Accounting ERP / Capital Budgeting (July 2022)
4	As best practice, the District should implement policy and procedures for the competitive solicitation of professional services, including scope definitions and requirements, schedule, format, and threshold considerations.	Medium to High	Bid and Procurement Management and Controls	The District is follows requirements established by NRS 332, the Local Government Procurement Act, as the highest authority for procedures related to local government purchases, including professional services contracts. NRS 332.115.1(b) specifically provides that professional services are “not adapted to award by competitive solicitation.	Agendize for Board discussion and direction (TBD)
5	As best practice, the District should ensure appropriate documentation and execution of any modification to contractual agreements, including change in scope, responsibilities, conditions, or deliverables.	High	Change Order and Scope Management and Controls Application	Change orders for professional services contracts are generally handled through Additional Services Addendum or separate Task Order, as well as corresponding increase to the Purchase Order established with each contract. Supporting documentation is provided to Accounting. These changes are reviewed for consistency with Board authorization prior to payment of invoices	Approval process and documentation for change orders to construction contracts will be included as part of overall policy and process documentation effort (See Observation No’s 2,5, and 6).



Rec. #	Key Improvement Opportunities	Risk Level	Category	Management Response	Planned Resolution Date
6	As a best practice, IVGID should establish more robust change order reporting within key capital program reporting to ensure end users understand change order scope, impact and assigned responsibility.	High	Change Order and Scope Management and Controls Application	Management supports enhancing capital project reporting to include documentation of approved change orders.	Quarterly CIP Popular Status Reports – (Feb 2021) Major Project Status Reports – as scheduled CIP Project Close-out Reports – a scheduled
7	The District should ensure all payment processing procedures are completed and reviewed/signed off on prior to payment approval	High	Expenditure Management and Controls	Management concurs with the recommendation that all payment processing procedures are completed and reviewed prior to payment approval, consistent with current policy and procedures (Accounting and Financial Procedures – Purchasing and Accounts Payable Cycles).	N/A – Current Policies and Procedures in place.
8	The District should evaluate the appropriateness of current invoice processing policy or ensure the establishment of invoice control procedures by requiring vendors to send all final invoices and statements directly to the District Accounting Department.	Medium	Expenditure Management and Controls	Management concurs with the need to review current invoice processing procedures to ensure efficient processing while maintaining effective internal controls related to vendor and contractor payments.	Invoice Processing and Payment procedures (Jan 2021) (See Recommendation #2)
9	The District should produce ongoing project-level budget-to-actual expenditure reporting, including key details such as budget, expenditures, committed/encumbrances, and forecasted expenditures.	Medium to High	Design and Construction Budget Management and Controls	See Recommendation #1, above).	See Recommendation #1, above).
10	The District should implement and formalize project close-out procedures for professional services.	High	Project Close-Out Controls	Management concurs with this recommendation and will formalize project close-out checklists and	Formal Project Close-Out Checklist/Procedures – 1/31/21



Rec. #	Key Improvement Opportunities	Risk Level	Category	Management Response	Planned Resolution Date
				procedures for professional services contracts.	
11	The District should formally implement the already developed and informally utilized close-out checklists into required project close-out procedures.	Medium to High	Project Close-Out Controls	See Recommendation #11, above.	See Recommendation #11, above.

Payment of Bills (for possible action) (For District payments exceeding \$10,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$10,000 provided they are budgeted and the expenditure is approved according to District signing authority policy)

Date	Check	Payment Type	Vendor	Amount	Status
11/12/2020	775,041.00	Check	TRPA Boat Inspections	24,941.28	Cleared
			Kassbohrer All Terrain Vehicles, Inc.	20,478.84	Cleared
11/12/2020	775,026.00	Check	G3 Engineering Inc.	44,262.48	Cleared
11/12/2020	775,023.00	Check	Amer Sports Winter & Outdoor	18,630.72	Cleared
11/18/2020	775,008.00	Check	NV Energy	81,719.94	Cleared
			Data West, A Div of Harris Systems USA	10,942.69	Cleared
11/18/2020	775,059.00	Check	Daniel Fraiman Construction	105,862.78	Cleared
12/03/2020	775,141.00	Check	Reno Tahoe Geo Associates, Inc	10,179.54	Outstanding
12/03/2020	775,122.00	Check	Heywood Engineering Assoc., Inc.	15,203.40	Outstanding
			FARR Construction CORP		
12/03/2020	775,117.00	Check	Dbas:Resource Development CO	344,470.10	Outstanding
12/03/2020	775,111.00	Check	Cruz Construction Co., Inc.	238,541.90	Outstanding
12/03/2020	775,099.00	Check	Active Network, LLC	164,322.00	Outstanding
12/03/2020	4,122.00	EFT	PQ Corporation	13,515.30	Outstanding
12/03/2020	4,114.00	EFT	Halo Branded Solutions, INC	11,524.27	Outstanding
			Washoe County Community Services Dept	43,666.00	Outstanding
12/10/2020	775,220.00	Check	Tate Snyder Kimsey Architects Ltd DBA TSK	49,753.00	Outstanding
12/10/2020	775,216.00	Check	K. G. Walters Construction Co	218,173.18	Outstanding
12/10/2020	775,196.00	Check	Hill Brothers Chemical Company	10,812.92	Outstanding
12/10/2020	775,189.00	Check	Etcheberry Construction, LLC	14,062.50	Outstanding
12/10/2020	775,185.00	Check	Erickson, Thorpe & Swainston, LTD	21,891.18	Outstanding
12/10/2020	775,184.00	Check	Eide Bailly LLP	13,604.00	Outstanding
12/10/2020	775,177.00	Check	Daniel Fraiman Construction	158,650.80	Outstanding
12/10/2020	775,171.00	Check	BBK-Best Best & Krieger LLP	13,658.00	Outstanding
12/10/2020	0.00	Auto Pay	AT&T	17,029.44	Outstanding
12/17/2020	775,249.00	Check	NV Energy	160,447.41	Outstanding
			Jacobs Engineering Group Inc, Formerly CH2M Hill	31,973.21	Outstanding
12/17/2020	775,238.00	Check	Daniel Fraiman Construction	55,106.42	Outstanding
12/23/2020	775,229.00	Check	Dion Label Printing, Inc.	13,312.22	Outstanding
12/23/2020	775,301.00	Check	US Foodservice, Inc.	10,852.35	Outstanding
12/23/2020	0.00	Auto Pay	Sports Turf Services, Inc	16,450.00	Outstanding
12/31/2020	775,363.00	Check	Southwest Gas	16,817.52	Outstanding
12/31/2020	775,362.00	Check	FARR Construction CORP		
12/31/2020	775,342.00	Check	Dbas:Resource Development CO	18,130.00	Outstanding
12/31/2020	775,338.00	Check	Champion Chevrolet	70,608.25	Outstanding
				\$ 2,059,593.64	

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
District General Manager

FROM: Susan Herron, CMC
District Clerk

SUBJECT: Election of Board of Trustees Officers for the 2021 Term –
Effective January 13, 2021

DATE: January 4, 2021

In accordance with IVGID's Policy 3.1.0, Section 0.8 as follows:

0.8 Officers of the Board. As the first item of General Business at the first meeting of the calendar year, the Board of Trustees shall elect a Chair, Vice Chair, Treasurer, and Secretary. Each will begin their term immediately after the election and to assume their role for the duration of the meeting continuing until the next election.

According to NRS 318.085(1), the role of Treasurer and the Secretary may be fulfilled by someone other than a Trustee.

Should a vacancy occur, the Board of Trustees shall follow NRS 318.090(5) to fill the vacancy. The most current roster for the current Board of Trustees is located on the District's website.

District Clerk Susan Herron will conduct the elections of officers and the term of the elected officers will be January 13, 2021 through December 31, 2021.

District Clerk Herron will open the agenda item by stating that the nominations for officers of the Board is now open and that she would like to begin with the position of Board Chair. Nomination(s) from the Board members will be taken and it is acceptable for a Board member to nominate themselves to an officer position. It is also acceptable for a Board member to nominate a slate of officers. Once all nomination(s) are made, District Clerk Herron will close the nomination(s) and call for a vote on each nomination(s). This process is repeated for each officer position. The exception would be if a slate of officers is nominated.

MEMORANDUM

TO: Board of Trustees

FROM: Tim Callicrate
Board of Trustees Chairman

SUBJECT: Review, discuss and possibly approve a Code of Conduct for elected and appointed officials

DATE: January 4, 2021

Attached is a draft Code of Conduct for elected and appointed officials. We will discuss this item, which has been an action item for the Board of Trustees for some time. If any individual member of the Board of Trustees has changes they desire, please come prepared to discuss them with the other members of the Board.

A proposed motion, if this document is acceptable or minor changes are made is:

Approve the Code of Conduct for elected and appointed officials as presented at the January 13, 2021 Board of Trustees meeting.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
CODE OF CONDUCT FOR ELECTED AND APPOINTED OFFICIALS

I. PURPOSE AND APPLICABILITY

The Board of Trustees has adopted a Code of Conduct for Elected and Appointed Officials (“Code”) to assure public confidence in the integrity of local government and its effective and fair operation. This Code applies to the Board of Trustees and the members of any commission or committee of the District formed by the Board and otherwise subject to the Open Meeting Law, including the Audit Committee. The Code of Conduct does not apply to members of any General Manager advisory group not subject to the Open Meeting Law.

II. CONDUCT

The constant and consistent theme through all of the Code is “respect.” Demonstrating respect for each individual through words and actions is the touchstone that can help guide Trustees and commission and committee members to do the right thing in even the most difficult situations.

A. Elected and Appointed Officials’ Conduct with One Another

Elected and appointed officials are composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may “agree to disagree” on contentious issues.

1. In Public Meetings

Practice civility and decorum in discussions and debate

Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. This does not allow, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments. No shouting or physical actions that could be construed as threatening will be tolerated.

Honor the role of the chair in maintaining order

It is the responsibility of the chair to keep the comments of members on track during public meetings. Members should honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair’s actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure and applicable policy.

Demonstrate effective problem-solving approaches

Members have a public stage to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

2. In Private Encounters

Continue respectful behavior in private

The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

B. Elected and Appointed Officials' Conduct with District Staff

District governance relies on the cooperative efforts of elected officials who set policy, appointed officials who advise the elected, and District staff who implement and administer the Board's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

Treat all staff as professionals

Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

Member questions/inquiries to District staff

1. General. Board and commission/committee communications with District staff should be limited to normal business hours unless the circumstances warrant otherwise. Responses to questions posed outside of normal business hours should be expected no earlier than the next business day.
2. Routine Requests for Information and Inquiries. Officials may contact staff directly for information made readily available to the general public on a regular basis (e.g., "What are the recreation center's hours of operation?" or "How does one reserve a tee time at the golf course?"). Under these circumstances staff shall treat the official no differently than they would the general public, and the official shall not use their elected status to secure preferential treatment. The General Manager does not need to be advised of such contacts.
3. Non-Routine Requests for Readily Available Information. Officials may also contact staff directly for easily retrievable information not routinely requested by the general public so long as it does not require staff to discuss the issue or express an opinion (e.g., "How many utility customers are there in IVGID?")
4. Non-Routine Requests Requiring Special Effort. Any official's request or inquiry that requires staff to compile information that is not readily available or easily retrievable and/or that requests staff to express an opinion (legal or otherwise) must be directed to the General Manager, or to the Legal Counsel, as appropriate (e.g., "How many Study Issues completed over the past five years have required 500 or more hours of staff time?"). The General Manager shall be responsible for distributing such requests to his/her staff for follow-up.

5. Meeting Requests. Any official's request for a meeting with staff must be directed to the General Manager or Legal Counsel, as appropriate.

Do not disrupt District staff from their jobs

Elected and appointed officials should not disrupt District staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend staff meetings unless requested by staff – even if the elected or appointed official does not say anything, his or her presence may imply support, show partiality, and hamper staff's ability to do their job objectively.

Avoid publicly criticizing an individual employee

Elected and appointed officials should avoid expressing concerns about the performance of a District employee in public, to the employee directly, or to the employee's manager. Comments about staff performance should be made to the General Manager through private correspondence or conversation. Appointed officials should make their comments regarding staff to the General Manager or the Chair of the Board of Trustees. For the Board of Trustees, this paragraph does not apply to staff like the General Manager or Legal Counsel that report directly to the Board.

C. Elected and Appointed Officials' Conduct with the Public

1. In Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public comment and testimony.

Give the appearance of active listening

It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Be aware of facial expressions, especially those that could be interpreted as "smirking," disbelief, anger or boredom.

No personal attacks of any kind, under any circumstance

Members should be aware that their body language and tone of voice, as well as the words they use, can appear to be intimidating or aggressive.

2. In Unofficial Settings

Make no promises on behalf of the Board, commission/committee or District

Members will frequently be asked to explain a Board or commission/committee action or to give their opinion about an issue as they meet and talk with constituents in the community. It is appropriate to give a brief overview of District policy and to refer to staff

for further information. It is inappropriate to overtly or implicitly promise Board or commission/committee action, or to promise staff will do something specific.

Make no personal comments about other members

It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other members, their opinions and actions.

III. SANCTIONS

Councilmembers Behavior and Conduct

Trustees who intentionally and repeatedly do not follow proper conduct may be reprimanded or formally censured by the Board or other sanctions as deemed appropriate by Board.

Commission and Committee Members Behavior and Conduct

The Board may impose sanctions on commission and committee members whose conduct does not comply with the District's policies and practices, up to and including removal from office. Any form of discipline imposed by Board shall be determined by a majority vote of at least a quorum of the Board at a noticed public meeting conducted pursuant to the Open Meeting Law, including NRS 241.030-033.

Non-Exclusive

The above sanctions are non-exclusive and members may be subject to other remedies as provided by District policy or practice or applicable law.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
District General Manager

FROM: Nathan Chorey, P.E.
Engineering Manager

SUBJECT: Review, discuss and possibly approve a Professional Services Contract for Utilities Management Review and Asset Assessment; Vendor: Raftelis; Amount: \$74,175, plus 10% contingency

DATE: January 6, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Authorize a Professional Services Contract for a Utilities Management Review and Asset Assessment; Vendor: Raftelis in the amount of \$74,175; Fund 200 (Utilities).
2. Authorize Staff to approve change orders for additional work not anticipated at this time of up to 10% of the Professional Services Contract; up to the amount of \$7,418.
3. Authorize Staff to execute the contract documents.

II. BACKGROUND

- At the August 12, 2020 Board of Trustees meeting reviewed and discussed the goals and objectives to be included in preparing a scope of work for a Utility Study (See Meeting Minutes excerpt from 8/12/20).
 - Trustee Dent made a motion to confirm the goals and objectives - Goal and Objective #3 - Performance Management and Asset Management Analysis are to be included in preparing a scope of work. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion and Trustees Morris and Wong voted opposed to the motion; the motion was passed.
 - Trustee Dent made a motion to direct Staff to proceed with a Request for Qualifications for Professional Services, through public advertising, for the set goals and objectives #3 – Performance Management and Asset Management Analysis. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion

and Trustees Morris and Wong voted opposed to the motion; the motion was passed.

- On November 6, 2020 a Utilities Management Review and Asset Assessment Request for Proposals was publicly advertised.
- On December 2, 2020, we received proposals from two qualified firms.
- On December 14, 2020, District General Manager Winquest, Director of Finance Navazio, Engineering Manager Chorey, Trustee Dent, and Audit Committee At-Large Member Tulloch interviewed the two firms.
 - Based on presentation, response to questions, references, and previous experience; Raftelis was selected.

The Utilities Management Review and Asset Assessment includes evaluation of IVGID Public Works' organizational structure and staffing, review of operational efficiency, and review of financial and capital investment. Their findings will be documented in a final written report. The full scope of work is attached for reference.

Staff is requesting authority to authorize change orders up to 10% of the Professional Services Contract for tasks not included in the original scope of work. Additional tasks may include (but are not limited to) additional time on site to gather data or a presentation to the Board of Trustees.

III. BID RESULTS

This item is not subject to competitive bidding within the meaning of Nevada Revised Statute (NRS) 332.115 as described in subsection (b) Professional Services.

IV. FINANCIAL IMPACT AND BUDGET

The recommendation included in this agenda item would result in expenditure of up to \$81,593 in support of the proposed contract. Funding is provided in the adopted FY2020/21 budget for this purpose within the Utility Fund (Fund 200).

V. ALTERNATIVES

None proposed.

VI. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

Attachments:

Raftelis Short Form Agreement which includes:

- ✓ Raftelis Scope of Work
- ✓ Proposed Work Schedule
- ✓ Cost Proposal

Meeting Minutes excerpt from 8/12/20 Board of Trustees Meeting

SHORT FORM AGREEMENT
Between
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
and
RAFTELIS FINANCIAL CONSULTANTS, INC.
for
PROFESSIONAL SERVICES

This Agreement is made as of Date between **INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (IVGID)**, hereinafter referred to as "OWNER," and **RAFTELIS FINANCIAL CONSULTANTS, INC.**, hereinafter referred to as "CONSULTANT." OWNER intends to complete the Project(s) as described in Attachment A, Consultant's Scope of Work and Proposed Work Schedule, and as amended from time to time, hereinafter referred to as the "Project."

1.0 BASIC SERVICES

The CONSULTANT shall perform the following tasks and additional services as may be included from time to time by Additional Services Addendums (ASAs) to this Agreement in accordance with Paragraph 4.2, Additional Services:

Basic Services are as described in Attachment A, essentially consisting of a Utilities Management Review and Asset Assessment.

All documentation, drawings, reports and invoices submitted for this project will include IVGID Purchase Order Number (TBD).

2.0 OWNER'S RESPONSIBILITIES

OWNER shall do the following in a timely manner so as not to delay the services of CONSULTANT:

- 2.1** Designate in writing a person to act as OWNER's representative with respect to services to be rendered under this Agreement. Such person shall have complete authority to transmit instructions, receive information, and interpret and define OWNER's policies and decisions with respect to CONSULTANT's services for the PROJECT.
- 2.2** Assist CONSULTANT by placing at CONSULTANT's disposal existing data, plans, reports and other information known to, in possession of, or under control of OWNER which are relevant to the execution of CONSULTANT's duties on the PROJECT. Also, provide all criteria and full information as to OWNER's requirements for the Project, including design criteria, objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

3.0 PERIODS OF SERVICE

3.1 **General.** The provisions of Section 3 and the various rates of compensation for CONSULTANT's services provided for elsewhere in this Agreement have been agreed to in anticipation of the orderly and continuous progress of the Project through completion of the Services contained herein. CONSULTANT's obligation to render services hereunder will extend for a period which may reasonably be required for the performance of CONSULTANT's services and required extensions thereto. If specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided and if such dates are exceeded through no fault of CONSULTANT, all rates, measures, and amounts of compensation provided herein shall be subject to equitable adjustment.

3.2 CONSULTANT agrees to exercise diligence in the performance of its services consistent with the agreed upon schedule, which is based upon an anticipated completion date of no later than June 30, 2021, subject, however, to the exercise of the generally accepted standard of care for performance of services.

4.0 PAYMENT TO CONSULTANT

4.1 Methods of Payment for Services and Expenses of CONSULTANT

4.1.1 Compensation Terms Defined

"Reimbursable Expenses" shall mean the actual expenses incurred directly or indirectly in connection with the Project, including, but not limited to subconsultants or subconsultant costs, transportation and subsistence incidental thereto, obtaining bids or proposals from CONSULTANT(s), toll telephone calls, express mail and telegrams, reproduction of Reports, Drawings, Specifications, Bidding Documents, and similar Project-related items in addition to those required under Section 1. In addition, Reimbursable Expenses will also include expenses incurred for main frame computer time and other highly specialized equipment, including photographic production.

4.1.2 **Basis and Amount of Compensation for Basic Services.** Compensation shall be as indicated in Attachment A, with a total amount of **Seventy-Four Thousand One Hundred Seventy-Five Dollars (\$74,175.00), to be billed as a fixed fee based on percentage complete measured against the estimated time schedule set forth in Attachment A. In no event shall compensation for any Activity identified in Attachment A exceed the amount set forth in the attachment. The fixed fee shall include Reimbursable Expenses, and CONSULTANT shall not request or receive any additional payments for such expenses.**

4.2 Basis and Amount of Compensation for Additional Services

Compensation for additional services shall be on the basis agreed upon at the time of request for additional services. The estimated amount of additional services will be determined at the time the additional services are requested.

4.3 Intervals of Payments

Payments to CONSULTANT for Basic and Additional Services rendered and Reimbursable Expenses incurred shall be made once every month by OWNER. CONSULTANT's invoices will be submitted once every month and will be based upon total services completed at the time of billing. OWNER shall make prompt payments in response to CONSULTANT's invoices.

4.4 Other Provisions Concerning Payments

4.4.1 If OWNER fails to make any payment due CONSULTANT for services and expenses within 30 days after receipt of CONSULTANT's statement, the amounts due CONSULTANT will be increased at the rate of one percent (1%) per month from date of OWNER's receipt of invoice.

4.4.2 If the Project is suspended or abandoned in whole or in part for more than 90 days, CONSULTANT shall be compensated for all services performed prior to receipt of written notice from the OWNER of such suspension or abandonment, together with Reimbursable Expenses then due.

4.4.3 If any items in any invoices submitted by CONSULTANT are disputed by OWNER for any reason, including the lack of supporting documentation, OWNER may temporarily delete the disputed item and pay the remaining amount of the invoice. OWNER shall promptly notify CONSULTANT of the dispute and request clarification and/or remedial action. After any dispute has been settled, CONSULTANT shall include the disputed item on a subsequent regularly scheduled invoice or on a special invoice.

5.0 GENERAL CONSIDERATIONS

5.1 Termination

5.1.1 This Agreement may be terminated in writing by either party in the event of substantial failure by the other party to fulfill its obligations under this Agreement through no fault of the terminating party. However, no termination for default may be initiated unless the other party is given a ten (10) calendar day cure period after written notice (delivery by certified mail, return receipt requested) of intent to terminate.

5.1.2 This Agreement may be terminated in writing (delivered by certified mail, return receipt requested) by OWNER for its convenience.

5.1.3 Upon any termination, CONSULTANT shall (1) promptly discontinue all Services affected (unless a termination notice from OWNER directs otherwise); and (2) deliver or otherwise make available to OWNER upon full payment for services rendered to the date of termination, all documents, data, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONSULTANT in performing this Agreement, whether such materials are completed or in process. All payments due CONSULTANT at termination shall be made by OWNER.

5.2 Ownership of Documents

The original documents, plans, electronic files, studies or reports prepared under this Agreement, for which the OWNER pays compensation to the CONSULTANT, except for working notes and internal documents, shall become and remain the property of the OWNER, and upon payment of said compensation, shall be surrendered to the OWNER upon the completion of the Work under this Agreement or on the completion of specific phases of the Work, if requested by the OWNER. The CONSULTANT may retain copies of said work in their files, but such work shall not be released to any other party or reused by the CONSULTANT without the express written consent of the OWNER. Reuse of any of these drawings, specifications or other work products of the CONSULTANT by the OWNER for other than the specific project covered in this Agreement without the written permission of the CONSULTANT shall be at the OWNER'S risk, provided that the CONSULTANT shall not be liable for any claims or damages arising out of such unauthorized reuse by the OWNER or by other's actions through the OWNER.

5.3 Professional Liability Insurance

5.3.1 CONSULTANT shall maintain professional liability insurance for protection against claims arising out of performance of services under this Agreement caused by negligent acts, errors, or omissions for which "PROFESSIONAL SERVICES" is legally liable for a period of five (5) years thereafter, if available and reasonably affordable. The professional liability policy shall provide a minimum coverage of \$1,000,000. CONSULTANT shall maintain the existing retroactive date on all future policies with the same insurance company and attempt to do so if CONSULTANT changes insurance companies. In the event that CONSULTANT goes out of business during the instant period, CONSULTANT shall purchase, at the request of OWNER, an extended reporting period.

5.3.2 Should CONSULTANT's normal professional liability coverage be less than the minimum required amount, CONSULTANT may purchase project insurance or obtain a rider on his normal policy in an amount sufficient to bring CONSULTANT's coverage up to minimum requirements.

5.4 Controlling Law

This Agreement is to be governed by and construed in accordance with the Laws of the State of Nevada.

5.5 Successors and Assigns

5.5.1 The parties hereby bind their respective partners, successors, executors, administrators, legal representatives, and, to the extent permitted by Paragraph 5.5.2, their assigns, to the terms, conditions, and covenants of this Agreement.

5.5.2 Neither OWNER nor CONSULTANT shall assign, sublet, or transfer any rights under or interest in this Agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated by law or the effect of this limitation may be restricted by law.

Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement. Nothing contained in this paragraph shall prevent CONSULTANT from employing such independent professional associates, subconsultants, and consultants as CONSULTANT may deem appropriate to assist in the performance of Services.

5.5.3 Except as may be expressly stated otherwise in this Agreement, nothing under this Agreement shall be construed to give any rights or benefits in this Agreement to anyone other than OWNER and CONSULTANT, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of OWNER and CONSULTANT and not for the benefit of any other party.

5.6 Dispute Resolution

This Agreement to engage in alternate dispute resolution (“ADR”) pursuant to NRS 338.150 and any other Agreement or consent to engage in ADR entered into in accordance herewith as provided in this Section 5.6 will be specifically enforceable under the prevailing Nevada law in the Second Judicial District Court of the State of Nevada in and for the County of Washoe. Any dispute arising under this contract will be sent to mediation. Any mediation shall occur in Incline Village, Washoe County, Nevada. The mediation shall be conducted through the American Arbitration Association (AAA) and be governed by the AAA’s Mediation Procedures.

The mediator is authorized to conduct separate or ex parte meetings and other communications with the parties and/or their representatives, before, during and after any scheduled mediation conference. Such communications may be conducted via telephone, in writing, via email, online, in person or otherwise.

OWNER and CONSULTANT are encouraged to exchange all documents pertinent to the relief requested. The mediator may request the exchange of memorandum on all pertinent issues. The mediator does not have the authority to impose a settlement on the parties but such mediator will attempt to help OWNER and CONSULTANT reach a satisfactory resolution of their dispute. Subject to the discretion of the mediator, the mediator may make oral or written recommendations for settlement to a party privately, or if the parties agree, to all parties jointly.

OWNER and CONSULTANT shall participate in the mediation process in good faith. The mediation process shall be concluded within sixty (60) days of a mediator being assigned.

In the event of a complete settlement of all or some issues in dispute is not achieved within the scheduled mediation session(s), the mediator may continue to communicate with the parties, for a period of time, in an ongoing effort to facilitate a complete settlement. Any settlement agreed upon during mediation shall become binding if within thirty (30) days after the date that any settlement agreement is signed, either the OWNER or CONSULTANT fails to object or withdraw from the agreement. If mediation shall be unsuccessful, either OWNER or CONSULTANT may then initiate judicial proceedings by filing suit. OWNER and CONSULTANT will share the cost of mediation equally unless agreed otherwise.

5.7 Equal Employment and Non-discrimination

In connection with the Services under this Agreement, CONSULTANT agrees to comply with the applicable provisions of State and Federal Equal Opportunity statutes and regulations.

5.8 Indemnification and Legal Fees

5.8.1 CONSULTANT agrees to defend, indemnify and hold harmless the public body, and the employees, officers and agents of OWNER from any liabilities, damages, losses, claims, actions or proceedings, including, without limitation, reasonable attorneys' fees and costs, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the CONSULTANT or the employees or agents of CONSULTANT in the breach of performance of the contract. If the insurer by which the CONSULTANT is insured against professional liability does not so defend OWNER and the employees, officers and agents of OWNER and the CONSULTANT is adjudicated to be liable by a trier of fact, the trier of fact shall award reasonable attorney's fees and costs to be paid to OWNER by the CONSULTANT in an amount which is proportionate to the liability of the design CONSULTANT. As used in this section, "agents" means those persons who are directly involved in and acting on behalf of OWNER or CONSULTANT, as applicable, in furtherance of the contract or the public work to which the contract pertains.

5.8.2 As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONSULTANT agrees to indemnify, defend (at OWNER'S option), and hold harmless OWNER, its officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, or liability arising out of any acts or omissions of CONSULTANT (or Sub-contractor, if any) while acting under the terms of this Agreement; excepting those which arise out of the negligence, errors, omissions, recklessness or intentional misconduct of the employees, officers or agents of OWNER.

5.8.3 The obligations of each indemnifying party hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this section. The indemnification shall not be diminished or limited in any way to the total limits of insurance required in this contract or otherwise available to the indemnifying party. If the liability is asserted by an employee of an indemnifying party, the indemnification herein is not limited to damages, compensation or benefits payable by or for the indemnifying party under worker's compensation acts, disability benefit acts or other employee benefit acts. Each indemnifying party shall be permitted to participate, if it chooses, in the defense of any action claiming liability, even if the indemnified party is indemnified hereunder. Either party may set off any of its rights under this subsection against any consideration it provides

under this agreement. The obligations to indemnify and save harmless herein survive the expiration or termination of this Agreement.

5.8.4 The prevailing party in any litigation between OWNER and CONSULTANT regarding this Agreement shall be entitled to recover its reasonable attorneys' fees and costs. The hourly rate for such fees shall not exceed the rate paid by OWNER.

5.9 Changes and Modifications

The parties agree that no change or modification to this Agreement, or any attachments hereto, shall have any force or effect unless the change is reduced to writing, dated, and made a part of this Agreement. The execution of the change shall be authorized and signed in the same manner as this Agreement.

5.10 Licenses

CONSULTANT shall have a Washoe County business license, and all appropriate CONSULTANT's licenses and certifications for the services to be performed.

5.11 Severability

In the event any provision of this Agreement shall be held invalid and unenforceable, the remaining provisions shall be valid and binding upon the parties.

5.12 Waiver

One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

5.13 Extent of Agreement

This Agreement, including all Attachments, and any and all amendments, modifications, and supplements duly executed by the parties in accordance with this Agreement, govern and supersede any and all inconsistent or contradictory terms, prior oral or written representations or understandings, conditions, or provisions set forth in any purchase orders, requisition, request for proposal, authorization of services, notice to proceed, or other form or document issued by OWNER with respect to the Project or CONSULTANT's services.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and date of the year first set forth above.

OWNER:
INCLINE VILLAGE G. I. D.
The undersigned has read, reviewed
and approves this document

CONTRACTOR:
Raftelis Financial Consultants, Inc.
Agreed to:

By:
Joshua Nelson
District General Counsel

By: _____
Signature of Authorized Agent

Print or Type Name and Title

Date

Date

Agreed to:

Indra Winquest
IVGID General Manager

If CONTRACTOR is a Corporation, attach evidence of authority to sign.

Date

OWNER'S Address for Giving Notice:
INCLINE VILLAGE G. I. D.
893 Southwood Boulevard
Incline Village, Nevada 89451
775-832-1267- Engineering Div. Phone

CONTRACTOR'S Address for Giving Notice:
Raftelis Financial Consultants, Inc. 227 W. Trade Street, Suite
1400 Charlotte, North Carolina
28202 207-303-0138
sgarrison@raftelis.com

Incline Village General Improvement District

Utilities Management Review and Asset Assessment

Scope of Work

Task 1: Project Administration and Kickoff

Raftelis will hold a kick-off meeting, within 14 days after receipt of the Notice to Proceed, with District-designated staff to review the objectives of the project and schedule, and to start developing a comprehensive understanding of the District. The meeting will be followed by an intense data gathering effort that will begin within 14 days after receipt of the Notice to Proceed. Raftelis will conduct a series of virtual meetings and interviews, in addition to two days on site to gather information, COVID-19 conditions permitting, after the kick-off to gather data, interview key staff, and understand District practices. This is anticipated to begin within 14 days after receipt of the Notice to Proceed.

Raftelis will comply with all Incline Village General Improvement District (IVGID or District) COVID-19 compliance measures, as well as state and Raftelis policies on COVID-19 compliance.

Task 1 and all subsequent tasks will also include standard, ongoing quality assurance activities to ensure the project achieves the District's stated objectives on schedule and within budget. This includes written progress reports, issued twice in a calendar month, with a narrative discussion of all activities in progress and services anticipated to be performed during the next month, and information on percent complete, schedule, and variations from the schedule.

TASK 1 ACTIVITIES

- Written agenda and materials for project kick-off meeting prepared by Raftelis and provided electronically to identified District Project Manager
- Written progress reports issued twice in a calendar month, with a narrative discussion of activities in progress and services anticipated to be performed during the next month and information on percent complete, schedule and variations from the schedule.
- Two days of virtual meetings and interviews, and two days of on-site data gathering and interviews with District staff (budget based on two days on site and two days of virtual meetings). IVGID interview participants will receive a written discussion guide prior to their interviews.
- All written documents provided to IVGID within this activity are public records and deemed not to be confidential to the project. Workpapers, interview notes, and internal Raftelis documents are not considered public documents.

Task 2: Organizational Structure and Staffing

Using data and the understanding gathered in Task 1, Raftelis will evaluate the District's organizational structure and staffing, compare them to industry best practices, and recommend

options to capitalize on potential efficiencies and meet current and future regulatory and strategic goals. As part of the review, Raftelis will evaluate the processes and practices that govern activities. Raftelis will likely request additional data as we delve into the District's organization and structure.

As part of the assessment, Raftelis will evaluate and compare desired level of service with staffing levels and identify areas in which the District can streamline resources to maximize efficiency, as well as identify areas where it may consider additional resources to achieve stated levels of service. Raftelis will benchmark IVGID organizational and staffing elements with both peer and national benchmarks for available data.

TASK 2 ACTIVITIES

- Analysis of organizational structure and staffing, including comparisons to best practices
- Recommendations for increasing efficiency and improving operations
- Recommendations for changes to staffing levels to improve efficiency in line with benchmarking data and desired levels of service
- Evaluation of service levels relative to staffing
- The written final recommendations for this task will be provided as part of Task 5: Final Report and Presentation which will be a public record.

Task 3: Operational Efficiency Review

Raftelis will review the District against industry standards set by associations such as the American Water Works Association (AWWA) and Water Environment Foundation (WEF). Using industry expertise Raftelis will thoroughly review operation of the District's utility distribution, collection, and treatment functions. The project team will provide the District with a clear understanding and comparison of current performance and recommendations for improvements that are backed by industry benchmarks, where appropriate. Raftelis will benchmark IVGID operational efficiency for with both peer and national benchmarks. Benchmarking and best practice information from industry-leading organizations will be utilized, including the Ten Attributes of Effectively Managed Water Sector Utilities, as presented in the Effective Utility Management (EUM) framework. The EUM framework is a set of organizational, operational, and management guidelines for utilities universally endorsed by major industry associations.

Raftelis will evaluate and recommend enhancements to the District's use and application of major utility software systems and ensure that the review considers and incorporates industry standards and best practices for use of these types of systems. Raftelis will use their specialized experience to ensure the District's people and data work together to achieve efficiency, while simultaneously achieving desired service levels and strategic objectives. Raftelis will formulate recommendations that consider the District's current resources and performance.

Raftelis will perform a review of customer service processes and practices including customer communications. Raftelis will review rates to ensure water and wastewater charges are properly allocated and are adequate to ensure assets can be properly maintained based on efficient operational practices by the District.

Utility Billing

The project team will evaluate key processes surrounding billing practices and policies—often referred to as the “meter to cash” cycle. This will use a combination of industry resources and data from peer and well-known national utilities to identify current performance levels and make recommendations for improvement. Recommendations will be aligned with the District’s strategic objectives.

Asset Management

Raftelis will focus special attention on asset management practices. Raftelis will review all aspects of how IVGID manages assets. This will include

- Asset management practices
- Prioritization of asset replacement/enhancement projects
- Projected asset lifecycles
- Efficiency and effectiveness of O&M activities and expenditures
- Asset condition versus anticipated condition
- System reliability and redundancy
- Risk mitigation, including identification of critical and vulnerable assets

TASK 3 ACTIVITIES

- An evaluation of major operational practices, including peer and national benchmarking
- Review the meter-to-cash cycle, including meter, billing, and customer service practices
- Analysis of asset management practices and systems, as discussed above
- Recommendations for increasing efficiency and improving operations
- Recommendations on revisions to asset lifecycles
- The written final recommendation for this task will be provided as part of Task 5: Final Report and Presentation which will be a public record

Task 4: Financial and Capital Investment Review

The financial review will include an evaluation of budgeting, accounting, treasury, and financing policies, procedures, and activities. Raftelis will review practices, identify opportunities for improvement and cost reductions based on industry-leading perspectives, and support the District in prioritizing which enhancements will deliver the most value and guard against financial risk. Raftelis will look in detail at the capital planning and project delivery processes. This includes how projects are developed, prioritized, paid for, and managed. As prescribed in IVGID’s Request for Proposals (RFP), this will specifically include a review of the following:

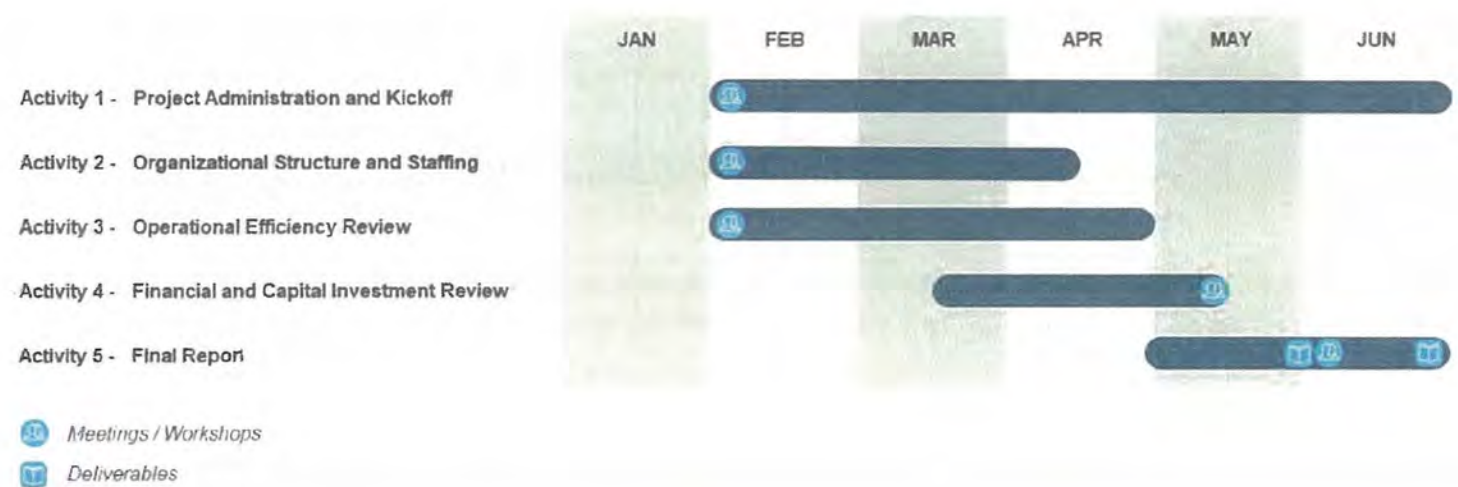
- Long-term capital Planning (5-year, 10-year, 20-year)
- Authorization processes for capital expenditure proposals
- Project management and monitoring of capital expenditures
- Post-project review of capital project management
- Life cycle cost analysis methods
- Long-term funding strategy

TASK 4 ACTIVITIES

Proposed Work Schedule

Raftelis will complete the scope of services within the timeframe shown in the schedule below. The proposed schedule assumes a notice-to-proceed by the end of January 2021 and that Raftelis will receive the needed data in a timely manner and be able to schedule meetings as necessary. Project completion is estimated for six months after notice to proceed.

Please reference the organizational chart and cost proposal for additional details on resource loading and a breakdown of hours.



Cost Proposal

The following table provides a breakdown of our proposed fee for this project. This table includes the estimated level of effort required for completing each task and the hourly billing rates for our project team members. Expenses include costs associated with travel and a \$10 per hour technology charge covering computers, networks, telephones, postage, etc.

Billing Rates:	\$310	\$275	\$245	\$245	\$185	\$155	\$125	\$75				
Title	VP	Sr. Mgr	Manager	Manager	Consultant	Associate	Creative Svcs.	Peer Review	Hours Total	Labor Subtotal	Expenses Subtotal	Task Total
Activity 1 - Project Administration and Kickoff	2	2			4				8	\$1,910	\$1,309	\$3,219
Activity 2 - Organizational Structure and Staffing	2	24		8	32			2	68	\$15,250	\$1,309	\$16,559
Activity 3 - Operational Efficiency Review	1	30		12	48	8		2	101	\$21,770	\$1,309	\$23,079
Activity 4 - Financial and Capital Investment Review	1	24		8	48	8		2	91	\$19,140	\$1,309	\$20,449
Activity 5 - Final Report	2	14			24		4	2	46	\$9,560	\$1,309	\$10,869
Total Hours	8	94	0	28	156	16	4	8	314			
Total Fees	\$2,480	\$25,850	\$0	\$6,880	\$28,860	\$2,480	\$500	\$600	\$67,630	\$67,630	\$6,545	\$74,175

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re-allocate \$33,700 from Server Storage and Computing Hardware (CIP #1213CO1505), to augment by \$43,000 Windows Server Operating System (CIP #1213CO1804). Trustee Dent seconded the motion. Chairman Callicrate asked for comments, receiving none, he called the question. The motion was unanimously passed.

- H.1. Review, discuss and possibly confirm the goals and objectives (insert goal and objective number(s)) to be included in preparing a scope of work for a utility study and that the goals and objectives to be included in the scope of work may be all or a combination of the following items:**

**Goal and Objective #1 - Utility Rate Setting Methodology
Goal and Objective #2 - Reserve Fund Balance Analysis
Goal and Objective #3 - Performance Management and
Asset Management Analysis**

and

Review, discuss and possibly direct Staff to proceed with a Request for Qualifications for Professional Services consistent with the approved scope of work, through public advertising, for the set goals and objectives. (Requesting Staff Members: Director of Finance Paul Navazio and Director of Public Works Joe Pomroy)

District General Manager Winqest gave an overview of the submitted material. Chairman Callicrate thanked everyone for putting together these recommendations and having had more discussions, it almost seems like Goal and Objective #3 is setting the stage. We need to be looking at the long range because these are big tickets items for our community. The pipeline is at the top of the Board's radar because if it had been done 20 years ago, it would have been worked into the process. We are looking at a much more robust plan and at the long range. Trustee Dent said that District General Manager Winqest gave a great overview and where we landed. As both of you touched on, Objective #3 gets use through the next forty years and that is something of knowing where we are going. Knowing the rates is the easy part and that by going this direction, we can give Public Works a tool and a roadmap on where we need to go. Thanks to Mr. Tulloch as he is a valuable member of that committee and helping us to get the ship heading in the right

Minutes

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direction. Option #3 is the best route and then we can come back into the other two items. Trustee Wong said that she has struggled with this topic ever since it was proposed mainly because she thinks our Staff does a really good job with our rates. Quite frankly, she is prepared to support #1 and #2 as it has ballooned out of portion and now we are wasting the time and the resources of our Staff and our community. Trustee Morris said that he concurs with Trustee Wong and that initially we talked about a Utility Rate study being done and that he didn't feel it was required as our team has done a good job so he doesn't see the reasoning for doing the full scale process. He doesn't see the sense in doing the whole analysis as Utilities have been doing a good job all the way through. Trustee Schmitz said that she spoke with District General Manager Winquest from the very beginning about doing the Utility Rate and reserve study. Unless we look at the big picture, we potentially could be establishing rates and reserves that don't fit with our long term needs. She is in support of looking at the big picture, looking at operational efficiencies, and doing that before we start setting rates and setting up reserves. If we don't do it, we might be missing the big picture. Chairman Callicrate said that the last time we took a big, deep dive was 22 years ago and that's why he is in support of a larger scale. He is sensitive to what both Trustee Morris and Trustee Wong have said with regards to the initial concerns. We had a more robust discussion and what we, as a District, are dealing with. He thinks that this is an opportunity to look at the bigger picture to make sure we are setting our rates and reserves and to address it so that a future Board doesn't have to inherit this. This is an opportunity to look into it, address it, and look at the financial commitment for Option 3. We do have an individual who has donated his time and his tremendous expertise and that he would like to have him explain his perspective as it is valuable insight. We are using the expertise of our Director of Public Works and his team and then the community. Again, it is an opportunity to look at the bigger picture and plan for further down the road. Trustee Morris said that he doesn't believe that there are numbers in here and do we have an estimate for what all of this might cost. District General Manager Winquest said no, we do not and that it has been talked about a little bit and that it will probably cost more than \$50,000 but that Staff can explore that and then notify the Board of Trustees. Director of Finance Navazio added that we don't have a good sense so Staff would probably recommend to do the RFP for Option #3 alone and that it will be in excess of \$50,000 but that it may not take \$50,000 to do the rate study however he does think it will be in excess of \$100,000 or in that ballpark. Trustee Wong said that the cost for the studies doesn't factor in the cost of our Staff time. Trustee Schmitz said that one of the things that a local member, Mr. Tulloch,

said are that there are significant cost savings that could be found so while we are spending money on doing this, it will be identifying improvements and efficiencies in costs. Trustee Morris said that Trustee Wong made a very good point about cost as well as Staff time. This is another consultant and here we are once again talking about another consultant and it just doesn't make sense to him. Chairman Callicrate said he takes a different tact and that is that the District has hundreds of millions of dollars in infrastructure that we are looking at and the effluent pipeline has ballooned up and we have dozens of miles of water and sewer, pump stations, water treatment, etc. So to give us a good idea of what we are going to need, and we may be under charging or over charging, he wants to make sure that once he is off the Board that we can say we looked down the road and we looked at the bigger picture. It is a costly venture and it will take time from our Staff; we have an excellent Staff and that it is an opportunity to leverage the talent in the District and have a robust overview of what we are trying to do. These are general improvements we are going to be looked at and that he doesn't want to belabor this topic. Trustee Wong said why is that we trust our Staff to provide the right information to the consultant but that we are not trusting our Staff to do their jobs? Chairman Callicrate said we have so much going on within our community with Ski Way, the beach house, the Burnt Cedar pool, etc. that Staff has said we don't have the bandwidth at a crucial time so let's work along with an external resource and come up with a great opportunity to have reserves for x amount of dollars and we can accumulate that over the years and take that opportunity now. He doesn't see it as mutually exclusive as it is about teamwork and our District will work with a consultant. He doesn't see it as a negative, he sees it as a positive. Trustee Wong said that she would like to leverage the expertise we have in house and not pay someone to duplicate the in-house expertise and go out for the expertise if we don't have it in-house. Chairman Callicrate said that we can disagree.

Trustee Dent made a motion to confirm the goals and objectives - Goal and Objective #3 - Performance Management and Asset Management Analysis are to be included in preparing a scope of work. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion and Trustees Morris and Wong voted opposed to the motion; the motion was passed.

Trustee Dent made a motion to direct Staff to proceed with a Request for Qualifications for Professional Services, through public

advertising, for the set goals and objectives #3 - Performance Management and Asset Management Analysis. Trustee Schmitz seconded the motion. Chairman Callicrate called the question and Trustees Schmitz, Callicrate and Dent voted in favor of the motion and Trustees Morris and Wong voted opposed to the motion; the motion was passed.

H.2. Review, discuss and possibly select a preferred alternative for the Burnt Cedar Swimming Pool Improvement Project – Fund: Community Services; Division: Beaches; Project 3970BD2601. (Requesting Staff Member: Engineering Manager Nathan Chorey and District General Manager Indra Winquest)

District General Manager Winquest gave an overview of the submitted material. Trustee Schmitz said as it relates to this agenda item, there are things that were not included in the packet such as the leak detection report that was done in 2017, the condition assessment, who had a leak detection firm, that was done in roughly summer of 2018, and then the fixes that were made to the pool. The District paid Terracon \$14,000 for a site study analysis and coming up with cost recommendations and documents and none of those deliverables were included in this packet. She understands that the District General Manager wasn't happy but we too, as Trustees, should review this information as well as have this information in front of us. This item references Community Services and in the motion, and this is specific to the Beach Fund, and Community Services is an entirely different fund and to have that in the subject line and in the motion is inappropriate because we can't use any of that money. We don't have all of the information, which is important information, and she knows that the pool needs to be replaced and that it is unfortunate that it is not being replaced this year but that we have to make sure that we are doing the right thing for the community along with the features so there is a broad spectrum of concerns as it relates to this agenda item. Trustee Morris said with due respect to Trustee Schmitz, we should not get into the weeds. We get a detailed report from Terracon or whomever and that is why we employ experts and the fact that they say it is leaking works for him so he doesn't need to see the reports and the same thing holds for the other things that were mentioned. He doesn't believe that the Board should be down in the weeds and that what the Staff is saying is we have to replace the pool and they are telling us it is in a bad state. He doesn't think that the Board needs those details as we are where we are and we need to move forward and that is what Staff has brought forward to us. If we are going to replace the pool, that information won't change anything.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
District General Manager

SUBJECT: Review, discuss and possibly approve a scope of work with Tri-Strategies for Legislative representation services.

DATE: January 4, 2021

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve the attached scope of work for legislative representation services for the 81st Legislative Session of the State of Nevada with Tri-Strategies.

II. BACKGROUND

Policy 3.1.0, paragraph 0.10, Legislative Matters reads as follows:

The General Manager may from time to time propose positions on legislative issues, which positions shall be reviewed and approved by the Board at its regular meeting.

On February 1, 2021, the Nevada Legislature shall convene its 81st session. Representation for the District was contracted for the 80th session (two years ago) and was done so with Tri-Strategies. Their services were deemed excellent and Staff would like to recommend contracting with them again for the 81st session. Presently, the District's budget includes \$25,000 for these services and they are under Professional Services, General Fund (100.11.100.6030).

Scope of Work

Consultant will represent the Incline Village General Improvement District at the 81st Legislative session for the State of Nevada in Carson City, Nevada, scheduled to start on February 1, 2021 and scheduled to end on or about June 30, 2021. Consultant will verbally communicate with the Incline Village General Improvement District’s District General Manager and Board of Trustees Chair the information as it develops during this session and determine the impacts to the Incline Village General Improvement District. Specifically, but not limited to, Consultant will advocate in a position determined by the Incline Village General Improvement District to be advantageous to same and consistent with established policies, procedures and norms and coordinate their work, to the best of their ability, with Washoe County’s Legislative advocate.

Deliverables

1. Written **or** verbal communication(s) to the Incline Village General Improvement District’s District General Manager and Board of Trustees Chair at intervals deemed to be mutually agreed to by the Consultant and the District General Manager and Board of Trustees Chair based on the activity at the Legislative session.
2. A required one (1) in person verbal report, per month, at a regular or special meeting of the Board of Trustees of the Incline Village General Improvement District on a date that is mutually agreed to by the Consultant, District General Manager, and Board of Trustees Chair. One (1) of these in person reports shall be scheduled after the session ends and to the greatest extent possible, before a special session of the Legislature be called, if applicable.

Fee Schedule

1. Representation at the 81st Legislative Session beginning on February\$15,000.
1, 2020 and scheduled to end on or about June 30, 2021. Billing shall occur at the start of each month and shall be divided into five equal payments of \$3,000.00 per month which includes attendance at one (1) meeting of the Incline Village General Improvement District Board of Trustees which includes all expenses for time spent in preparation, mileage, and printed reports.
3. If additional meetings are required at the request of either the District..... \$750.00 per meeting
General Manager **or** the Board of Trustees Chair, each of those meetings will be billed at \$750.00 per meeting which includes all expenses for time spent in preparation, mileage, and printed reports.
4. Additional services: **If** additional services are required, they shall be negotiated prior to providing such service. Negotiation shall be between the District General Manager and Consultant. **If** the additional service(s) aggregate into more than five thousand dollars (\$5,000.00), then the additional service proposal that exceeds that threshold shall be brought forward to the Board of Trustees prior to beginning the additional service.

Maximum not-to-exceed value of this agreement*\$15,000.

*Assuming that no additional meetings or services are required as outlined in 3. or 4. above.

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
District General Manager

FROM: Nathan Chorey
Engineering Manager

Paul Navazio
Director of Finance

SUBJECT: Review, discuss and provide direction regarding the proposed 2020/21 Utility Rate adjustment deferred by the Board of Trustees in April 2020.

STRATEGIC PLAN: Long Range Principle #2 – Finance

DATE: January 6, 2021

I. RECOMMENDATION

That the Board of Trustees review, discuss and provide direction to Staff regarding the proposed FY2020/21 utility rate (water and sewer) increase deferred by the Board of Trustees at their meeting of April 14, 2020.

II. DISTRICT STRATEGIC PLAN

The Utility Rate Study supports Long Range Principle #2, Finance; The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management. Under Objectives for 2018-20, it specifically states, prepare a five-year projection of financial results for each audited fund for operations, capital improvement and debt service as a part of budget deliberations.

III. BACKGROUND

At their meeting of February 26, 2020, the Board of Trustees reviewed and discussed the District's 2020 Utility Rate Study (updated) and direction was given to proceed with a one-year 5.5% (average) utility rate increase for fiscal year

2020/21 and further approved a motion to set the required public hearing for April 14, 2020 (see Meeting Minutes excerpt from 2/26/20).

The public hearing was held, as scheduled, on April 14, 2020, and at the conclusion of the public hearing, the Board considered public testimony as well as the impacts of the emerging COVID-19 pandemic, as the Governor of the State of Nevada had issued a Declaration of Emergency on March 12, 2020. Following Board discussion, concern over the potential economic and operational impacts of the pandemic, the Board collectively decided to defer the proposed 2020/21 utility rate increase to a future date (see Meeting Minutes excerpt from 4/14/20).

As a result of the Board's decision regarding implementation of the 2020/21 utility rate increase, the District's Final Approved Budget for FY2020/21 adopted on May 27, 2020, reflected a reduction of utility rate revenues of \$670,178 relative to the revenue estimates included in the FY2020/21 Tentative Budget, as well as a corresponding reduction in FY2020/21 Utility Fund appropriations (Operations and Maintenance \$108,000 and deferral of \$600,000 in capital program expenditures).

At the request of the Trustee Dent, this agenda has been prepared to provide for Board discussion and direction on implementation of the District's next utility rate adjustment.

IV. FINANCIAL IMPACT AND BUDGET

No formal action is requested of the Board via this agenda item and as such there is no direct fiscal impact from the recommendation in this report.

The original 2020 Utility Rate study recommendation was to increase water rates by 4.2% and sewer rates by 6.4% resulting in an average utility rate increase of 5.5% for the average residential customer. Additionally, the 2020 Utility Rate Study included annual average utility rate increases of 4.2% for the next five years to meet the projected revenue requirements for the utility fund.

The proposed utility rate increase would have generated an estimated \$679,178 in increased annualized water and sewer rate revenues. As a result of the deferral of this rate increase, a FY2020/21 budget appropriations totaling \$708,000 were reduced from the FY2020/21 budget, including a reduction of \$108,000 in operating expenditures as well as a deferral of \$600,000 in capital program expenditures. The deferral of capital program expenditures from the original FY2020/21 capital program assumed that the rate increase would ultimately be implemented, albeit on a delayed time frame.

In addition to the deferral of the timing of the rate increase scheduled to take effect in May 2020, the Board also provided direction to undertake a comprehensive update of the District's Utility Rate Study, to include an analysis of appropriate fund balance(s) to better inform future rate increases.

V. BOARD OPTIONS

The following is a partial list of possible options for Board consideration relative to implementing utility rate increases to support ongoing operations and capital program requirements:

- 1) Resume process for implementing the originally proposed 2020/21 utility rate increase
 - a. Set date for new public hearing (January 27, 2021)
 - b. Conduct Public Hearing (March 24, 2021)
 - c. If approved, utility rate increase would be effective the month following the adoption of new utility rates (April 19, 2021)
 - d. Continue with project to update District's Utility Rate Study to inform 2021/22 rate adjustments (for either July 2021 or January 2022)

- 2) Do not proceed with 2020/21 utility rate increase
 - a. Defer action on rate increase(s) pending completion of Utility Rate Study (and Utility Operational/Asset Management review).
 - b. Consider utility rate increase(s) as part of the FY2021/22 budget process with a target implementation date to be determined and no earlier than July 1, 2021.

Staff advises that, absent significant modifications to operational and/or capital program funding requirements, deferral of rate adjustments may result in larger rate increase(s) in FY2021/22.

Attachments:

Background Information – Proposed 2020/21 Utility Rate Increase
Board Meeting Minutes – 2/26/20 and 4/14/20 Board meetings

Proposed Utility Rates – from 2020 Utility Rate Study

The following table compares the current and the proposed residential water rate. The rates below include a \$1.05 total defensible space charge to each user. The base rate for water is increasing by \$1.36 per month. The water consumption and tier rates have been thoroughly analyzed in previous years to confirm the cost basis for those rate components per thousand gallons of usage. Water consumption is the variable rate component. Public Service Recreation accounts are not subject to the excess water charges, tier rates 1 & 2, as defined in the Water Ordinance section 2.40.

Residential Water Rate Comparison

Current 2019 Rate Component	2019 Rate	Proposed 2020 Rate Component	2020 Rate	Change
Base Rate	\$ 11.97	Base Rate	\$ 12.50	\$0.53
Capital Improvements	\$ 15.10	Capital Improvements	\$ 15.75	\$0.65
Customer Account Fee	\$ 3.97	Customer Account Fee	\$ 4.15	\$0.18
Defensible Space	\$ 1.05	Defensible Space	\$ 1.05	-
Monthly Base Water Bill	\$ 32.09	Monthly Base Water Bill	\$ 33.45	\$1.36
Consumption	\$ 1.55	Consumption	\$ 1.62	\$0.07
1st Tier	\$ 0.93	1st Tier	\$ 1.00	\$0.07
2nd Tier	\$ 1.34	2nd Tier	\$ 1.40	\$0.06

The following table compares the current and the proposed residential sewer rate. The base rate for sewer is increasing by \$4.04 per month and the sewer use rate is increasing by \$0.15 per thousand gallons of water use. The sewer use is capped in the summer months for residential customers

Residential Sewer Rate Comparison

Current 2019 Rate Component	2019 Rate	Proposed 2020 Rate Component	2020 Rate	Change
Base Rate	\$ 19.54	Base Rate	\$ 21.35	\$ 1.81
Capital Improvements	\$ 31.45	Capital Improvements	\$ 33.50	\$ 2.05
Customer Account Fee	\$ 3.97	Customer Account Fee	\$ 4.15	\$ 0.18
Monthly Sewer Bill	\$ 54.96	Monthly Sewer Bill	\$ 59.00	\$ 4.04
Sewer Use Rate	\$ 3.20	Sewer Use Rate	\$ 3.35	\$ 0.15

Staff has investigated the equity of the water rate structure for the various customer classes utilizing financial, flow data and demand factors from 2018. Equity is calculated by determining the proportion of fixed and variable demand on the water (size of water meter, water consumption) by each customer class compared to the fixed and variable water revenue collected from each customer class. The current rate structure exhibits equity amongst the major user classes. The two tables below show the statistics for this analysis. The first table, Variable Water Revenue vs Water Use compares how much water consumption, Tier 1 and Tier 2 revenue was received from each customer class as a percent of the total compared to the percent of water measured through the water meter for 2018.

Variable Water Revenue versus Water Use

Customer Class	Variable Water Revenue (Consumption, Tier 1 & 2)	Water Use
Commercial	15%	13%
Residential	71%	69%
IVGID Facilities	14%	18%

The second table, below, Fixed Water Revenue versus Fixed Water Demand, compares the fixed revenue received from each customer class as percent of the total compared to the demand that customer class places on the water system as determined by the meter size. This is called equivalent dwelling units. The two tables shows that there is equity in the rate structure for variable and fixed rate components of the water rates.

Fixed Water Revenue versus Fixed Water Demand

Customer Class	Fixed Water Revenue (Revenue, Base, CIP, Admin, Def Space)	Fixed Water Demand (equivalent dwelling units)
Commercial	9.2%	9.5%
Residential	86.8%	86.2%
IVGID Facilities	4.0%	4.3%

HISTORICAL INFORMATION

Residential Utility Rate Summary

The following table provides the average monthly water and sewer utility bill for our average residential user (72,000 gallons water use per year) in the District's service area from 2015 to the proposed 2020 rates.

Year	Monthly Water Charge	Monthly Sewer Charge	Total Monthly Water and Sewer Charge
2015	\$36.15	\$57.96	\$94.11
2016	\$37.15	\$60.24	\$97.39
2017	\$38.47	\$62.22	\$100.69
2018	\$39.79	\$63.88	\$103.67
2019	\$41.35	\$66.44	\$107.78
Proposed 2020	\$43.06	\$70.67	\$113.74

The average residential rate has increased \$19.63 per month from \$94.11 in 2015 to the proposed \$113.74 in 2020. There has been an increase of \$6.50 per month to pay for capital improvements and \$13.13 to pay for operating cost increases which equals the total rate increase of \$19.63 per month over the last five years.

The applicable Nevada Revised Statute is as follows.

NRS 318.199 Rates, tolls and charges for sewerage or water services or products: Schedules; public hearings; adoption of resolution; action to set aside resolution.

1. The board of trustees of any district organized or reorganized under this chapter and authorized to furnish sanitary sewer facilities pursuant to NRS 318.140 or to furnish water facilities pursuant to NRS 318.144 shall establish schedules showing all rates, tolls or charges for services performed or products furnished.
2. Whenever the board of trustees proposes to change any individual or joint rate, toll, charge, service or product, or any individual or joint practice which will affect any rate, toll, charge, service or product, the board of trustees shall hold public hearings after 30 days' notice has been given to all users of the service or product within the district.
3. Notice shall be given by publication in a newspaper published in the county and if no such newspaper is published, then a newspaper published in this state which has a general circulation in the county. The notice shall not be placed in that portion of the newspaper where legal notices and classified advertisements appear and the type used in the headline of such notice shall not be smaller than 18 point.
4. All users of the service or product shall be afforded a reasonable opportunity to submit data, views or arguments orally or in writing at the place, date and time specified in the notice, or at any subsequent place or time to which the hearing may be adjourned.
5. If, after public hearing, the board of trustees determines that the proposed action is required, the board shall adopt a resolution establishing the new or changed rates, tolls, charges, services to be performed or products to be furnished.
6. Within 30 days immediately following the effective date of such resolution, any person who has protested it may commence an action in any court of competent jurisdiction to set aside the resolution.
7. Within 30 days after the effective date of the resolution, the secretary of the district shall file a copy of the new schedules in the office of the district. The schedules shall be made available to any user of the service or product.

complete, we will need the Board's direction on our next step(s) and he will go and create a new capital project for the pond lining.

Trustee Wong said if we are combining these two projects or creating two SOW's then does it make sense to set up a separate capital project. Interim District General Manager Winquest said it is just a way of accounting for the pond lining so that it doesn't get jumbled up with the larger project which he wants to avoid and keep it clean.

Chairman Callicrate asked Interim District General Manager Winquest if he has clear direction. Interim District General Manager Winquest said he is to set up a preliminary meeting with Staff and Trustees Dent and Wong to discuss the SOW. Staff will draft a SOW and then reconvene to fine tune it and then it will come back to the Board, from him, so that all the Board members can sign off on it and then Staff will go out to either RFP or RFQ and as the Board direction.

Chairman Callicrate asked District General Counsel Menchetti if he had any clarification on the process. District General Counsel Menchetti said that you may need to notice the meeting; no problem with what has been described.

Chairman Callicrate confirmed that the Interim District General Manager has clear direction.

G.3. Fiscal Year 2020 IVGID Utility Rate Study (Requesting Staff Member: Director of Public Works Joe Pomroy)

[INFORMATIONAL NOTATION: This is NOT the independent consultant presentation authorized by the Board of Trustees at their February 12, 2020 Board of Trustees meeting]

- a. **Review, discuss and take action to establish, the Fiscal Year 2020 IVGID Utility Rate Study, a one year average percent utility rate increase in the range of zero percent (0%) to fifteen percent (15%) of which the percentage in excess of five point five percent (5.5%) would go to the Unrestricted Net Position in the Utility Fund.**
- b. **Review, discuss and possibly set the date/time for April 14, 2020 at 6:00 p.m. for the public hearing on the proposed amendments to Sewer Ordinance #2 "An Ordinance Establishing Rates, Rules**

and Regulations for Sewer Service by the Incline Village General Improvement District” and Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” that Includes the Utility Rate Increase and to publish the notice in accordance with the NRS 318.199.

**PUBLIC COMMENTS WILL BE TAKEN AFTER THIS AGENDA ITEM G.3.
Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and
limited to a maximum of three (3) minutes in duration**

Director of Public Works Pomroy gave an overview of the submitted materials.

Chairman Callicrate said that item b. is routine and that for a. we clearly recognize that our unrestricted net position is woefully below \$19.1 million and that he put this in here as the 5.5% would maintain our current operational standards and anything over and above is to get our reserves in order. He does understand that we are going out to a neutral third party for a reserve study. Our reserves have become woefully low and we need to put money in our reserves until we have an independent study. We need to get our reserves in order and this is why it is on because we need to build up our reserves. He does understand about the monies that are becoming available from USACE and that we have \$9.6 million for the pipeline and that we need much more than that; appreciates this being brought forward. Chairman Callicrate then asked the Trustees for their thoughts.

Trustee Schmitz said that she would like to listen in first.

Trustee Wong said that the logical starting point is the 5.5% and that she doesn't think going below that is reasonable. Agree that we need to start building up our reserves and until we get the study, we are picking an arbitrary number. She wants to be able to look someone in the eyes and say this is what we are targeting. She is hesitant to raise them at this time, before the reserve study, and until we have that recommendation as she thinks that is picking an arbitrary number out of the air.

Chairman Callicrate said that he appreciates those comments on an arbitrary number and said that \$19.1 million is about thirty to forty five days and that we need funds to be available for an emergency. We have somewhere between four and five million dollars in our reserves and that

anything about 5.5% goes to the reserve and that there is no way we are going to raise them by 50%.

Trustee Schmitz said instead of talking about raising the rates about 5.5%, could we implement a toll or a charge that is specific for replenishing our capital and turn it off when we reached our desired goal; can that be done.

Director of Public Works Pomroy said that the water and sewer rates are brought before the Board and you can make amendments and an example is the defensible space fee – you can remove that \$1 today and you can add to that fee as it can be modified on an annual basis; the defensible space fee was added ten years ago.

Trustee Schmitz said if we are trying to replenish then let's be transparent and add a line item that over time we would just eliminate because we have fulfilled the need.

Chairman Callicrate said that was something that he hadn't entertained and that it might be a cleaner way to address that in our own policies. If we were to decide on that type of fee, do we have to wait until our next meeting. People could see what it is going towards versus a percentage. That is a valid attempt at starting to address the reserves that we should have and don't have.

Trustee Wong said that the Board hasn't restricted the \$9.6 million so technically it meets policy. She recognizes if and when the Board fully restricts, our threshold will be below but technical we are in compliance and we are looking forward. How do we move forward with our rate payers?

Chairman Callicrate said that technically we may be in compliance and that he has had some spirited discussions with our former Director of Finance about collecting money for a specific project as there is an inference that it is going into a restricted fund and then folks found out it was being used in another way so we can split hairs on that. We should have over \$14 million because in good faith we understood what the money was being collected for and help in building our reserves is to show our community that the money was restricted so do we have to agendize it and that got lost in that conversation. With this particular General Business item, what do we want to do or how can we, within the constraints, achieve what we are trying to achieve.

Trustee Wong said that is another misconception about the \$2 million; the effluent pipeline is a project that we have been working on for a number of years and that sometimes we do spend money on the effluent pipeline. While some think it is \$14 million, there has been money spent on that project so that is a huge misconception that we need to start clarifying so that people know. Because these funds are in the Utility Fund and because the effluent pipeline is the largest project, it is restricted and this is the project we are going to work on. Do agree with restricting the funds in the future?

Chairman Callicrate said when we allocated the cost of the new building to house the rolling stock, what was the cost of that building. Director of Public Works Pomroy said he didn't recall the exact number but it was close to \$2 million. Chairman Callicrate said that money was taken as was the on-call quarters project money and that a lot of money has been spent on temporary fixes and blowouts, etc. and that while these were all projects that needed to be done, we are not trying to create strife. District General Counsel Menchetti counseled not to get too far off the agenda item.

Chairman Callicrate opened the matter for public comment.

Margaret Martini passed on her opportunity to speak.

Linda Newman said, for clarification, in 2011/2012 HDR determined that we would need \$23 million collected over ten years to fund the replacement of the pipeline in State Route 28 as a result of that advice, the Board determined that a collection would occur, with interest, to replace the six miles of failing pipeline. There was never any determination that the money would be used for any other projects thus the community was not mistaken and that she thinks it is our Board that is mistaken. By only raising the rates at 5.5% the Utility Fund has a \$600 million infrastructure and we will have less than nine hundred thousand dollars available for any emergencies. She doesn't want to see our rates go up but she doesn't want to see the District placed in terrible financial position and not be financially stable.

Frank Wright said for the last two years, in the Utility Department, every employee has gotten a nine percent raise, pay raise, and for the last five years, his utility bill has gone up every year. What Ms. Newman just spoke about is government fraud and it is illegal. You can't collect money for one purpose and use it for something else. Staff has repurposed bond money and collected it for the utility pipeline and that is malfeasance of public office and misappropriation of public funds or theft. To give anyone in the Utility

Department a raise is wrong. It is like having a basketball coach that never wins a game and that is what you have in the Public Works Department – they have failed us year after year. They have done nothing right and they are not capable of orchestrating a solution to the pipeline and so this Board is forced to get someone else to do what our Staff can't do. Why is our Staff still here? This is a person who hasn't been capable and yet you still have this project in the hands of an incompetent human being so take it out of his hands completely as you have people in this room who would do it for free.

Chairman Callicrate reminded everyone of the subject matter and to please keep their comments to this item.

Aaron Katz said since Trustee Wong brought up the subject of misconception, it is you. He knows what happened then as he was here and Mr. Wright was here and Trustee Wong wasn't. He heard everything that was represented and basically Staff has stolen \$5 million and they are the ones that got us into this mess. Staff told us there were two reserve funds – one at \$2 million a year and then another. That \$2 million was to be for Phase II of the effluent pipeline, not for repairs and not for a garage. By the way, that garage was supposed to be less than a million dollars and that what you may not know, and he tried to get to the bottom of this, was that it is his belief that the Director of Public Works got a ten thousand dollar bonus. We don't have the funds because Staff stole the money. You have a Board member who is lying to the public so we think we are incorrect – Staff did this and the Board members did this so he wants the blame to be where it should be. When he hears Trustee Morris speak about how great our Staff is, they got us into this mess and you have to fix it. Mr. Katz concluded by stating that he is against any rate increase.

Chairman Callicrate, hearing no further public comment, brought the matter back to the Board.

Trustee Schmitz asked if we have the ability to ask Staff to come back to the Board with a recommendation of how to bolster our unrestricted net position, which is short about a million dollars, and that while the rate study address items, it doesn't address the unrestricted net position. When it comes to the unrestricted net position, that seems pretty clear, so do we have the ability to ask Staff to come back.

Interim District General Manager Winquest said that the Board certainly has that ability and we are under the understanding that we are going to hire to

do someone to do a utility study and then they will tell us. If you don't want to do that, he can have Staff do that work.

Chairman Callicrate said we have been discussion the independent rate study and that he knows that the Audit Committee is working on that so he wants to bridge that gap.

Trustee Dent said if we were to raise the rates 15%, on agenda packet page 47, Staff has laid out how we get there. Trustee Schmitz said on increasing the rate, that she is more thinking about implementing a one line item on the bill just to replenish funds because increasing rates impacts operations other than unrestricted net position. Trustee Wong asked how it impacts operations. Trustee Schmitz said that a certain percent goes to operations and everything over 5.5% goes to unrestricted net position. Trustee Dent said that is correct. Trustee Wong said it says it right there. Trustee Dent said that we can move any of these rates around to add to the capital improvements.

Chairman Callicrate asked what is the pleasure of the Board and then went through a couple of different scenarios – raise rates and then at the next meeting restrict the money, establish that something is going to our reserves knowing that this is the first step and that it can be minimal.

Director of Public Works Pomroy said that Staff would like it to coincide with the budget process as delaying the rates would impact revenue on the budget.

Chairman Callicrate said that the Board can put on a fee with the rate study that is pending and then wait until then as a fee so as to not scare anyone.

Director of Public Works Pomroy said on agenda packet pages 40 and 41 are the components and that the Board can add a component. Staff would then prepare the rate sheets that the Board will consider at a future Board meeting as we are not raising the rates today and Staff will come back at a future meeting for a review; percent or dollar amount – Staff can add or we can add a line item that says "Unrestricted Net Position Charge" and then publish it and come back for the Board's review and approval.

Trustee Wong said that the 5.5% rate increase is appropriate and that she still doesn't feel a higher rate or another fee is right until we see the reserve study.

Trustee Schmitz said that she agrees with what the Interim District General Manager said about going out, hiring and doing the rate study and that we know we are short of the Board practice and that we are to be obligated with our Board practice so we should make some attempt to repair that inefficiency.

Trustee Morris said he had nothing more to add.

Trustee Dent said he would echo what Trustee Schmitz said and it seems like we are cancelling projects because we don't have the money or the bid comes in too high and that building up the reserves is the right thing to do. We were elected to watch the purse for the community and building up the reserves and adding to this is better than sitting on our hands and doing nothing. He does like having a separate line item and he doesn't like raising rates but it is something that we have been talking about for years and in this situation we can defer and continue to do nothing or actually tackle this from a leadership point and collect a little extra money and no, Staff is not going to spend but he doesn't know what that number is – is it \$2.50 or \$5 – he doesn't know and he doesn't know what the Board wants to do.

Chairman Callicrate said he would like to raise the rates by 5.5% and have the Director of Public Works have a line item for unrestricted net position at whatever we could agree upon and that would be sending a message to the community on the reserves we don't have. He respects Trustee Wong's statement about being without a reserve study. We are a million dollars short by the end of this year and that the reserve study will tell us what to do so he would like to see a placeholder as it is critically important.

Interim District General Manager Winquest said that 1% equates to roughly one hundred thousand dollars. Director of Public Works said one dollar and five cents per month is about one hundred thousand dollars so we would have to raise them up to fifteen percent; adding a flat fee – he doesn't know if you can do this.

District General Counsel Menchetti said that the Board has lost its way and read the agenda item aloud and stated that is where you are so focus on that so that we can get out of here before tomorrow.

Chairman Callicrate said we have established that 5.5% is the need and if we say 10% that would mean that 4.5% would equal \$450,000 and that

would go into the unrestricted net position which would be a good first step until we do our reserve study, etc.

Trustee Schmitz said that she feels that anything over the 5.5% she doesn't feel comfortable with. It is very difficult to get people to reduce rates so let's stick with the 5.5% until we have a rate study or have the ability to have a line item. Trustee Dent said that the line item equates to the percent and that the additional percent will be a line item. Trustee Schmitz asked how often do you see utility rates go down. She understands the net and to reverse that and go back is much easier; she is not comfortable with it. Chairman Callicrate said he is good with 5.5% and then at a future Board meeting, the Board can decide to add a line item of x dollars per parcel that goes into our unrestricted net position.

Trustee Morris asked if we are restricted on how often we can change the utility rates such that in August could we up them by five dollars as a line item. Director of Public Works Pomroy said that the restriction is about forty five days. The average is 5.5% and noted that there is not one customer who will see a 5.5% increase because it is all about the rate components. The rate table will have these components.

Trustee Wong made a motion to have a one year average percent utility rate increase of five point five percent (5.5%). Trustee Dent seconded the motion. Chairman Callicrate asked for any further Board comments; hearing none, he called the question – the motion was passed unanimously.

Trustee Wong made a motion to set the date/time of April 14, 2020 at 6:00 p.m. for a public hearing for the proposed amendments to IVGID Sewer Ordinance No. 2, entitled "An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District" and IVGID Water Ordinance No. 4, entitled "An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District" that includes the Utility Rate Increase and to publish the notice in accordance with the NRS 318.199. Trustee Dent seconded the motion. Chairman Callicrate asked for any further Board comments; hearing none, he called the question – the motion was passed unanimously.

At 9:19 p.m. Chairman Callicrate called for a break; the Board reconvened at 9:30 p.m.

G.4. Review, discuss, and possibly provide direction regarding the desired format for Staff presentations of the Draft 2020/2021 Venue Operating Budgets scheduled for March 11, 2020 (Requesting Staff Member: Interim District General Manager Indra Winquest)

Interim District General Manager Winquest gave an overview of the submitted materials.

Trustee Schmitz asked if there will be anything on opengov prior to March 6 or right around that time. Interim District General Manager Winquest said it will probably be around March 7 or 8. Trustee Schmitz asked that the Board be advised when it is out.

Trustee Morris said thank you for your attempt to keep with brevity and noted that it is very good to talk with the Director of Finance or heads of Departments to get a real feel and that he intends to do that again this year. As to having presentation, do you feel that there are significant items that need to be identified in the overall presentation in each and every venue as you have been working with Staff or are there a few big presentations such that we can get down on the time. Interim District General Manager Winquest said his preference would be to allow the Board to decide as we have run out of time and had no presentation from General Fund or Utilities because of the rate study. We also talk about beaches, Diamond Peak, parks and recreation and the golf courses but that he can't make that recommendation as he gets different answers. We know that the Board wants less PowerPoints and more give us the data and let us the questions. That is what we are here for and we will be prepared to answer questions on anything you want. When we have the presentations, we will get your feedback, and then we can do whatever needs to be done prior to the tentative budget.

Chairman Callicrate asked for executive summaries for each of the venue presentations and highlights and to have those ahead of time. For the presentations, they should be distilled down and help the Board focus on important aspects and then we, as a Board, can go further. We have asked for that for several years and brevity is critical as that will help a lot.

- H.1. Review, discuss and possibly approve the proposed schedule of services for Sewer Ordinance #2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District” and Review, discuss and possibly approve the proposed schedule of services for Water Ordinance #4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District” and Review, discuss and possibly approve the proposed Fee Schedule – Resolution 1877 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Chairman Callicrate asked for any Board member questions; Trustee Schmitz, referencing agenda packet page 36, Alternatives, read the alternative aloud and asked for a little bit of explanation on that item.

Director of Public Works Pomroy gave an overview of the submitted materials and explained that not having rate increases would mean looking at deferring capital projects, reducing Staff or other cost changes.

Chairman Callicrate said the concern that he has is that is what is going on with COVID-19 activity, that raising rates right now would not be the right thing to do even though it seems like a small amount per month, it is still an addition. He agrees with many comments that have been made and with the direction given to the Interim District General Manager, it is more prudent, at this time, to stay with current rates and wait for the reserve and rate studies that are coming in the next several months.

Trustee Morris said that he knows that it was prior to the COVID announcements and that he thought that the Board had a very robust discussion about this topic at a previous Board meeting and coincided with an acknowledgement that we will be short of our fund balance requirements. There was also the question of should we begin building our reserves now and we decided not to and now there is a suggestion that we don't do a rate increase. Our waste and our water is an essential service and more so now. For us to think about cutting service or deferring capital improvement projects would be very unwise. He understands that COVID is here but in terms of our essential services, there is nothing more essential to what we do than provide utilities. Knowing that we are going to increase them to increase our fund balance in the future is one thing but to delay the rate increase would be a really huge impact. Trustee Morris concluded by stating that he is favor of doing the rates as discussed and sticking to our plan.

Trustee Dent said that he is in favor, given the uncertain times, and that the Board should listen to public comment, of not doing a rate increase at this time. We could postpone it and do what others are doing. We need to look out for the people we work for, the people in the community, and defer those items we can defer and then reassess to see where we are. We are moving forward with a rate and reserve study and after that we can raise the rates later; he is all in favor of holding off on a rate increase.

Trustee Wong said that holding off on the rate increase is a really good idea. Our community has a lot of people on fixed incomes and maybe some of that fixed income isn't coming in. We should set a date to re-evaluate and to evaluate if that is the right time whatever that date would be and do the rate change based on needs. Trustee Wong said that she doesn't want to see the utility fund balance drop too low so we don't have the money for critical infrastructure.

Chairman Callicrate said he liked the suggestion of setting a date.

Trustee Schmitz said that she concurs and that Staff put her mind at ease when they said a short term deferment wouldn't have any impact. She also agrees to putting it on the calendar and suggested maybe October. She would like to have Staff identify some cost saving incentives and look at them holistically later in the year.

Trustee Morris said that he has been swayed by some of the arguments and that to Trustee Schmitz' point, if we review again in three months and if we want to raise rates at that time, we have to have another public hearing and go forward with that. If it is still up in the air, then we can defer it again. Trustee Morris concluded by stating that he would like to see the review happen in three months.

Chairman Callicrate said that he is fine with three or six months and whatever the Board would like to do.

Trustee Wong said that July would be appropriate and that we can assess to see if we are still being affected by the virus. If July is not right, we can push it out again.

Chairman Callicrate said that he is fine with the second meeting in July; Trustees Schmitz and Dent concurred with that schedule.

District General Counsel Velto confirmed that no motion is needed.

H.2. Award a Procurement Contract for the Purchase of Replacement Rental Shop Equipment – 2019/2020 Capital Improvement Project: Fund: Community Services; Division: Ski; Project # 3468RE0002, Vendor: Rossignol, Amount \$285,834.75 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)

General Manager Diamond Peak Ski Resort Mike Bandelin gave an overview of the submitted materials.

Chairman Callicrate said if we were to perhaps put this off because of all of this COVID-19 or is it critical to do this tonight or can we push this out to after next season. Safety is important however is there a possibility to forego it without impact to next year's operations.

General Manager Diamond Peak Ski Resort Bandelin said we wouldn't be able to go on this in November because of vendor drop dead date. He stated in the alternative narrative, his feeling is that we could defer this project, as Staff did a condition assessment and identified one hundred and twenty skis, within the junior fleet, that have finished their five years because we deferred the replacement to competitively bid them together. It will be around sixteen thousand dollars to replace those skis that don't met the condition assessment. On the safety side, we have six years on the bindings so he has no problems or qualms on bindings indemnification within the next couple of years with that manufacturer.

Chairman Callicrate said that is what he wanted to hear from Staff.

Trustee Morris asked if there was a safety aspect with the bindings and can you please say if you are comfortable or concerned. General Manager Diamond Peak Ski Resort Bandelin said he has no concern with the manufacturer's indemnification on the bindings. Trustee Morris said that Staff has identified, with the children's skis, about sixteen thousand dollars, that need replacement. Has Staff audited the adult skis and boots? General Manager Diamond Peak Ski Resort Bandelin said if the Board does decide to defer, Staff would do maintenance on the fleet by replacing toe and heels of the boots and that Staff identified a preliminary cost of sixteen thousand

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
District General Manager

FROM: Paul Navazio
Director of Finance

SUBJECT: Review, discuss, and possibly take action to commit funding for specified Board Priority Capital Projects from available fund balances

DATE: January 6, 2021

I. RECOMMENDATION

It is recommended that the Board of Trustees review, discuss and possibly make a motion to:

- 1) Commit funding for specified Board Priority Capital Projects from available fund balances, as follows:

Community Services Capital Fund(s)

- Ski Way and Diamond Peak Parking Reconstruction Project – replace \$3,600,000 in current funding included in Five-Year Capital Improvement Plan (FY2021/22) with an appropriate debt financing plan; apply projected available funding as follows:
- Dog Park - \$500,000 commitment for planning and preliminary development costs
- Mountain Golf Course Path reconstruction - \$2,000,000 to accelerate cart path reconstruction project
- Snowflake Lodge Renovation - \$1,500,000 for planning, design and partial funding for construction (identified in Diamond Peak Master Plan).

Beach Capital Fund

- Burnt Cedar Pool Renovation Project - \$4,925,000, including \$2,000,000 augmentation from current Five-Year CIP plan (Fund 590)

- 2) Direct Staff to incorporate funding commitments to new and existing capital projects into the update of the District’s Five-Year Capital Improvement Plan (CIP) in conjunction with the FY2021/22 budget process.
- 3) Additionally, direct Staff to return to Board of Trustees with analysis of debt financing options for Ski Way and Diamond Peak Parking reconstruction, Snowflake Lodge construction, and Incline Beach House renovation projects.

II. BACKGROUND

This agenda item has been prepared as a follow-up to the Board’s discussion at its meeting of December 9, 2020 and provides staff recommendations for possible commitment of available fund balances to specific priority capital projects, consistent with Board direction.

Board Priority Projects (2019-2020)

The Board of Trustees has previously identified specific “priority” projects selected from the District’s Community Services Master Plan as well as critical utility infrastructure projects. Projects stemming from the District’s Community Services Master Plan were updated by the Board at their meeting of September 25, 2019. Additional projects were considered as candidates for Board priorities throughout the development of the updated Five-Year Capital Improvement Plan, adopted in conjunction with the FY2020/21 Annual Budget. The following updates have been made to reflect Board direction at their meeting of December 9, 2020:

Update on existing Board Priority Capital Improvement Projects

BOARD PRIORITY PROJECTS	Status	Five-Year CIP
Community Services Master Plan Projects		
Incline Village Dog Park	Pending	Add \$500,000
Incline Beach House Improvement Project	Planning	FY2020/21 - Planning ONLY Develop debt financing plan
Tennis Center Renovation Project	Construction	FY2020/21
Burnt Cedar Pool Renovation Project	Design Phase	FY2021-22 \$2.925 million Additional \$2.0 million
Bocce Court Construction Project	Completed	FY2019/20
Other Significant Projects (9/25/19)		
Ski Way and Diamond Peak Parking Lot	Planning	Replace \$3.6 million allocation with debt financing plan
Championship Golf Maintenance Bldg.	Construction	FY2020/21

	Mountain Golf Course Path Reconstruction	Planning/Design	Allocate \$2.0 million to advance construction phase
Utility Infrastructure Projects			
	Effluent Pipeline Project	Design Review	\$11.6 million "reserved" \$2.0 million/year in CIP

Additions/Revisions to Board Priority Projects

Incline Village Dog Park – allocate initial \$500,000 for planning and initial development costs (project cost estimate un-determined).

Burnt Cedar Pool – augment funding allocation in CIP plan by \$2,000,000 (to \$4,425,000).

Mountain Golf Course Cart Path Reconstruction - \$2,000,000 from existing fund balance to accelerate project implementation.

Funding Capacity

The ability of the District to implement its long-term capital plan is dependent on the availability of resources on hand, resources being collected through the Facility Fee(s) and Charges for Services, as well as (if needed) the ability of the District to access capital markets for long-term financing.

In addition, the Board has begun to identify available funding for specific projects in order to ensure that funds being collected through Facility Fees, Charges for Services and Utility rates are used for their intended purpose, as directed by the Board.

Staff is in the process of updating financial forecasts for each major fund in order to inform discussions of available resources to implement approved capital plans and, specifically, Board priority projects. This section provides a summary of forecasts being updated based on unaudited financial results from the prior fiscal year, the current budget and preliminary baseline forecast assumptions.

Community Services

- The Community Services Fund is reported to have an unrestricted fund balance of \$14.5 million as of June 30, 2020.
- This represents a level of fund balance that exceeds Board reserve policy level (25% of operating expenses) by \$10.4 million
- Largely as a result of the Board’s decision to reduce the Recreation Facility for FY2020/21 from \$705 to \$330, the current budget anticipates a draw-down of \$5.0 million, driven by a \$6.1 million in capital expenditures.

- Based on a preliminary forecast for the Community Services Fund through FY2024/25, which includes an estimated \$3.6 million for the Ski Way and Diamond Peak Parking lot project, fund balance is largely exhausted by June 30, 2022, with limited capacity of \$1.4 to \$2.5 million over the next five years.
- If the Board chooses to not use projected fund balances to advance the Ski Way and Diamond Peak Parking Lot project, an estimated \$4.5 - \$6.1 million in projected fund balance would be available to support other existing or proposed Board priority projects.
- Among the current Board Priority Projects, the new Incline Dog Park remains an unfunded project within the current Five-Year Capital Improvement Plan.

Beach

- The Beach Fund is reported to have an unrestricted fund balance of \$2.6 million as of June 30, 2020.
- This represents a level of fund balance that exceeds Board reserve policy level (25% of operating expenses) by \$2.1 million
- Largely as a result of the Board's decision to increase the Beach Facility Fee for FY2020/21 from \$125 to \$500, the current budget anticipates unrestricted fund balance to increase to \$4.4 million, by June 30, 2021.
- Based on a preliminary forecast for the Beach Fund through FY2024/25, which includes an estimated \$2.9 million for the Burnt Cedar Pool Renovation Project (per adopted CIP budget), the Beach Fund is expected to have additional capacity of between \$2.0 and \$2.4 million over the five-year forecast to support priority projects.
- This funding could be applied to support increased funding for the Burnt Cedar Pool Renovation Project, based on an estimate of \$4.8-\$5.3 million to construct a preferred project, relative to the renovation project used for estimating funding requirements at the time of budget adoption.
- If the Board chooses to allocate fund balance expected to be available for the current preferred Burnt Cedar Pool Renovation project, the excess fund balance within the Beach Fund would be largely exhausted by June 30, 2021.
- It should be noted that among the Board's priority capital projects, the Incline Beach House Renovation Project remains an unfunded project within the current Five-Year Capital Plan. With additional funding expected to be required for the Burnt Cedar Pool project, the Incline Beach House project will likely continue to assess an increased Beach Facility Fee (beyond FY2020/21), or require a debt financing plan.

Financing Plan – Priority Projects

	Cost Estimate	Existing Fund Balance	Fees / Rates		Debt Financing
			Current	Future	
<i>Community Services Priority Projects</i>					
Incline Village Dog Park	TBD	\$500,000			
Incline Beach House Improvement Project	\$3.0 million				X
Tennis Center Renovation Project		Budget			
Burnt Cedar Pool Renovation Project	\$4.925 million	X	X		
Snowflake Lodge Reconstruction	TBD	X	\$1.5 million		
<i>Other Significant Projects</i>					
Ski Way and Diamond Peak Parking Lot	\$3.9 million				X
Championship Golf Maintenance Bldg.		Budget			
Mountain Golf Course Path Reconstruction	\$2.0 million		x		
<i>Utility Infrastructure Projects</i>					
Effluent Pipeline Project	TBD	X	X		X

Attachments:

Board Meeting Minutes – December 9, 2020 (*Excerpt – Board Priority Projects*)

Community Services Fund Forecast – *excluding Ski Way Project*

Beach Fund Forecast – *with Additional Burnt Cedar Pool Commitment*

Adopted Five-Year CIP – May 27, 2020

K.3. Review, discuss, and possibly provide direction on Board Priority Capital Projects and related funding plans (Requesting Staff Members: Director of Finance Paul Navazio and Engineering Manager Nathan Chorey)

District General Manager Winqest gave a brief introduction of this item followed by Engineering Manager Chorey who gave an overview of the submitted materials. Director of Finance Navazio provided the financial review. District General Manager Winqest said that this is why this item was a little different from what was anticipated. The Board is doing its due diligence to spend down the fund balance and then went over a couple of other future projects and their potential funding opportunities. Engineering Manager Chorey said that Staff highlighted the new projects and the potential priority projects. Chairman Callicrate said the whole point is that we have collected quite a bit of money for reserves, we have been talking about this for over a year, and we are now committing these funds. Thank you for putting that into graphic form and yes, we would have to keep the allocation for the next several years or possibly bond that project. Definitely, for Ski Way, that is something that should be bonded because it is a multi-year project as well as for the Effluent Pipeline. Have a lot ahead of us and we need to get the dog park back up there and understand that there are private funders that want to work with us. Whole point was to show that we have made commitments. Showing the intent is there to the community for next year or the following year and can't go much further than that. Trustee Dent said Burnt Cedar pool is moving along, on agenda packet page 162, the dog park, let's get rid of the to be determined and let's start talking about funding as that is a priority at the top of the list. One thing that isn't on this list is the Mountain Golf Course cart paths which is a \$2 million project that he would like to see get moved along. Ski Way is not a big priority for him, one of the biggest priority would be the effluent pipeline and going through the evaluation and the whole process and how we should be operating. This is a 70 or 100 year project that should be bonded especially when we didn't raise rates. Chairman Callicrate said we do need to move the dog park up the list and agree on bonding for Ski Way and not a top priority but don't want it to fail either. Trustee Wong said for the priority projects, we are making great progress. Agenda packet page 157 is consistent with what we have talked about in the past, shouldn't have huge changes or shifts and great job by Staff on funding and there will have to be discussions about funding of these projects. We need to keep an open mind with funding projects going forward. Until we have a more solid plan for dog park and beach house, there isn't a way to solicit funding. Chairman Callicrate asked about interest in Ski Way – bonding or paying cash and where is on the priority list versus anything else? Trustee Wong said that Ski Way and the

Excerpt from December 9, 2020 draft minutes

Incline Beach house are prime candidates for debt financing as they add value to community and the venues they serve so we should be exploring debt financing. Trustee Schmitz said that she agrees with the comments that are being made and that we do need to make an effort to move along the dog park as it is very important. Looking at the venues that are customer facing, she has heard a lot about cart paths at both courses and think that the Recreation Center is another customer facing venue so let's keep those moving forward. Incline Beach house and Snowflake Lodge need to be considered. Trustee Morris said he is not going to comment on priorities and leave that to the new Board. Congratulations on doing this in graph form. His parting comments would be to consider some form of debt financing to do some of these projects. Given the dog park and the Incline beach house, it might be a little unwise to commit funds for these projects. Paying attention to the potential for debt funding is a priority. Chairman Callicrate said that there are opportunities to make some significant drawdowns so we aren't sitting on piles of money which will be gone next year depending on how we want to pay for capital improvements. Dog park and beaches – look at it in its entirety – all beaches and trying to pay cash for everything especially for long term projects is foolhardy. He will go out on the limb and say that he never said he wasn't going to bond. Rather at the time, it didn't make sense and that six years have transpired and money is cheap right now so it might make sense. There is work yet to do. District General Manager Winquest said what he is hearing that the dog park is clearly going to stay a priority project and that we can commit \$500,000 as he can only move as fast as he can unless we want to turn Village Green into a dog park which is not what he thinks the community wants. When we find out about the property across from the high school, we need to pivot, may not be a bad idea to reserve from funds for design to start that projects. Other projects that are potential for reserves are the Recreation Center lockers, etc. He agrees with what everyone has said. We will need to revisit the beach house and have a discussion about other items within the beaches plan. Director of Finance Navazio said he wants to remind the Board that they will see this again shortly because the CAFR will come forward in January and explained the \$14,000,000 once again and stated that there is really only about \$4,000,000 that is not committed. The flip in the Recreation Fee was assumed for one year so next year you can decide where you need to be with the Recreation Fee. He would echo the District General Manager's point about committing goes with building it into the budget. To a public comment, difficulty accessing the debt market, disagree with that and that the District will have access. Trustee Schmitz said wasn't it our task to actual identify and reserve that extra \$4,000,000; isn't that was this was about? District General Manager Winquest said yes and do that either through the budget or as a Board agenda item. We needed this information before we could

Excerpt from December 9, 2020 draft minutes

formulate an action for the Board. Director of Finance Navazio said that the \$4,000,000 is eaten up because of the Ski Way project being in the CIP budget. If want to commit to others, the Board needs to say that the Ski Way project won't use fund balance for that project so look at it holistically. Chairman Callicrate said so the direction is to pull the Ski Way project out and free those funds as that money could do the cart paths which benefits a tremendous amount of our community because it is not a legacy project; look at debt financing for Ski Way; and that Snowflake Lodge is a legacy project that would require short or medium term financing especially if it is rebuilt. As we spend down and then accumulate, we should identify where those funds are going. At the January 13 meeting, we say where it should go so as to give a clear picture to the community; as an actionable item. District General Manager Winquest said either at the budget workshop or at the January 13 meeting and we got what we needed. Removing Ski Way from the five-year plan which frees up about \$4,000,000 and discussed some updated priority projects and Staff will work that list and then for the action item will be options for projects. Chairman Callicrate say where it is already committed and then what is left so we can show clearly that we have the necessary reserves for emergencies and then this is where the balance is going and be very upfront with the community.

Incline Village General Improvement District
Beach Fund

	Adopted Budget 2019-20	Unaudited Actuals 2019-20	Adopted Budget 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Beach Fund							
Beginning Unrestricted Fund Balance	\$ 1,749,171	\$ 1,774,846	\$ 2,556,100	\$ 4,895,026	\$ 577,407	\$ 722,136	\$ 758,679
Operating Revenues	1,511,300	1,648,004	831,995	1,656,292	1,705,980	1,757,160	1,809,874
Facility Fee (7748 Parcels)							
Facility Fee - Operations	658,580	656,897	658,580	658,580	658,580	658,580	658,580
Facility Fee - Capital Projects	302,172	302,172	3,207,672	302,172	302,172	309,920	309,920
Facility Fee - Debt Service	7,748	7,748	7,748	7,748	7,748		
Facility Fee Subtotal	968,500	966,817	3,874,000	968,500	968,500	968,500	968,500
Other Sources		13,125	-	-	-	-	-
Financing Sources							
Bonding Sources							
Total Sources	2,479,800	2,627,946	4,705,995	-2,624,792	2,674,480	2,725,660	2,778,374
Operating Expenditures	(2,109,190)	(1,758,394)	(1,906,299)	(2,111,054)	(2,174,386)	(2,239,617)	(2,306,806)
Capital Projects	(990,050)	(82,009)	(454,500)	(2,825,060)	(349,000)	(449,500)	(206,100)
<i>Burnt Cedar Pool</i>				(2,000,000)			
Scheduled Debt Service on 2012 Bond	(6,289)	(6,289)	(6,270)	(6,296)	(6,366)	-	-
Total Uses	(3,105,529)	(1,846,692)	(2,367,069)	(6,942,410)	(2,529,752)	(2,689,117)	(2,512,906)
Net Change in Fund Balance	(625,729)	781,254	2,338,926	(4,317,619)	144,729	36,542	265,469
Ending Unrestricted Fund Balance	\$ 1,774,846	\$ 1,123,442	\$ 2,556,100	\$ 4,895,026	\$ 577,407	\$ 722,136	\$ 1,024,147
Projected Policy Target Fund Balance (25% Operating Exp)	527,298	439,599	476,575	527,764	543,596	559,904	576,701
Excess (Deficiency) to Target	596,144	2,116,501	4,418,451	49,643	178,540	198,775	447,446

Priority Capital Projects		
Burnt Cedar Pool	2,700,000	In CIP Plan
Burnt Cedar Pool Addtl. Funding Commitment	2,000,000	
Incline Beach House (not in Proposed CIP 5 Year)	3,000,000	Unfunded
	<u>7,700,000</u>	

Priority Capital Projects					
Incline Beach House Improvement Project	Unfunded	100,000			
Burnt Cedar Pool Renovation Project	Placeholder	225,000	4,700,000		
Other Projects		129,500	125,060	349,000	449,500
Total Five-Year CIP Plan		454,500	4,825,060	349,000	449,500
				208,100	208,100

**Incline Village General Improvement District
Community Services Fund**

	Audited 2018-19	Adopted Budget 2019-20	Unaudited Actuals 2019-20	Adopted Budget 2020-21	Projected 2021-22	Projected 2022-23	Projected 2023-24	Projected 2024-25
Community Services Fund								
Beginning Unrestricted Fund Balance		\$ 13,183,167	\$ 12,261,649	\$ 14,464,432	\$ 9,447,147	\$ 9,132,778	\$ 9,856,920	\$ 10,650,164
Operating Revenue		15,891,865	15,822,750	16,616,228	17,114,715	17,628,156	18,157,001	18,701,711
Facility Fee (8203 Parcels)								
Facility Fee - Operations		2,050,750	2,041,702	1,763,645	1,763,645	1,763,645	1,763,645	1,763,645
Facility Fee - Capital Projects		3,322,215	3,322,215	533,195	3,609,320	3,609,320	4,019,470	4,019,470
Facility Fee - Debt Service		410,150	410,150	410,150	410,150	410,150	-	-
Facility Fee Subtotal		5,783,115	5,774,067	2,706,990	5,783,115	5,783,115	5,783,115	5,783,115
Other Sources								
CIP Source - Insurance Proceeds Mtn Clubhouse		300,000	243,548					
CIP Source - Capital Grants		623,800	1,637,399					
One-time transfer from General Fund		561,800	241,875					
Sale of Capital Assets			44,639					
Other Sources				320,279				
Total Sources		23,160,580	23,764,278	19,643,497	22,897,830	23,411,271	23,940,116	24,484,826
Operating Expenditures		(17,926,815)	(16,256,844)	(18,149,869)	(18,694,365)	(19,255,196)	(19,832,852)	(20,427,837)
Capital Projects - Baseline 5 Year		(8,886,502)	(5,059,031)	(3,627,040)	(7,733,080)	(3,042,900)	(3,314,020)	(3,492,820)
Capital Projects Carryover				(2,500,701)				
<i>Ski Way (exclude from current funding)</i>					3,600,000			
Debt Service on 2012 Bond		(384,354)	(384,354)	(383,172)	(384,754)	(389,033)	-	
Total Uses		(27,197,671)	(21,700,229)	(24,660,782)	(23,212,199)	(22,687,129)	(23,146,872)	(23,920,657)
Net Change in Fund Balance		(4,037,091)	2,064,049	(5,017,285)	(314,369)	724,142	793,244	564,169
Change in Restricted Portion of Fund Balance			427,994					
Prior Year Adjustments			(289,260)					
Ending Unrestricted Fund Balance	\$ 12,261,649	\$ 9,146,076	\$ 14,464,432	\$ 9,447,147	\$ 9,132,778	\$ 9,856,920	\$ 10,650,164	\$ 11,214,333
Projected Policy Target Fund Balance (25% Operating Exp)		4,481,704	4,064,211	4,537,467	4,673,591	4,813,799	4,958,213	5,106,959
Excess (Deficiency) to Target		4,664,372	10,400,221	4,909,680	4,459,187	5,043,121	5,691,951	6,107,374

Priority Capital Projects								
Incline Village Dog Park	<i>Unfunded</i>							
Tennis Center Renovation Project			1,098,200					
Bocce Court Construction Project			103,077					
<i>Ski Way and Diamond Peak Parking Lot</i>	<i>Unfunded</i>			300,000	3,600,000			
<i>Championship Golf Maintenance Bldg.</i>				700,000				
<i>Other Projects</i>			3,857,754	2,627,040	4,133,080	3,042,900	3,314,020	3,492,820
Total Five-Year CIP Plan			5,059,031	3,627,040	7,733,080	3,042,900	3,314,020	3,492,820



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
Accounting/Information Systems	1213CE1101	IT Master Plan - IT Security Devices	Director of IT	15,000	-	-	-	-	15,000
	1213CE1501	Wireless Controller Upgrade	Director of IT	40,000	-	-	-	-	40,000
	1213CE1701	District Communication Radios	Network Administrator	6,000	10,000	-	-	-	16,000
	1213CE1901	Completion of analog Phone System upgrade to VoIP	Director of IT	60,000	66,000	-	-	-	126,000
	1213CO1505	Server Storage and Computing Hardware	Director of IT	91,800	92,000	-	-	220,000	403,800
	1213CO1703	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	IT Technician	97,050	100,000	102,950	105,900	109,950	515,850
	1213CO1803	Microsoft Office Licenses	Director of IT	9,300	9,600	-	-	-	18,900
	1213CO1804	Windows Server Operating System	Director of IT	14,000	-	-	-	-	14,000
General	1213LV1721	IS&T Pick-up Truck and Cargo Unit	Fleet Superintendent	-	-	31,000	-	-	31,000
	Total Accounting/Information Systems			333,150	277,600	133,950	105,900	329,950	1,180,550
	1099BD1501	Admin Roof Repairs	Buildings Superintendent	12,000	-	-	-	-	12,000
	1099BD1502	Upgrade Public Bathrooms at Administration for ADA Compliance	Buildings Superintendent	-	75,000	-	-	-	75,000
	1099BD1701	Administration Services Building - Placeholder	Engineering Manager	-	-	150,000	3,200,000	-	3,350,000
	1099LI1705	Pavement Maintenance - Administration Building	Senior Engineer	5,000	5,000	5,000	5,000	5,000	25,000
	1099OE1401	Admin Printer Copier Replacement - 893 Southwood Administration Building	District Clerk	-	32,500	-	-	-	32,500
	Total General Fund			17,000	112,500	155,000	3,205,000	5,000	3,494,500
Total General			350,150	390,100	288,950	3,310,900	334,950	4,675,050	
Utilities									
Public Works Shared	2097BD1202	Paint Interior Building #A	Buildings Superintendent	-	49,000	-	-	-	49,000
	2097BD1204	New Carpet Building #A	Buildings Superintendent	-	47,000	-	-	-	47,000
	2097BD1702	Replace Public Works Front Security Gate	Buildings Superintendent	-	-	-	-	79,320	79,320
	2097BD1704	Replace Roof Public Works #B	Buildings Superintendent	-	105,000	-	-	-	105,000
	2097BD2001	Arc Flash Study - Utilities	Director of Public Works	60,000	-	-	-	-	60,000
	2097CO2101	Public Works Billing Software Replacement	Public Works Administrative Manager	10,000	100,000	100,000	50,000	-	260,000
	2097DI1401	Adjust Utility Facilities in NDOT/Washoe County Right of Way	Senior Engineer	25,000	180,000	60,000	60,000	60,000	385,000
	2097DI1701	Water Reservoir Safety and Security Improvements	Engineering Manager	200,000	-	-	-	-	200,000
	2097HE1725	Loader Tire Chains	Fleet Superintendent	-	20,000	-	-	-	20,000
	2097HE1729	2002 Caterpillar 950G Loader #523	Fleet Superintendent	-	265,000	-	-	-	265,000



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
	2097HE1730	2002 Caterpillar 950G Loader #525	Fleet Superintendent	-	-	270,000	-	-	270,000
	2097HE1750	1997 Forklift #315	Fleet Superintendent	-	-	-	36,000	-	36,000
	2097HE1751	2013 Trackless Snowblower #687	Fleet Superintendent	-	-	175,000	-	-	175,000
	2097HE1752	2001 105KW Mobile Generator #313	Fleet Superintendent	-	-	50,000	-	-	50,000
	2097HV1755	2001 Peterbilt Bin Truck #468	Fleet Superintendent	-	190,000	-	-	-	190,000
	2097LE1720	Snowplow #300A	Fleet Superintendent	-	18,000	-	-	-	18,000
	2097LE1721	Snowplow #307A	Fleet Superintendent	-	-	18,000	-	-	18,000
	2097LE1722	Slurry Liquidator #326	Fleet Superintendent	-	41,000	-	-	-	41,000
	2097LE1724	2019 Sander/Spreader #808	Fleet Superintendent	-	-	-	-	10,000	10,000
	2097LE1727	2012 Snowplow #669B	Fleet Superintendent	-	-	-	-	72,000	72,000
	2097LI1401	Pavement Maintenance, Utility Facilities	Senior Engineer	-	247,500	90,000	12,500	260,000	610,000
	2097LI1701	Pavement Maintenance, Reservoir 3-1 WPS 4-2/5-1	Senior Engineer	-	220,000	-	-	-	220,000
	2097LV1710	2013 Chevy Equinox	Fleet Superintendent	-	-	-	37,000	-	37,000
	2097LV1734	2013 1/2 Ton Pick-Up #677 Treatment	Fleet Superintendent	-	-	-	37,000	-	37,000
	2097LV1735	2003 GMC 3/4-Ton Pick-up #702	Fleet Superintendent	-	-	-	-	34,000	34,000
	2097LV1736	2005 Chevy 1/2-Ton Pick-up #553	Fleet Superintendent	-	32,000	-	-	-	32,000
	2097LV1738	2009 Chevrolet 1/2 Ton Pick-up Truck #631	Fleet Superintendent	-	30,000	-	-	-	30,000
	2097LV1739	2009 Chevrolet 1/2 Ton Pick-up Truck #632 Engineering Dept.	Fleet Superintendent	-	32,000	-	-	-	32,000
	2097LV1740	2012 Extend-A-Cab Pick-up #678 Pipeline Dept.	Fleet Superintendent	-	-	32,000	-	-	32,000
	2097LV1741	2004 3/4-Ton Service Truck w/liftgate & crane #703	Fleet Superintendent	-	-	-	-	58,000	58,000
	2097LV1743	2013 1-Ton Flatbed #679 Pipeline Dept.	Fleet Superintendent	-	-	-	44,000	-	44,000
	2097LV1744	2012 1-Ton Service Truck w/ Liftgate #668 Treatment	Fleet Superintendent	-	-	43,000	-	-	43,000
	2097LV1745	2013 1-Ton Service Truck #680 Utilities Electrician	Fleet Superintendent	-	-	-	44,000	-	44,000
	2097LV1748	2008 Chevrolet Service Truck #680	Fleet Superintendent	-	-	45,000	-	-	45,000
	2097LV1749	2011 Chevrolet Service Truck #647 Treatment	Fleet Superintendent	45,000	-	-	-	-	45,000
	2097OE1205	Large Format Printer Replacement	Public Works Contract Administrator	-	-	-	29,000	-	29,000
				340,000	1,576,500	883,000	349,500	573,320	3,722,320
Water	2299DI1102	Water Pumping Station Improvements	Engineering Manager	70,000	70,000	50,000	50,000	50,000	290,000
	2299DI1103	Replace Commercial Water Meters, Vaults and Lids	Collection/Distribution Supervisor	55,000	40,000	40,000	40,000	-	175,000
	2299DI1204	Water Reservoir Coatings and Site Improvements	Utility Maintenance Specialist	85,000	85,000	60,000	80,000	55,000	365,000
	2299DI1401	Burnt Cedar Water Disinfection Plant Improvements	Engineering Manager	25,000	55,000	25,000	25,000	150,000	280,000
	2299DI1702	Water Pump Station 2-1 Improvements	Engineering Manager	-	-	300,000	-	-	300,000



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total	
Sewer	2299DI2603	Residential meter and electronics replacement	Collection/Distribution Supervisor	-	-	-	150,000	250,000	400,000	
	2299LV1720	2013 Mid Size Truck #630 Compliance	Fleet Superintendent	-	31,000	-	-	-	31,000	
	2299WS1704	Watermain Replacement - Martis Peak Road vicinity	Senior Engineer	990,000	-	-	-	-	990,000	
	2299WS1705	Watermain Replacement - Crystal Peak Road	Senior Engineer	-	50,000	986,000	-	-	1,036,000	
	2299WS1706	Watermain Replacement - Slott Pk Ct	Senior Engineer	-	250,000	-	-	-	250,000	
	2299WS1802	Watermain Replacement - Alder Avenue	Senior Engineer	-	-	50,000	535,000	-	585,000	
	2299WS1803	Watermain Replacement - Future	Senior Engineer	-	-	-	50,000	600,000	650,000	
	2299WS1804	R6-1 Tank Road Construction	Senior Engineer	-	125,000	-	-	-	125,000	
				1,225,000	706,000	1,511,000	930,000	1,105,000	5,477,000	
		2523HE1723	2001 Sellick Forklift #499	Fleet Superintendent	-	-	-	65,000	-	65,000
		2523HV1721	2006 Kenworth T800 Bin truck #587	Fleet Superintendent	-	197,200	-	-	-	197,200
		2523LE1720	2018 Flail Mower #784	Fleet Superintendent	-	-	-	15,000	-	15,000
		2524HE1725	2008 Chevrolet Camera Truck #615	Fleet Superintendent	-	-	-	85,000	-	85,000
		2524SS1010	Effluent Pipeline Project	Engineering Manager	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
		2599BD1105	Building Upgrades Water Resource Recovery Facility	Utility Superintendent	80,000	40,000	30,000	50,000	275,000	475,000
		2599DI1104	Sewer Pumping Station Improvements	Engineering Manager	70,000	30,000	30,000	50,000	50,000	230,000
		2599DI1701	Sewer Pumping Station 14 Improvements	Engineering Manager	-	-	-	30,000	85,000	115,000
		2599DI1703	Sewer Pump Station #1 Improvements	Engineering Manager	650,000	-	-	-	-	650,000
		2599SS1102	Water Resource Recovery Facility Improvements	Utility Superintendent	125,000	75,000	100,000	175,000	475,000	950,000
	2599SS1103	Wetlands Effluent Disposal Facility Improvements	Utility Maintenance Specialist	16,500	183,500	100,000	100,000	-	400,000	
	2599SS1203	Replace & Reline Sewer Mains, Manholes and Appurtenances	Senior Engineer	80,000	60,000	55,000	105,000	55,000	355,000	
	2599SS1901	Wastewater Resource Recovery Facility (WRRF) Drainage Improvements	Senior Engineer	-	12,500	-	-	-	12,500	
	2599SS2107	Update Camera Equipment	Collection/Distribution Supervisor	-	60,000	-	-	-	60,000	
		Total Utilities		3,021,500	2,658,200	2,315,000	2,675,000	2,940,000	13,609,700	
				4,586,500	4,940,700	4,709,000	3,954,500	4,618,320	22,809,020	
Internal Service										
Fleet	5190ME1201	Replacement Shop Tools and Equipment	Fleet Superintendent	-	-	16,000	-	-	16,000	
	5197CO1501	Fuel Management Program	Fleet Superintendent	-	-	-	-	28,000	28,000	
	5197CO1801	Fleet Software upgrade - manages rolling stock/equip	Fleet Superintendent	-	-	14,000	-	-	14,000	
	5197LE1720	Replace 2007 Vehicle/Equipment Trailer #629	Fleet Superintendent	-	-	-	12,000	-	12,000	
				-	-	30,000	12,000	28,000	70,000	
Buildings	5394LE1723	2003 Genie Scissor Lift	Fleet Superintendent	-	16,000	-	-	-	16,000	
	5394LE1724	2004 Equipment Trailer (Tilt)	Fleet Superintendent	-	5,200	-	-	-	5,200	



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
	5394LV1720	Replace 2005 Service Truck 4X4 (1-ton) #555	Fleet Superintendent	-	43,600	-	-	-	43,600
	5394LV1722	Replace 2004 Pick-up Truck 4X4 (1/2-ton) #540	Fleet Superintendent	5,000	-	-	-	-	5,000
				5,000	64,800	-	-	-	69,800
		Total Internal Service		5,000	64,800	30,000	12,000	28,000	139,800
Community Services									
Championship Golf	3141FF1804	Champ Golf Exterior Icemaker Replacement	Buildings Superintendent	10,500	-	-	-	-	10,500
	3141FF1903	Championship Golf Course Bear Boxes	Grounds Superintendent Golf Courses	6,000	-	-	-	-	6,000
	3141GC1103	Irrigation Improvements	Grounds Superintendent Golf Courses	15,000	26,000	15,000	30,000	27,000	113,000
	3141GC1501	Maintenance Building Drainage, Wash Pad, and Pavement improvements	Engineering Manager	700,000	-	-	-	-	700,000
	3141GC1803	Championship Course Tees	Grounds Superintendent Golf Courses	-	12,000	-	-	-	12,000
	3141GC1901	Practice Green Expansion	Grounds Superintendent Golf Courses	-	-	-	-	150,000	150,000
	3141LI1201	Pavement Maintenance of Parking Lots - Champ Course & Chateau	Senior Engineer	55,000	17,500	65,000	615,000	5,000	757,500
	3141LI1202	Pavement Maintenance of Cart Paths - Champ Course	Senior Engineer	62,500	55,000	55,000	55,000	195,000	422,500
	3141LV1898	Championship Golf Course Electric Cart Fleet and GPS	Director of Golf	378,000	-	-	-	-	378,000
	3142LE1722	2001 Shattertine Aerifier #500	Fleet Superintendent	-	-	-	8,000	-	8,000
	3142LE1723	2017 Toro Force Debris Blower #742	Fleet Superintendent	-	-	10,000	-	-	10,000
	3142LE1725	2015 Carryall Club Car #720	Fleet Superintendent	-	-	-	-	15,000	15,000
	3142LE1726	2015 Carryall Club Car #721	Fleet Superintendent	-	-	-	-	15,000	15,000
	3142LE1737	2006 Carryall Club Car #589	Fleet Superintendent	13,000	-	-	-	-	13,000
	3142LE1738	2006 Carryall Club Car #590	Fleet Superintendent	13,000	-	-	-	-	13,000
	3142LE1739	2006 Carryall Club Car #591	Fleet Superintendent	13,000	-	-	-	-	13,000
	3142LE1741	2016 Bar Cart #724	Fleet Superintendent	17,000	-	-	-	-	17,000
	3142LE1742	2016 Bar Cart #725	Fleet Superintendent	17,000	-	-	-	-	17,000
	3142LE1743	2017 Toro Sand Pro 3020 #744	Fleet Superintendent	-	-	-	22,000	-	22,000
	3142LE1744	2014 Toro Tri-Plex Mower 3250D #694	Fleet Superintendent	-	48,800	-	-	-	48,800
	3142LE1745	2017 Toro 3500D Mower #743	Fleet Superintendent	-	38,000	-	-	-	38,000
	3142LE1746	2012 JD 8500 Fairway Mower #670	Fleet Superintendent	-	92,000	-	-	-	92,000
	3142LE1747	2011 Toro Groundsmaster 4000D #650	Fleet Superintendent	-	69,000	-	-	-	69,000
	3142LE1748	2015 Toro Greensmaster 1600 #711	Fleet Superintendent	-	-	-	11,300	-	11,300
	3142LE1749	2015 Toro Greensmaster 1600 #712	Fleet Superintendent	-	-	-	11,300	-	11,300



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
	3142LE1750	2013 JD 3235 Fairway Mower #685	Fleet Superintendent	-	-	92,000	-	-	92,000
	3142LE1753	2019 Toro Greensmaster 2120 #797	Fleet Superintendent	-	-	-	17,000	-	17,000
	3142LE1754	2019 Toro Greensmaster 2120 #798	Fleet Superintendent	-	-	-	17,000	-	17,000
	3142LE1755	2019 Toro Greensmaster 2120 #799	Fleet Superintendent	-	-	-	17,000	-	17,000
	3142LE1756	2019 Toro Greensmaster 2120 #800	Fleet Superintendent	-	-	-	17,000	-	17,000
	3142LE1757	2019 Toro Greensmaster 2120 #801	Fleet Superintendent	-	-	-	17,000	-	17,000
	3142LE1758	2019 Toro Greensmaster 2120 #802	Fleet Superintendent	-	-	-	17,000	-	17,000
	3142LE1759	2014 3500D Toro Rotary Mower #693	Fleet Superintendent	-	38,000	-	-	-	38,000
	3142LE1861	Toro Greensmaster 1600 #796	Fleet Superintendent	-	-	-	11,300	-	11,300
	3143GC1201	Driving Range Nets	Engineering Technician	90,000	-	-	-	-	90,000
	3143GC1202	Driving Range Improvements	Grounds Superintendent Golf Courses	-	-	-	34,000	-	34,000
	3143GC2002	Range Ball Machine Replacement	Director of Golf	-	-	20,000	-	-	20,000
	3144FF1702	Replace Icemaker Championship Golf Course Cart Barn	Buildings Superintendent	-	10,980	-	-	-	10,980
	3153BD2001	Recoat Chateau F&B Grill and Catering Kitchen Floors	Buildings Superintendent	-	39,700	-	-	-	39,700
	3197HV1749	1997 1-Ton Dump Truck #419	Fleet Superintendent	-	44,000	-	-	-	44,000
	3197LE1721	2017 Toro Aerator #754	Fleet Superintendent	-	-	-	-	28,000	28,000
	3197LE1722	2018 Toro Multi-Pro Sprayer #781	Fleet Superintendent	-	-	-	75,000	-	75,000
	3197LE1729	2017 Toro Multi-Pro Spray Rig #746	Fleet Superintendent	-	-	-	41,000	-	41,000
	3197LE1731	2008 Planetair HD50 #616	Fleet Superintendent	38,000	-	-	-	-	38,000
	3197LE1732	2015 John Deere 1500 Fairway Aerator #716	Fleet Superintendent	-	-	-	-	32,500	32,500
	3197LE1735	2017 TORO Procore 864 Aerator #747	Fleet Superintendent	28,000	-	-	-	32,500	60,500
	3197LE1748	Replace Blade Grinding Equipment	Fleet Superintendent	-	-	-	49,000	-	49,000
	3197LE1752	2017 Deep Tine Aerator #763	Fleet Superintendent	27,000	-	-	-	27,800	54,800
	3197LE1902	Graden Sand Injection Verticutter	Fleet Superintendent	18,500	-	-	-	-	18,500
	3197LE2004	2017 TORO PROCORE 864 AERATOR #756	Fleet Superintendent	33,500	-	-	-	32,500	66,000
	3197LE2020	2010 JD 4120 Tractor #643	Fleet Superintendent	-	32,000	-	-	-	32,000
	3197LE2022	2017 Toro Core Processor #758	Fleet Superintendent	-	-	-	-	26,000	26,000
	3199OE1501	Championship Golf Printer Copier Replacement 955 Fairway	Director of IT	-	-	10,000	-	-	10,000
				1,535,000	522,980	267,000	1,064,900	586,300	3,976,180
Mountain Golf	3241GC1101	Mountain Course Greens, Tees and Bunkers	Grounds Superintendent Golf Courses	8,000	8,000	-	-	40,000	56,000
	3241GC1404	Irrigation Improvements	Grounds Superintendent Golf Courses	-	-	30,000	10,000	12,000	52,000
	3241GC1502	Wash Pad Improvements	Engineering Manager	-	5,000	65,000	-	-	70,000



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
	3241LI2001	Mountain Golf Cart Path Replacement	Director of Golf/Community Services	-	550,000	550,000	550,000	-	1,650,000
	3241LV1899	Mountain Course 58 Cart Fleet	Director of Golf	-	-	-	-	491,200	491,200
	3242LE1720	2018 Toro Force Blower #777	Fleet Superintendent	-	-	10,000	-	-	10,000
	3242LE1721	2015 Carryall Club Car #713	Fleet Superintendent	-	-	-	-	15,000	15,000
	3242LE1722	2015 Carryall Club Car #714	Fleet Superintendent	-	-	-	-	15,000	15,000
	3242LE1723	2015 Carryall Club Car #718	Fleet Superintendent	-	-	-	-	15,000	15,000
	3242LE1724	2015 Carryall Club Car #719	Fleet Superintendent	-	-	-	-	15,000	15,000
	3242LE1726	2016 Bar Cart #726	Fleet Superintendent	20,000	-	-	-	-	20,000
	3242LE1728	2015 Toro 4000D Rough Mower #709	Fleet Superintendent	-	69,000	-	-	-	69,000
	3242LE1729	2015 JD 3235 Fairway Mower #717	Fleet Superintendent	-	-	-	-	93,000	93,000
	3242LE1730	2018 Toro Tri-Plex 3250D Mower #779	Fleet Superintendent	-	-	-	-	45,500	45,500
	3242LE1731	2017 Toro Sand Pro #745	Fleet Superintendent	-	-	-	22,000	-	22,000
	3242LE1732	2018 Toro Tri-Plex Mower #780	Fleet Superintendent	-	-	-	-	60,000	60,000
	3242LE2002	2019 Toro Tri-Plex Mower #795	Fleet Superintendent	-	-	-	-	40,000	40,000
	3242LI1204	Pavement Maintenance of Parking Lot - Mountain Golf Course	Senior Engineer	6,000	12,500	12,500	22,500	27,500	81,000
	3299BD1403	Mountain Course Maintenance Building - Electrical Improvements	Engineering Technician	-	50,000	375,000	-	-	425,000
	3299BD1705	Paint Exterior of Mountain Golf Clubhouse	Buildings Superintendent	-	-	-	-	31,000	31,000
Facilities	3350BD1103	Chateau - Replace Carpet	Buildings Superintendent	34,000	694,500	1,042,500	604,500	900,200	3,275,700
	3350BD1302	Resurface Patio Deck - Chateau	Buildings Superintendent	-	-	49,500	68,000	-	117,500
	3350BD1505	Paint Interior of Chateau	Buildings Superintendent	36,000	-	-	-	-	36,000
	3350BD1506	Paint Exterior of Chateau	Buildings Superintendent	-	-	40,500	-	-	40,500
	3350BD1506	Paint Exterior of Chateau	Buildings Superintendent	-	47,000	-	-	-	47,000
	3350BD1702	Upgrade Chateau Community Room Lighting Control Module	Buildings Superintendent	-	-	-	-	25,620	25,620
	3350BD1704	Replace Air Walls Chateau	Buildings Superintendent	56,500	-	-	-	-	56,500
	3350BD1803	Replace Carpet in Chateau Grill	Buildings Superintendent	-	30,000	-	-	-	30,000
	3350BD1808	Chateau Community Room Ceiling and Beam Refurbishing	Buildings Superintendent	-	-	-	25,000	-	25,000
	3350ME2001	Retrofit Chateau Ventilation Ducts	Engineering Technician	7,500	-	-	-	-	7,500
	3351BD1501	Aspen Grove - Replace Carpet	Buildings Superintendent	-	11,000	-	-	-	11,000
	3351BD1703	Aspen Grove Outdoor Seating BBQ and Landscaping	Parks Superintendent	-	41,400	10,000	-	-	51,400

5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
Ski	3351BD2101	Dumpster enclosure – Village Green/Aspen Grove	Parks Superintendent	-	45,000	-	-	-	45,000
	3352FF1104	Replace Banquet Serviceware	Sales and Events Coordinator	-	-	-	11,000	66,000	77,000
	3352LV1720	Replace 2013 Cargo Truck #690	Fleet Superintendent	-	-	38,500	-	-	38,500
	3453BD1806	Base Lodge Walk In Cooler and Food Prep Reconfiguration	Engineering Manager	100,000	174,400	138,500	104,000	91,620	608,520
	3453FF1706	Replace Main Lodge/Snowflake Lodge Dining Furniture and Fixtures	Food and Beverage Director	15,000	200,000	-	-	-	215,000
	3453FF1707	Replacement of Main and Snowflake Lodge Kitchen Equipment	Food and Beverage Director	-	-	49,000	-	-	49,000
	3462HE1502	Crystal Express Ski Lift Maintenance and Improvements	Mountain Operations Manager	-	-	53,000	-	11,000	64,000
	3462HE1702	Lakeview Ski Lift Maintenance and Improvements	Mountain Operations Manager	55,000	30,000	145,000	-	-	230,000
	3462HE1711	Lodgepole Ski Lift Maintenance and Improvements	Mountain Operations Manager	25,000	65,000	17,000	-	39,000	146,000
	3462HE1712	Red Fox Ski Lift Maintenance and Improvements	Ski Resort General Manager	-	60,000	65,000	-	120,000	245,000
	3462HE1903	Ridge Ski Lift Maintenance and Improvements	Mountain Operations Manager	-	-	-	20,000	-	20,000
	3462LE1720	2016 Polaris Ranger Crew #728	Fleet Superintendent	45,000	-	-	-	-	45,000
	3463HE1721	2013 Snow blower #689	Fleet Superintendent	-	-	-	19,000	-	19,000
	3463HE1722	Loader Tire Chains (1-Set)	Fleet Superintendent	-	9,750	-	-	-	9,750
	3463HE1723	2002 Caterpillar 950G Loader #524	Fleet Superintendent	-	265,000	-	-	-	265,000
	3463HE1724	Replace 2014 Winch Cat Grooming vehicle #699	Fleet Superintendent	-	-	-	-	415,000	415,000
	3463HE1725	Replace 2014 Grooming vehicle # 700	Fleet Superintendent	-	-	-	-	415,000	415,000
	3463HE1728	Replacement of 2011 Grooming Vehicle #645	Fleet Superintendent	-	400,000	-	-	-	400,000
	3464BD1403	Resurface Main Lodge Decks	Buildings Superintendent	-	-	-	-	65,000	65,000
	3464LE1601	Ski Resort Snowmobile Fleet Replacement	Fleet Superintendent	16,000	16,500	17,000	17,000	17,500	84,000
	3464LE1729	Snowplow #304A	Fleet Superintendent	-	19,000	-	-	-	19,000
	3464LE1734	2016 Polaris Ranger Crew #723	Fleet Superintendent	-	-	19,000	-	-	19,000
	3464LV1730	2014 Yamaha ATV #695	Fleet Superintendent	-	19,000	-	-	-	19,000
	3464LV1732	2013 Yamaha Rhino (ATV) #674	Fleet Superintendent	21,000	-	-	-	-	21,000
	3464ME1802	Diamond Peak Fuel Storage Facility	Fleet Superintendent	-	-	-	-	20,000	20,000
3464SI1002	Fan Guns Purchase and Replacement	Mountain Operations Manager	-	160,000	120,000	-	-	280,000	
3467LE1703	Replace Child Ski Center Surface Lift	Ski Resort General Manager	-	72,000	-	-	-	72,000	

5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
	3468RE0002	Replace Ski Rental Equipment	Director of Skier Services	200,000	-	-	360,000	210,000	770,000
	3468RE1609	Replace Ski Rental Machinery	Director of Skier Services	-	36,000	-	-	-	36,000
	3469HE1739	Replace 2010 Shuttle Bus #635	Fleet Superintendent	140,000	-	-	-	-	140,000
	3469HE1740	Replace 2010 Shuttle Bus #636	Fleet Superintendent	140,000	-	-	-	-	140,000
	3469LI1105	Pavement Maintenance, Diamond Peak and Ski Way	Senior Engineer	25,000	-	-	-	-	25,000
	3469LI1805	Ski Way and Diamond Peak Parking Lot Reconstruction	Engineering Manager	300,000	3,600,000	-	-	-	3,900,000
	3469LV1735	2007 Chevy 1-Ton Pick-Up #596	Fleet Superintendent	-	40,000	-	-	-	40,000
	3469LV1736	2007 Chevy 1-Ton Pick-Up #597	Fleet Superintendent	-	40,000	-	-	-	40,000
	3469LV1737	1991 Ski Passenger Tram #267	Fleet Superintendent	-	22,700	-	-	-	22,700
	3469LV1738	1993 Ski Passenger Tram #283	Fleet Superintendent	-	-	23,400	-	-	23,400
	3499BD1710	Diamond Peak Facilities Flooring Material Replacement	Mountain Operations Manager	55,000	34,000	20,000	20,000	8,000	137,000
	3499BD2002	Arc Flash Study - Ski	Director of Public Works	20,000	-	-	-	-	20,000
	3499OE1205	Replace Staff Uniforms	Ski Resort General Manager	135,000	-	-	-	-	135,000
	3499OE1502	Skier Services Administration Printer Copier Replacement 1210 Ski Way	Director of IT	-	10,000	-	-	-	10,000
				1,192,000	5,098,950	528,400	601,900	1,320,500	8,741,750
Parks	4378BD1603	Resurface and Coat Incline Park Bathroom Floors	Buildings Superintendent	13,940	-	-	-	14,500	28,440
	4378BD1604	Resurface and Coat Preston Park Bathroom, Mechanical Room, and Bleacher Floors	Buildings Superintendent	-	53,200	-	-	-	53,200
	4378BD1605	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	Senior Engineer	-	-	145,000	105,000	-	250,000
	4378BD1701	Dumpster enclosure – Incline Park	Parks Superintendent	-	45,000	-	-	-	45,000
	4378BD1705	Rosewood Creek Foot Bridges	Parks Superintendent	8,000	-	-	-	-	8,000
	4378BD1801	Preston Field Retaining Wall Replacement	Engineering Manager	10,000	22,000	264,000	-	-	296,000
	4378BD2001	Grout Repair Upstairs Parks Office & Tile Replacement	Buildings Superintendent	-	10,000	-	-	-	10,000
	4378HV1738	2013 1-Ton Dump Truck #692	Fleet Superintendent	-	-	-	-	43,000	43,000
	4378LE1720	2013 Surf Rake #684	Fleet Superintendent	-	-	-	26,500	-	26,500
	4378LE1725	2008 Landpride Overseeder #622	Fleet Superintendent	-	-	-	-	17,000	17,000
	4378LE1726	2018 John Deere UTV #771	Fleet Superintendent	-	-	-	-	20,000	20,000
	4378LE1727	2015 John Deere Pro Gator #722	Fleet Superintendent	-	-	-	-	32,000	32,000
	4378LE1731	2008 JD Pro-Gator #624	Fleet Superintendent	36,000	-	-	-	-	36,000
	4378LE1742	2015 Ball Field Groomer #706	Fleet Superintendent	24,000	-	-	-	-	24,000
	4378LE1743	2019 Toro 3500D Rotary Mower #792	Fleet Superintendent	-	-	-	-	37,000	37,000
	4378LI1207	Maintenance, East & West End Parks	Senior Engineer	7,000	39,500	3,000	41,500	5,000	96,000



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total	
Tennis	4378LI1303	Pavement Maintenance, Village Green Parking	Senior Engineer	7,500	5,000	32,500	5,000	5,000	55,000	
	4378LI1403	Pavement Maintenance, Preston Field	Senior Engineer	5,000	7,500	27,500	6,000	7,500	53,500	
	4378LI1602	Pavement Maintenance, Overflow Parking Lot	Senior Engineer	5,000	5,000	27,500	5,000	10,000	52,500	
	4378LI1802	Pavement Maintenance - Incline Park	Senior Engineer	3,500	7,500	3,500	6,000	6,000	26,500	
	4378LV1734	2011 Pick-Up with Lift gate #646	Fleet Superintendent	-	-	44,500	-	-	44,500	
	4378LV1735	2005 Pick-up Truck 4x4 (1-Ton) #554	Fleet Superintendent	-	45,000	-	-	-	45,000	
	4378LV1737	2004 Pick-up Truck 4x4 (1-Ton) #541	Fleet Superintendent	45,000	-	-	-	-	45,000	
	4378RS1501	Replace Playground - Incline Park	Senior Engineer	-	20,000	100,000	-	-	120,000	
	4378RS1601	Replace Playgrounds - Preston	Senior Engineer	7,500	7,500	7,500	100,000	-	122,500	
				172,440	267,200	655,000	295,000	197,000	1,586,640	
		4588BD1602	Paint All Court Fences and Light Poles	Buildings Superintendent	26,000	-	-	-	-	26,000
		4588LI1201	Pavement Maintenance, Tennis Facility	Senior Engineer	5,000	5,000	5,000	10,000	22,500	47,500
		4588RS1401	Resurface Tennis Courts 8-9-10-11	Director of Parks and Recreation	17,600	-	-	-	-	17,600
		4588RS1402	Resurface Tennis Courts 3 thru 7	Director of Parks and Recreation	-	-	-	23,000	-	23,000
		4588RS1501	Resurface Tennis Courts 1 and 2	Director of Parks and Recreation	-	-	-	-	10,000	10,000
					48,600	5,000	5,000	33,000	32,500	124,100
	Recreation Center	4884BD1702	Replace Bird Netting	Buildings Superintendent	-	-	-	17,720	-	17,720
4884BD1705		Upgrade Lights for I.P. Pathway	Buildings Superintendent	-	27,000	-	-	-	27,000	
4884BD1804		Chemtrol System for Recreation Center Pool	Director of Parks and Recreation	-	22,000	-	-	-	22,000	
4884BD1902		Recreation Center Upstairs Lobby Restrooms Remodel	Engineering Technician	170,000	-	-	-	-	170,000	
4884LI1102		Pavement Maintenance, Recreation Center Area	Senior Engineer	62,500	7,500	357,500	307,500	307,500	1,042,500	
4884RS1503		Replaster Recreation Center Pool	Buildings Superintendent	-	-	-	200,000	-	200,000	
4886LE0001		Fitness Equipment	Recreation Center Manager	45,000	47,250	49,000	70,000	57,200	268,450	
4899BD1305		Paint Interior of Recreation Center	Buildings Superintendent	-	15,500	-	15,500	-	31,000	
4899FF1202		Rec Center Locker Room Improvements	Engineering Manager	60,000	720,000	-	-	-	780,000	
4899LV1721		2012 15-Passenger Van #667	Fleet Superintendent	-	45,800	-	-	-	45,800	
4899LV1723		2017 Chevy Compact SUV #751	Fleet Superintendent	-	32,000	-	-	-	32,000	
4899ME2001	Recreation Center Elevator Modernization	Engineering Technician	97,500	-	-	-	-	97,500		
	4899OE1607	Recreation Center Printer Copier Replacement 980 Incline Way	Director of IT	20,000	-	-	-	-	20,000	



5 Year Capital Improvement Plan Summary - As of 5/27/20

Department	Project Number	Project Title	Project Manager	2021	2022	2023	2024	2025	Total
Community Services Shared	4999BD2001	Arc Flash Study - Community Services	Director of Public Works	455,000	917,050	406,500	610,720	364,700	2,753,970
				10,000	-	-	-	-	10,000
	4999LV1802	2017 Dodge Caravan ADA #769	Fleet Superintendent	-	53,000	-	-	-	53,000
	4999OE1399	Web Site Redesign and Upgrade	Marketing Manager	80,000	-	-	-	-	80,000
				90,000	53,000	-	-	-	143,000
	Total Community Services			3,627,040	7,733,080	3,042,900	3,314,020	3,492,820	21,209,860
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
				454,500	2,825,060	349,000	449,500	208,100	4,286,160
Total			9,023,190	15,953,740	8,419,850	11,040,920	8,682,190	53,119,890	

MINUTES

REGULAR MEETING OF DECEMBER 9, 2020 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 Wednesday, December 9, 2020 at 6:00 p.m. This meeting was conducted virtually via Zoom.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

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

Also present were District Staff Members General Manager Diamond Peak Ski Resort Mike Bandelin, Director of Finance Paul Navazio, Director of Golf/Community Services Darren Howard, and Engineering Manager Nathan Chorey.

No members of the public were present in accordance with State of Nevada, Executive Directive 006, 016, 018, 021, 026 and 029.

C. INITIAL PUBLIC COMMENTS*

Dick Warren said this is Peter Morris' Swan Song as a Trustee. This is his last meeting as a Trustee (Thank God), and he will no longer interject stupidity into a discussion of anything. He will miss Peter; he has always enjoyed being around people who are more stupid than he is. And let's be frank, there are not that many folks dumber than he is. But Peter qualifies, in oh so many ways. Peter has been a Trustee for several years now, but he has never met an employee of IVGID, particularly managers of IVGID, that he did not love. In Peter's mind IVGID management does no wrong; they are wonderful, they are resourceful, and they are the backbone of IVGID. For some reason Peter cannot equate IVGID's failures with IVGID's management; other forces, perhaps changes in weather, decisions made on another planet, or possibly minute variations in the Solar System, have contributed to the malaise of IVGID over the past several years. Certainly it is not IVGID's management fault....according to Peter IVGID management is wonderful! In Peter's mind folks like Pinkerton, Guinasso, Pomroy, etc., now gone, are losses that can never be replaced. But then Peter is stupid, so what can he say? He looks forward to Peter's 10-15 minute monologue tonight on how wonderful IVGID

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Management is. It will be his last opportunity to publicly acknowledge the tremendous competency of IVGID management, from the GM on down. Peter always, without fail, voted for what management wanted, but never once did he vote, with other Trustees, to scale back what management wanted. He was a true and devoted lapdog for management. Hey Peter, enjoy your moment. You are full of it, but then most of us know that. Please retire permanently from any public organization. You do not add any value....think of yourself as someone who adds value by subtraction; in other words, do not participate. Just disappear....forever. Thank you.

Linda Newman said please move the three items on the Consent Calendar to General Business. Before you approve the agreement with Farr West, please request Staff provide you with the deliverables from the 2015 contract and the amounts paid. One of the tasks was upgrading the existing effluent pond. To her knowledge, this is the pond that remains unlined, that Jacobs provided additional design work and we are hiring a CMAR contractor to undertake. In addition, for Farr West to complete their new tasks, they include IVGID's project manager. Who is that? They also require IVGID providing our rate study and master plan for water and wastewater. Last year's rate study had major deficiencies and I am unaware of the master plan. This Board should take a hard look at both, assuming the latter's existence. The District is also responsible for preparing utility system maps or as-built drawings. Staff should provide you with this information and if it isn't available, a plan and a budget to attain them. Please also note the 10% budgeted for additional services. It should be \$1,710 – not \$1,900. After more than 5 years of incompetent legal counsel, this Board cannot approve a 1 year contract with BBK. It would be prudent for the Board to first determine the scope of legal services the District requires and advertise a request for proposals to ensure that we have the best law firm to fit our District's needs. The only lawyer licensed to practice in Nevada at BBK is Mr. Nelson. So you would not be engaging a law firm, you would be engaging a sole practitioner who would have to supervise other lawyers at his firm and subcontract other legal tasks to other law firms. In addition, this contract must be reviewed by independent legal counsel, the Client must be identified as the Board and all potential conflicts of interest must be disclosed with the Board's written consent to accept any conflicts. Of additional concern is vesting an individual with fulfilling all the District's legal needs. Under that scenario, the Board will be unable to engage other attorneys with more experience and expertise on specific legal matters. For the record, she is once again requesting this Board take action on implementing effective written internal controls. We cannot wait for the Winter through Spring. We just cannot wait as this deficit undermines the efficiency of all the District's operations and undermines the validity of all its financial reporting.

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Cliff Dobler said do not believe anything in the golf season wrap – it is false. You received his e-mail on Friday. That same day, he received a response from the Director of Finance; three unqualified people making policy. The Burnt Cedar pool was doomed from the get go and Mr. Dobler proceeded to identify issues with Core Construction and funding of the project. Capital projects are a run around in order to keep an uncommitted slush fund. IVGID financials are in a shambles. Trying to borrow money will be a waste of time. This is shameful.

Aaron Katz said he has a couple of matters to discuss – confused about the Cummins estimate – hope you will clarify. Looking for the cost of CMAR, found the overrun – wants to know what the costs are. Timing clock – what is that doing in our estimate? Talk about the report on public records – made a request for fees, made one for the Marketing Manager's expenses, do you remember that he brought to your attention the fees paid on NGOA and reimbursement. Nothing on it. On the ETS billings request, he got redacted invoices which is wrong. Where are his other requests? This is not transparency and it is unacceptable. Don't pay Mr. Beko.

Margaret Martini said let's see - we have a new GM, new Board Chair, a new Director of Finance and interim legal counsel. One might expect the Board agenda and packet to be available to the public in a more timely manner, that verbal reports would be replaced with written ones, that the October and November financial statements would be available by 13 December, that the Consent Calendar items are really consent items, and that the memorandums provided for the agenda items would be complete and accurate. But no luck. Rather than seeing improvements, things seem to be getting worse. Does legal counsel consider his proposed one year contract a consent calendar item when it hasn't even been reviewed by independent legal counsel? Has this Board taken a look at his track record on legal advice and opinions or his lack of experience and knowledge in dealing with the legal issues confronting the District-before even considering staying with District General Counsel and bypassing your due diligence in reaching out to other law firms for the best representation? We continue to operate with a skeletal staff and no back up for Senior management positions. Our Engineering Manager seems to be the go-to person for everything public works and all capital projects -including the agenda item wish list for Board priorities, Capital projects which aren't really the Board's priorities, let alone the communities. Please remove this items from the agenda, as it isn't ready for prime time. Please also take note that the Engineering Manager is being overleveraged and outside resources for project management must be prioritized. I am appalled by the astronomical \$ 5 million plus cost for the new Burnt Cedar pool. I am still waiting for an explanation of how it reached this sum from the \$ 1.2 million estimate a short time ago. And, now rather than a year turn around, the project will be stretched out to two years.

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Makes her wonder who at the District is really in charge? Who is being held accountable? No one apparently as project costs continue to rise and projects never seem to meet their targeted completion dates. And litigation expenses never end. This Board cannot approve additional payment to Erickson Thorpe for the Smith public records lawsuit. This Board never approved the engagement of Mr. Beko, appropriated funds for the litigation nor have you as a Board taken a stand on ending this litigation and giving Mr. Smith the public records he has requested. If you don't hold yourselves and your GM accountable the consequences of mismanagement will.

Yolanda Knaak said she has a variety of things – one is the end of golf course information – she still has questions – how much did we lose this year, someone told her it was a \$1,000,000 this year, like to know how much and how we pay for it. On the Smith litigation, should look at how we prevent lawsuits and how to settle a lawsuit out of court to save a lot of money. The estimates for the pool seem like they are really high. Would like you to find out what the CMAR estimate is going to be as \$5,000,000 for a regular pool and baby pool seems way out of line.

Ray Tulloch said that he would draw the attention to agenda packet page 22 on the Moss Adams report that point out the expenditures in capitalization and also agenda packet page 25 regarding feasibility reports, etc. Then look at the Board agenda items K.3. and K.4. and what it says in K.4. is that he sees a request for \$45,000 to be capitalized which is in conflict with what Moss Adams points out. Look at K.3., the IT master plan to be capitalized, again, in contradiction to Moss Adams recommendation and then Mr. Tulloch mentioned other items. All of these are expense items and he has pointed this out before. Capitalization policies are in a shambles. He is asking the Board to reject items K.3. and K.4. given the recommendations in Moss Adams report and that the Board should be concurring with them. He tried to check out our financial positions today and the District hasn't published the October results so how can we run any operations or approve expenditures without up to date financial information.

Judith Miller said that she has a comment about Ordinance 7; our General Manager promised us transparency and there hasn't been a lot of transparency. The minutes from the first meeting in September have been posted but none since then and the agenda appears the day before or shortly before the meeting which is not transparent. She has heard that there is going to be a report and that she finds it quite disappointing that the meetings are not put out on Livestream. Second thing was about our Trustee-elect – she hopes that she is listening. Ms. Miller said that she noticed some months ago that Trustee-elect Tonking's reporting on campaign contributions that the first report was seriously late and she just learned that her financial disclosure was missing a lot of information. The form directions

clearly states that the candidates' resources have to be stated as do everyone within the household. She hopes that Trustee-elect Tonking will speak to us and tell us why and she wants to know this from her so we can ascertain that she was elected fairly.

D. APPROVAL OF AGENDA (for possible action)

Chairman Callicrate asked for changes. Trustee Schmitz asked that Consent Calendar Items J.1, J.2. and J.3 be moved to General Business. Chairman Callicrate accepted that modification and said they would be added to the end of the agenda after General Business Item K.5. Hearing no further changes, the agenda was approved as modified.

E. PUBLIC HEARINGS

There are no Public Hearings for this agenda.

F. DISTRICT STAFF UPDATES (for possible action)

F.1. District General Manager Indra Winquest

District General Manager Winquest went over his submitted written report. Trustee Schmitz said that she and the District General Manager have been discussing resources for contract management, which is still an unfilled position, and that she suggests that it be added to Engineering. District General Manager Winquest said that he does agree with Trustee Schmitz and that he has been discussing this with our Engineering Manager. We are working with Human Resources to identify that as contract management and are working towards that recruitment. This position is not in this year's budget so we will have to work through that matter. It is high on the priority list. Trustee Schmitz said that she wanted to make the public aware of the conversations we have had on this topic.

*F.1.A. Brief introduction/remarks by Sierra Nevada University's
President Mr. Rob Valli*

District General Manager Winquest introduced Mr. Valli. Mr. Valli made brief remarks in introduction and what SNU has participated in within the community to date and other matters. Chairman Callicrate welcomed Mr. Valli to the community and stated that he is excited to have him in the community; all on the Board welcome you and look forward to establishing a stronger relationship.

F.1.B. General Manager's Ordinance 7 Committee verbal update

District General Manager Winquest introduced Denise Davis and Scott Hill and then had them give a verbal update.

Scott Hill submitted the following:

I am Scott Hill, long-time parcel owner and now full time resident. I am pleased to have been asked to join the Ordinance 7 Committee by GM Winquest, and also to be here with my co-Committee Member Denise Davis, to provide the Board with a short update on our Committee's activities.

I would like to briefly address 3 points:

- 1) Why was the Committee formed and what is its charge?*
- 2) What limitations do we have on potential changes to or solutions with respect to Ordinance 7?*
- 3) What is the make-up the Committee?*

Then I will turn it over to Denise to speak on what our Committee has accomplished so far, and what are our immediate next steps?

Committee Formation and Charge - *One of the most significant issues that you and we hear about from residents today is overcrowded beaches and related parking lots. Additionally, there are many concerns that you and we hear about the complexity of the PP, PC, guest pass, and exchange pass system, including the different fees for access to our venues.*

Just to provide a little background, especially for IV residents that may be tuning in, IVGID's Ordinance 7 is the regulatory guidance which IVGID promulgated in 1988 to address these issues, and to interpret the Beach Deed of 1968 which gave IVGID ownership of the beaches. Ordinance 7 was modified and updated several times in 90's, but has not been updated since 1998 (22 years). It is quite out of date from the perspective of minor inaccuracies, but also in view of the fact that the Community, and its use of IVGID venues, has changed quite a bit in the last 22 years. While some recent attempts have been started to revise the Ordinance in recent years . . . none were completed.

So in view of resident concerns about beach access (and access to other venues), and in view of the significant and broader issue of creating a more simplified and updated approach to the entirety of the Ordinance 7 Pass and PC system, our Committee was formed at the request of the GM to develop recommendations for change.

Limitations on Changes – The Committee is faced with a number of limitations. . . mostly as a result of the very short and succinct original Beach Deed of 1968 which doesn't say much more than access to our beaches should be provided to:

- 1) Parcel owners*
- 2) Tenants of parcel owners*
- 3) Hotel and Motel occupants, and*
- 4) Guests of parcel owners (as the IVGID Board shall define/determine)*

Beach access has also been the subject of much prior litigation . . . and as such a significant limitation on our scope is that we not make changes to Ordinance 7 that could be construed as altering any of the fundamental rights granted under the Beach Deed.

A second limitation is that we not infringe on the property rights of residents through the adoption of any unreasonable limitations on access.

So you see – this is not an easy issue to address, nor are solutions or modifications to Ordinance 7 obvious – at least outside of the administrative clean-up of the Ordinance.

Committee Members – The Committee is made up of IV residents, plus the IVGID GM (with administrative support). We'd also like to thank IVGID Board Chair Callicrate who has also been attending and providing some valuable input to some of our meetings.

Committee members have diverse interests and backgrounds including small business, real estate and property management, and they are current and former IVGID employees, and residents who are retirees and those with families . . . and backgrounds are equally diverse, including media, business, legal, government and accounting.

With that, let me turn it over to Denise to discuss what our Committee has accomplished so far, and what are our immediate next steps.

Good evening Trustees, this is Denise Davis, homeowner and resident of Incline Village for 23 years. The General Manager's Ordinance 7 committee has spent three meetings reading and discussing the original beach deed, IVGID's Ordinance 7 which was last amended in 1998, revisions proposed since 1998, the Crystal Bay merger, IVGID recreation guidelines and handouts, and any history that can be found. At our fourth meeting, which was held Monday, we were joined by IVGID legal counsel Joshua Nelson because the committee had raised questions about legal definitions of terms and what limits there might be for trustees to enact rules. Mr. Nelson told the committee there were few legal precedents for many of the questions raised but gave his opinion based on his research. He also listed pros and cons on courses of actions. As far as the mechanics of our group, we make an effort to ensure that all members have opportunities to ask questions and discuss topics. Each committee member has agreed to follow the group's rules of engagement, which begin with being respectful to each other and end with the reminder that all members are equal. It's been beneficial to hear how we all use our facilities differently. While the committee has focused on fact finding and sharing information, it will soon start to develop recommendations for the General Manager to pass on to the Board of Trustees. The community will have an opportunity to review and discuss the recommendations. The trustees will then discuss and decide what, if any, amendments to make to Ordinance 7. If any community member would like to access the background information provided to the committee, it can be found on the IVGID website under the "Ordinance 7 Committee" tab.

In closing, Denise and I would like to add that we are both personally hopeful about the process, and to make the observation that all Committee Members are 'rowing in the same direction,' notwithstanding our diverse backgrounds and perspectives. All Committee members are looking for solutions that are in the best interests of our Community.

Trustee Schmitz said she wanted to express gratitude for participation and engagement in this process as it is greatly appreciated. What is the time table for when you will be bringing something back to the Board for consideration? Mr. Hill said they are just getting into it and

that it is months not weeks. District General Manager Winqest said that the committee has spent its first four meetings of making sure that everyone was up to speed and that now that we have met with Legal Counsel, we have a lot better idea of the perimeters. Next, the committee will start to really dig into the ordinance, which is a several month process, and it is his hope is to roll something out to community in March and then to the Board in April. The committee will do the due diligence, take their time, and make recommendations that make sense. Trustee Schmitz asked that the District General Manager please make sure the committee understands the gratitude to all the committee members and efforts that is being put in. Trustee Dent said he appreciated this report and the participation and that his advice is to be bold with the recommendations. There are quite few changes that have been implemented throughout the years to try and make things better. Trustee Morris said thank you and really appreciate all the work and getting it right is more important than doing it quickly. How do you feel as committee members as far as the structure and ability to have free discussions? Mr. Hill said from a business position he appreciates that when you try to cook in a kitchen with everyone looking at you it doesn't work as well when you cook a little bit, get feedback, and then cook more. Likes the approach currently being used and not having everything scrutinized as we have a very diverse group and they all have a little different perspective. It is better to try and come to a consensus rather than throw it out in public. Ms. Davis said we have people in our community who, if it is Livestream, will attack like we have seen for months and months. We are going a full two hours on history and meanings so if we opened it up and had public comment and input, our meetings would go on forever and forever. We feel like we have done our research and are now working on the proposals. We have our tasks and right now we just need some time to formulate some ideas to move forward which will then go out to the public for comment. Trustee Morris said thank you. Trustee Wong said thank you to everyone serving on the committee. The last time we went through this process, nothing really came of it, so what she is excited about is that there will be action that the Board can take. She knows that we do have a representative snapshot of the community. Chairman Callicrate said he too appreciates the hard work and the hours outside the committee meetings. There are advantages to doing it in this fashion and it will get to that point and then say here is what we have hashed out and then get focused community input; multi-month process and multi-phased project. Appreciate the hard work that all are putting in. You are ambassadors

to the community and appreciate all the work. District General Manager Winquest thanked Mr. Hill and Ms. Davis for coming tonight and giving this report.

F.1.C.2019/2020 Golf season wrap up presented by Director of Golf/Community Services Darren Howard

Director of Golf/Community Services Darren Howard gave an overview of the submitted materials. Chairman Callicrate said he heard that everyone was very pleased with the speed of play and felt it was a much better experience with the COVID restrictions and the best time they ever had. We have great operations but need to work on expenses at both courses. He is sure that there may have been some people that were unhappy but keep up the great work. Trustee Morris said he really appreciates that Staff does a lot of analysis on the different factors and good to see you are looking at it. He has three questions – 2020 outlier year so very tough to manage – do we count how many discrete players actually play? Are they different between resident and others? All you can play pass – get a lot more rounds with those so have you looked at that price? Director of Golf/Community Services Howard said we do have a way, if you purchased an all you can play pass, that we can track all of that play. Trustee Morris said where he was going is as you plan for the future years and what can you learn from this season so we can get to a good profitability level – do have any thoughts on that? Director of Golf/Community Services Howard said yes, he does. Our all you can play pass is averaged out for 40 rounds and we do have some people who play way more as it is one of the best deals in the U.S. so we need to look at that offering as the average needs to be around \$60 which is still money off the \$90 round. Trustee Morris said one of the reasons was the non-availability of the Championship Golf Course. Director of Golf/Community Services Howard said yes, as they do pay extra for those rounds. We do sell an all you can play for both courses, but yes they would have to pay. We'll probably continue with the intervals because everyone enjoyed the pace of play and will probably keep those intervals. Trustee Wong said thank you for the information and that our goal was to serve our residents especially with COVID and with this data, we have done that. It will be interesting to see where we go next year. Thank your Staff for all their hard work and her daughter enjoyed her first couple of rounds as did her husband. Trustee Dent said he sees expenses going up at both courses, capitalizing things that we shouldn't be, don't really see the expenses

working against you, definitely looking forward to your recommendations on setting of rates now that we have fewer guests which is definitely driving down our revenues, and that he is looking forward to that discussion and getting down that subsidy. Appreciate the efforts and that of your team as it is a work in progress and we are not there yet but that he thinks we are in a better situation than we thought we were going to be. Trustee Schmitz said thank you for putting this together and thinks this information will be helpful with pricing. If she is looking at the numbers correctly, we are losing money on every round at the Championship Golf Course and then at Mountain Golf Course we are also losing money on every round excluding capital investment. When we look at pricing, know that this year is an anomaly, we need to look at this information and decide where tweaking should occur as there is a large subsidization that is being provided per round. Director of Golf/Community Services Howard said that \$49.92 was just for play passes, all play combined was \$69.82 and covering that out by \$5. For Mountain, the average round \$32.40, cost was \$31.44. He would caution everyone that this is only May through October – we should be covering our costs during those times because that is when we have the play going on. There are some costs incurred from November through April. One thing he has thought about that maybe in the future we can give a season overview which should be done after April is closed. He can do whatever the Board wants him to do. Trustee Schmitz said that this shows that she really needs her paper copy and thanks for that, really appreciate it. Trustee Dent asked if we know how many were turned away from Champ and went to Mountain? Director of Golf/Community Services Howard said he could go back and look at that and will get it to the District General Manager so he can forward it to the Board.

Chairman Callicrate called for a 15-minute break at 7:45 p.m.; the Board reconvened at 8:00 p.m.

F.1.D.2020/2021 Diamond Peak Ski Resort verbal season overview presented by General Manager Diamond Peak Ski Resort Mike Bandelin

General Manager Diamond Peak Ski Resort Mike Bandelin gave an overview of the 2020/2021 Diamond Peak ski season. Trustee Schmitz said she did enjoy skiing last Friday and had a great day. There is new software for online ticket sales – has that gone live? Was out on the Diamond Peak website and wanted to know if the resort is

restricted to just season pass holders at this time? General Manager Diamond Peak Ski Resort Bandelin said starting tomorrow the ski resort will be open to all and have been making reservations to all that want to ski. Trustee Schmitz asked if the new software went in? General Manager Diamond Peak Ski Resort Bandelin said not yet as Staff is working through some final items. We do have a work around with a call in service and will keep everyone updated on when it goes live. Trustee Schmitz said we all must wear our masks to keep our ski resort open. Chairman Callicrate said thanks and good luck as our season pass holders are thrilled which is a nice bonus for those that have been so patient. Great job and keep it up.

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

District General Manager Winquest went over the long range calendar and made some adjustments. Trustee Schmitz said that research into an audit of the recreation and beach fees would be an interesting report back to the Board. District General Manager Winquest said he can't give you specific timing but is pretty high on the radar. Trustee Schmitz asked that it be put in the parking lot. Other thing where Director of Finance Navazio mentioned some carryovers, a budget augmentation, and fine tuning to the budget; is that on our radar. District General Manager Winquest said we will get that into the parking lot as it is typically done in the spring.

H. DISTRICT GENERAL COUNSEL UPDATE (for possible action)

There is no update for this agenda.

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

I.1. Treasurers Report (for possible action)

I.1.A. Payment of Bills (for possible action) (For District payments exceeding \$10,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$10,000 provided they are budgeted and the expenditure is approved according to District signing authority policy)

Treasurer Schmitz gave the following verbal update:

The October financials have not yet been posted, so I've not conducted a review. This is disappointing in that it would have provided more financial details for the season wrap up for Golf which is on tonight's agenda. The

November 6-18th weekly bill pay reports have posted this week, however I have not yet had the opportunity to review them. The procurement card reports have been reviewed for October and November and a number of policy questions have been identified for management to review. Mr. Navazio and I have been discussing improvements to the procurement card use for improved financial reporting. I have requested the procurement card policy and related internal controls be on the January Audit Committee agenda. This would allow Mr. Navazio time to make updates he feels are necessary while also addressing the recommendations made by Legal Counsel as it relates to procurement card use and Dillion's Rule.

Director of Finance Paul Navazio said that Staff has posted the October financials today and we will be uploading the check run from two weeks ago tomorrow. District General Manager Winquest said that during our last meeting a reference was made to a payment received from Washoe County. Director of Finance Navazio said that is true and that the reference had to do with the sale of unbuildable lots and reimbursement. Staff did track down the reimbursement of the tax revenue owed to the District and did confirm that it was received by the District. Chairman Callicrate made a request to the Director of Finance for more specific information regarding this transaction.

I.2. Verbal report from Trustee Peter Morris

Trustee Morris read the following statement:

Tonight is my last scheduled board meeting and I want to say that it has been an honor and privilege to serve. We have accomplished much, though much remains to be done. And it always will -- the future is after all, dynamic!

Among many achievements, I am pleased to have helped increase the financial strength of the District while simultaneously improving our services and facilities. Many government entities – especially in this crazy year of 2020 – have not fared so well.

I am also pleased that with the completion of the District Community Services Plan, the incoming Board can continue to set their priorities in full support of the community's goals.

I would like to thank everyone who has continued to support me during my term, both publicly and privately. I cannot underscore enough how much that support has meant to me.

I particularly want to call out the hundreds of unsung heroes of IVGID: our employees. Without your dedication and incredible efforts to deliver the absolute best services possible, this just would not be the best place to live and recreate. I am always impressed that whether your role be the least understood or most well-known, you are all so positive and focused on customer service. Though I get criticized by a few for standing up for IVGID staff, nothing would ever stop me from shouting your praise from the rooftops. Thank you!

I offer my thanks too, to our senior staff. Your support and always-open door approach have made my life so much easier. Whether I have asked a dumb question or – just occasionally, a smart one – you have never ceased to ensure the I fully understand the issue at hand and am able to make a fully-informed decision. These are challenging times and thus I appreciate even more your work ethic and focus on always trying to do the right thing. Not everything is perfect we know but coming to work every day wanting to do the right thing is a surely a way to get there.

And to my fellow Trustees, while we have often had our differences of opinion (and I know at times I have let my emotions get far the better of me) I want to thank you all for all that you have done – and will continue to do – to make IVGID better for everyone. No-one would be on the Board if they did not believe in making a positive difference, so I commend you all for your efforts. And I wish you every success in the future.

I have tried to avoid naming names as there are so many, but I could not leave without offering major thanks to two key IVGID staff. Thank you, Susan Herron, for all you have done not only to keep me supplied with all the information I have ever asked for, but for your institutional knowledge of IVGID and your dedication to your role. You have been my go-to person on so many occasions over the past four years (and before that in fact). Thanks for always smiling - even when you might have felt the least like smiling!

And to General Manager Winquest: while your IVGID experience speaks for itself, your humility, humanity, and management style might only be really known to those interact with you daily. You have helped me so much over the years, and I cannot overstate how pleased I am to have played even a small part in your recent promotion. The District is now in the best of hands. Though the future will not be easy or smooth, there is no person better suited to captain the ship than you, Indra

Finally, to the people of Incline and Crystal Bay, I urge you all – especially the ‘silent majority’ who in survey after survey continue to express how happy you are with IVGID – please get more involved with the board. While I know many of you express concern about speaking publicly, I urge you to stay the course. Keep current with all that is going on and do not be afraid to speak up for positive things. It is your democracy; it is your community.

Well now, there are other board matters to continue with tonight, so this not totally goodbye, but it is a final public thank you for the trust you all have put in me and the support you have given me.

I am lucky to have played even just a tiny part in the history of Incline Village and Crystal Bay, and from the bottom of my heart I thank you all for that opportunity.

Thank you.

Chairman Callicrate thanked Trustee Morris for his service. District General Manager Winquest also thanked Trustee Morris for his service.

- J. CONSENT CALENDAR (for possible action)** (In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar". A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the General Business section of the meeting. A unanimous affirmative vote shall be recorded as a favorable motion and approval of each individual item included on the Consent Calendar.)

- J.1. Review, discuss and possibly approve a Professional Services Contract for preparation of Risk and Resilience Assessments and Emergency Response Plan – Fund: Utilities; Division: Public Works Water; Vendor: Farr West Engineering in the amount of \$19,000 (Requesting Staff Member: Engineering Manager Nathan Chorey) This item was moved to General Business Item K.6.**
- J.2. Review, discuss, and possibly authorize additional engineering services during construction for the Water Resources Recovery Facility Improvements Project; Fund: Utilities; Division: Sewer; Project 2259SS1707; Vendor: CH2M HILL, Inc. in the amount of \$18,000. (Requesting Staff Member: Engineering Manager Nathan Chorey) This item was moved to General Business Item K.7.**

- J.3. Review, discuss and possibly approve a contract with Best Best & Krieger for legal services (Requesting Staff Member: Board Chairman Tim Callicrate and District General Manager Indra Winqest) **This item was moved to General Business Item K.8.****

K. GENERAL BUSINESS (for possible action)

- K.1. Review, discuss, and provide feedback on the Construction Manager at Risk (CMAR) Construction Cost Estimate for the Burnt Cedar Swimming Pool Improvement Project – Fund: Beaches; Project 3970BD2601 (Requesting Staff Member: Engineering Manager Nathan Chorey)**

District General Manager Winqest made opening remarks. Engineering Manager Nathan Chorey gave an overview of the submitted materials and then turned it over to two team members from CORE – Travis Coombs and Kurt Parriott who gave the PowerPoint presentation that was included in the Board packet. Trustee Dent asked about the sequence of the pool tile, coping and fine grading. Mr. Parriott said that they would like to get as much work done as possible and then the fine grading will take place at the end of that year. These are just milestone dates with the construction dates being more detailed. Trustee Schmitz said that she understands preliminary and that you can't predict the weather so she is trying to understand what dates are pushing costs and that if the weather cooperates and you are able to complete in the fall of next year, does that have an impact in construction costs? Mr. Coombs said yes, a small amount, if this does linger into two seasons because of mobilization and demobilization. This is a good conservative placeholder for these milestones. We operate within the TRPA grading season. Trustee Schmitz said but construction can still continue so she would think that the TRPA season doesn't impact that and if things cooperate, do we have the ability to reduce costs and not lap into another season? Mr. Parriott said if we have warm seasonal temperatures, we can do that. Mr. Coombs said that there will be other items that will be taken care of after the TRPA season. Engineering Manager Chorey said with construction, one is making a number of assumptions, that is the reason CMAR is successful, you bring them on to challenge those assumptions. Mr. Parriott said, through CMAR, we will deliver a guaranteed price made with good assumptions and that is very transparent and an open book process that everyone is involved in. Trustee Dent said that Engineering Manager Chorey is getting better at selling this CMAR process. The CORE representatives continued their presentation. Trustee Schmitz said that the \$4.3 million is encompassing the connector path and the estimates are

separate but combined here. On the last bullet point, she would like to see the language to help us to reduce the budget. Mr. Parriott said they can do that as understanding the requirements is important. Trustee Dent asked what was the budget we gave to TSK? Engineering Manager Chorey said we didn't give them a budget and that the conceptual design contract was \$2.2 million but since then the scope has changed. Mr. Parriott said that it does include the connector path and a retainer structure, which is shown as an alternate but shown in this slide. CORE representatives continued the presentation. Chairman Callicrate said thank you for your presentation and that we want to make sure we do it right the first time. District General Manager Winquest said that, at some point in time, the District will have to come to some level of a budget for this project. Staff has talked to the CORE team about this and have worked with public agencies on this topic and understand the shock value of the price of this project. Trustee Schmitz said that one of the things that she and Engineering Manager Chorey have chatted about and this is a suggestion if the public could see similar pools and the costs for same it helps us to visually understand what others are doing and understand those costs. Understand it was shared with the CORE team and having that exposure is a visual perspective thing. District General Manager Winquest said we can work with the team however every project is different, agency is different, timing could be different, etc. We can get examples and put an asterisk on that about differences occurring in this environment. Engineering Manager Chorey confirmed that no motion was needed and thanked the Board for the feedback. He then proceeded to go over the third party cost estimate by Cummins. District General Counsel Nelson said that the Cummins report is online and it was distributed. Engineering Manager Chorey confirmed that Staff got the feedback they needed.

K.2. Review, discuss and possibly approve a Design Services Contract with TSK Architects in the amount of \$216,626 plus 10% contingency and \$20,000 for permitting fees for the Burnt Cedar Swimming Pool Improvement Project (CIP# 3970BD2601), and approve Resolution Number 1882 augmenting the Fiscal Year 2020/21 capital budget by \$258,289 from available fund balance within the Beach Capital Fund (Requesting Staff Member: Engineering Manager Nathan Chorey)

Engineering Manager Chorey gave an overview of the submitted materials. Chairman Callicrate said that there are five motions that have to take place and that the packet explains all that and asked if there were any questions by the Board members. Trustee Schmitz said that she wanted to reiterate

what our Engineering Manager explained – on page 128, payment section will be modified and #3 will be removed and instead line item #1 compensation will be paid on a time and material basis not to exceed in the amount of \$216,626 and is she correctly stating the changes you intend to make on that page? Engineering Manager Chorey said yes. Trustee Schmitz asked that a date be added to the signature page.

Trustee Morris made a motion to:

1. Authorize a Design Services Contract for the Burnt Cedar Swimming Pool Improvement Project – Fund: Beaches; Project 3970BD2601; Vendor: Vendor: TSK Architects in the amount of \$216,626 with changes as noted.
2. Authorize Staff to approve change orders for additional work not anticipated at this time of up to 10% of Design Services Contract – \$21,663.
3. Authorize Staff to approve payment of permitting fees associated with the Burnt Cedar Swimming Pool Improvement Project estimated to be \$20,000.
4. Approve Resolution No. 1882 augmenting 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).
5. Authorize Staff to execute the contract documents subject to Legal review.

Trustee Wong seconded the motion. Trustee Schmitz asked District General Counsel if we have to include the stated changes mentioned tonight? District General Counsel Nelson said yes and asked Trustees Morris and Wong for their assent; Trustee Morris said he is okay with that and Trustee Wong concurred. Chairman Callicrate called the question and the motion was passed unanimously.

Chairman Callicrate called for, at 9:27 p.m., a break until 9:45 p.m. when the Board reconvened and was called to order by Vice Chairman Dent.

K.3. Review, discuss, and possibly provide direction on Board Priority Capital Projects and related funding plans (Requesting Staff Members: Director of Finance Paul Navazio and Engineering Manager Nathan Chorey)

District General Manager Winqest gave a brief introduction of this item followed by Engineering Manager Chorey who gave an overview of the submitted materials. Director of Finance Navazio provided the financial review. District General Manager Winqest said that this is why this item was a little different from what was anticipated. The Board is doing its due diligence to spend down the fund balance and then went over a couple of other future projects and their potential funding opportunities. Engineering Manager Chorey said that Staff highlighted the new projects and the potential priority projects. Chairman Callicrate said the whole point is that we have collected quite a bit of money for reserves, we have been talking about this for over a year, and we are now committing these funds. Thank you for putting that into graphic form and yes, we would have to keep the allocation for the next several years or possibly bond that project. Definitely, for Ski Way, that is something that should be bonded because it is a multi-year project as well as for the Effluent Pipeline. Have a lot ahead of us and we need to get the dog park back up there and understand that there are private funders that want to work with us. Whole point was to show that we have made commitments. Showing the intent is there to the community for next year or the following year and can't go much further than that. Trustee Dent said Burnt Cedar pool is moving along, on agenda packet page 162, the dog park, let's get rid of the to be determined and let's start talking about funding as that is a priority at the top of the list. One thing that isn't on this list is the Mountain Golf Course cart paths which is a \$2 million project that he would like to see get moved along. Ski Way is not a big priority for him, one of the biggest priority would be the effluent pipeline and going through the evaluation and the whole process and how we should be operating. This is a 70 or 100 year project that should be bonded especially when we didn't raise rates. Chairman Callicrate said we do need to move the dog park up the list and agree on bonding for Ski Way and not a top priority but don't want it to fail either. Trustee Wong said for the priority projects, we are making great progress. Agenda packet page 157 is consistent with what we have talked about in the past, shouldn't have huge changes or shifts and great job by Staff on funding and there will have to be discussions about funding of these projects. We need to keep an open mind with funding projects going forward. Until we have a more solid plan for dog park and beach house, there isn't a way to solicit funding. Chairman Callicrate asked about interest in Ski Way – bonding or paying cash and where is on the

priority list versus anything else? Trustee Wong said that Ski Way and the Incline Beach house are prime candidates for debt financing as they add value to community and the venues they serve so we should be exploring debt financing. Trustee Schmitz said that she agrees with the comments that are being made and that we do need to make an effort to move along the dog park as it is very important. Looking at the venues that are customer facing, she has heard a lot about cart paths at both courses and think that the Recreation Center is another customer facing venue so let's keep those moving forward. Incline Beach house and Snowflake Lodge need to be considered. Trustee Morris said he is not going to comment on priorities and leave that to the new Board. Congratulations on doing this in graph form. His parting comments would be to consider some form of debt financing to do some of these projects. Given the dog park and the Incline beach house, it might be a little unwise to commit funds for these projects. Paying attention to the potential for debt funding is a priority. Chairman Callicrate said that there are opportunities to make some significant drawdowns so we aren't sitting on piles of money which will be gone next year depending on how we want to pay for capital improvements. Dog park and beaches – look at it in its entirety – all beaches and trying to pay cash for everything especially for long term projects is foolhardy. He will go out on the limb and say that he never said he wasn't going to bond. Rather at the time, it didn't make sense and that six years have transpired and money is cheap right now so it might make sense. There is work yet to do. District General Manager Winquest said what he is hearing that the dog park is clearly going to stay a priority project and that we can commit \$500,000 as he can only move as fast as he can unless we want to turn Village Green into a dog park which is not what he thinks the community wants. When we find out about the property across from the high school, we need to pivot, may not be a bad idea to reserve from funds for design to start that projects. Other projects that are potential for reserves are the Recreation Center lockers, etc. He agrees with what everyone has said. We will need to revisit the beach house and have a discussion about other items within the beaches plan. Director of Finance Navazio said he wants to remind the Board that they will see this again shortly because the CAFR will come forward in January and explained the \$14,000,000 once again and stated that there is really only about \$4,000,000 that is not committed. The flip in the Recreation Fee was assumed for one year so next year you can decide where you need to be with the Recreation Fee. He would echo the District General Manager's point about committing goes with building it into the budget. To a public comment, difficulty accessing the debt market, disagree with that and that the District will have access. Trustee Schmitz said wasn't it our task to actual identify and reserve that extra \$4,000,000; isn't that was this was about? District

General Manager Winqest said yes and do that either through the budget or as a Board agenda item. We needed this information before we could formulate an action for the Board. Director of Finance Navazio said that the \$4,000,000 is eaten up because of the Ski Way project being in the CIP budget. If want to commit to others, the Board needs to say that the Ski Way project won't use fund balance for that project so look at it holistically. Chairman Callicrate said so the direction is to pull the Ski Way project out and free those funds as that money could do the cart paths which benefits a tremendous amount of our community because it is not a legacy project; look at debt financing for Ski Way; and that Snowflake Lodge is a legacy project that would require short or medium term financing especially if it is rebuilt. As we spend down and then accumulate, we should identify where those funds are going. At the January 13 meeting, we say where it should go so as to give a clear picture to the community; as an actionable item. District General Manager Winqest said either at the budget workshop or at the January 13 meeting and we got what we needed. Removing Ski Way from the five-year plan which frees up about \$4,000,000 and discussed some updated priority projects and Staff will work that list and then for the action item will be options for projects. Chairman Callicrate say where it is already committed and then what is left so we can show clearly that we have the necessary reserves for emergencies and then this is where the balance is going and be very upfront with the community.

K.4. Review, discuss and possibly authorize appropriating \$45,000 from unallocated funds in the Fiscal Year 2020/2021 budget to design a Fiscal Year 2021/2022 Project: Watermain Replacement – Slott Peak Court; Fund: Utilities; Division: Water; Project 2299WS1705 in the 2020/2021 Fiscal Year utilizing District Staff resources (Requesting Staff Member: Engineering Manager Nathan Chorey)

Engineering Manager Chorey gave an overview of the submitted materials. Trustee Schmitz said based on her assumptions, the budget for all staff and including engineering, that she doesn't understand what the need is so could you please shed some light on this? Director of Finance Navazio said the clarification is that there is work that District staff is going to charge to this project if the Board approves this item. Augment the budget to allow Staff to work on it, advance it, proceed with doing Staff work so work isn't going to be done because we only have so much capacity. Trustee Schmitz said sorry if she is seeming obtuse on this but this is allocating funds for staff time? Director of Finance Navazio said this is allocating funds that aren't in this fiscal year. Trustee Schmitz said now that we can capitalize projects,

how do we do this? Director of Finance Navazio said capitalization is working its way to the Audit Committee and that this is actually for a capital project that will be capitalized in his view. Chairman Callicrate rephrased the item. Engineering Manager Chorey gave an example. Trustee Schmitz explained her understanding. Director of Finance Navazio said it doesn't increase the budget by one dollar rather reallocating budget to changing priorities and do so such that charges can be made to this project that is presently unbudgeted.

Trustee Morris made a motion to authorize appropriating \$45,000 from unallocated Utility capital funds to advance design of FY2021-22 Capital Project: Watermain Replacement – Slott Peak Court; CIP # 2299WS1705. Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

K.5. Case No. CV18-01564 Mark E. Smith v. IVGID - Review, discuss and possibly approve a payment in the amount of \$21,891.18 to Erickson, Thorpe & Swainston, Ltd. (Requesting Staff Member: Board Chairman Tim Callicrate and District General Manager Indra Winquest)

District General Manager Winquest and Board Chairman Callicrate gave an overview of the submitted materials. Trustee Wong said her only issue that she has relates to the overbilling when Mr. Beko knew and not notifying the Board, split the difference. She is fine with paying this amount so we can further negotiate that. Do feel that Mr. Beko should be reporting. Chairman Callicrate said they have had that conversation with Mr. Beko. Trustee Wong said as long as conversation is ongoing, she is fine. Trustee Morris said what he hears is that negotiations will continue and paying this amount seems appropriate. Trustee Schmitz said that there have been issues with his billing and that this Board has only authorized \$17,500 and she is comfortable with paying that number, getting this resolved and get this behind us. Trustee Dent said the District General Manager addressed his concern and he is fine with this now.

Trustee Morris made a motion to approve a payment in the amount of \$21,891.18 to Erickson, Thorpe & Swainston, Ltd. Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed with Trustee Schmitz voting opposed and Trustees Callicrate, Dent, Morris and Wong voting in favor.

- K.6. Review, discuss and possibly approve a Professional Services Contract for preparation of Risk and Resilience Assessments and Emergency Response Plan – Fund: Utilities; Division: Public Works Water; Vendor: Farr West Engineering in the amount of \$19,000 (Requesting Staff Member: Engineering Manager Nathan Chorey) – This item was moved from Consent Calendar Item J.1.**

Engineering Manager Chorey gave an overview of the submitted materials and provided a comment made by Trustee Schmitz which was that on page 66 of the Board packet, the first bullet, should be revised to allow the work to be completed by the end of January 2021. Engineering Manager Chorey then noted that this contract will be executed with a new standard short form agreement instead of signing the Task Order 37, Amendment Number 1, as presented in the Board packet. Chairman Callicrate thanked Trustee Schmitz for asking for these changes and asked Trustee Schmitz if this works and understands that it is being done via different method for this contract. Trustee Wong said pulling this from the Consent Calendar was for non-substantive changes and would like any changes worked out with Staff so we don't have to pull this off the Consent Calendar. Trustee Schmitz said that this was done so all the Trustees had all the information and done before it gets into a Board contract and that is the opportunity for the future.

Trustee Morris made a motion to authorize a Professional Services Contract for preparation of Risk and Resilience Assessments and Emergency Response Plan – Fund: Utilities; Division: Public Works Shared; Vendor: Farr West Engineering in the amount of \$19,000 with the changes as discussed; Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

- K.7. Review, discuss, and possibly authorize additional engineering services during construction for the Water Resources Recovery Facility Improvements Project; Fund: Utilities; Division: Sewer; Project 2259SS1707; Vendor: CH2M HILL, Inc. in the amount of \$18,000. (Requesting Staff Member: Engineering Manager Nathan Chorey) – This item was moved from Consent Calendar Item J.2.**

Engineering Manager Chorey gave an overview of the submitted materials and provided a comment made by Trustee Schmitz which was that on page 66 of the Board packet, the first bullet, should be revised to allow the work

to be completed by the end of January 2021. Engineering Manager Chorey then noted that this contract will be executed with a new standard short form agreement instead of signing the Task Order 37, Amendment Number 1, as presented in the Board packet.

Trustee Morris made a motion to authorize a professional services contract for the Water Resources Recovery Facility Improvements Project; Fund: Utilities; Division: Sewer; Project 2259SS1707; Vendor: CH2M HILL (Jacobs), Inc. in the amount of \$18,000. with the changes as discussed; Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

K.8. Review, discuss and possibly approve a contract with Best & Krieger for legal services (Requesting Staff Member: Board Chairman Tim Callicrate and District General Manager Indra Winquest) – This item was moved from Consent Calendar Item J.3.

District General Manager Winquest gave an overview of the submitted materials. Trustee Schmitz said she would like it reviewed by an independent third party. District General Manager Winquest said he has engaged with outside legal counsel and hopes to have it done by the end of the week. The contract will not be signed until that review is made by outside legal counsel. Trustee Schmitz said do we have the option to ask questions? District General Manager Winquest said independent legal counsel? Trustee Schmitz said is there any opportunity to ask questions of the outside legal counsel? District General Manager Winquest said yes however the only way would be to re-agendize this item. He will be scheduling a meeting with independent legal counsel for the Board Chairman and himself to lay out the relationship and the work to be done. Further, it should be noted that Mr. Nelson did say that Staff should bring on independent legal counsel to do a review. Chairman Callicrate said that we will be in discussion with that independent legal counsel. Trustee Morris said he does find it frustrating when we revisit things that we have talked about before and either we have confidence or we don't have confidence.

Trustee Morris made a motion to approve the attached one-year contract for legal services with Best, Best & Krieger following an independent legal counsel review; Trustee Wong seconded the motion. Chairman Callicrate asked for any further comments, hearing none, he called the question and the motion was passed unanimously.

APPROVAL OF MINUTES (for possible action)

L.1. Meeting Minutes of October 27, 2020

Chairman Callicrate asked for changes; none were received; the minutes of October 27, 2020 are approved as submitted.

L.2. Meeting Minutes of November 9, 2020

Chairman Callicrate asked for changes; none were received; the minutes of November 9, 2020 are approved as submitted.

L.3. Meeting Minutes of November 18, 2020

Chairman Callicrate asked for changes; Trustee Schmitz said she has request a couple of changes; the minutes of November 18, 2020 are approved as revised.

L.4. Meeting Minutes of November 23, 2020

Chairman Callicrate asked for changes; none were received; the minutes of November 23, 2020 are approved as submitted.

M. REPORTS* (Reports are intended to inform the Board and/or public)

Trustee Dent said that he would like to see an item brought back for the Utility Rate Study and rate increases.

Trustee Morris said with his leaving at the end of this month, he shall be resigning his position to the Washoe County Commission Debt Management as representative for general improvement districts.

N. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.

Cliff Dobler said thank you to Trustee Schmitz for bringing up the urgent need for a contract administrator. Look at the Farr West contract – Trustee Schmitz had to edit it. Deliverables haven't been received but paid for those items. Mr. Nelson is not a contracts lawyer. Can't come up with a job description, no budget for the position, and on his radar – this is probably one of the most important personnel positions. In reviewing the Moss Adams

Minutes

Meeting of December 9, 2020

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report, capitalization of master plans is incorrect and he agrees with Mr. Tulloch. There needs to be a write off of \$4,000,000 and the Utility Fund has taken a huge loss. Restatement of financial statements will have to be done. Think about personal responsibility.

O. ADJOURNMENT (for possible action)

The meeting was adjourned at 11:30 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 Trustee Sara Schmitz: "Markups" to Farr West Engineering, Exhibit A, Scope of Work

"markups"

EXHIBIT A
SCOPE OF WORK

Incline Village GID
Risk & Resilience Analysis and Emergency Response Plan

INTRODUCTION

America's Water Infrastructure Act (AWIA) was passed in 2018 which requires Community Water Systems to conduct Risk and Resilience Assessments (RRA) which are then incorporated into an Emergency Response Plan (ERP). Incline Village GID (IVGID) is required to submit a certification to the US Environmental Protection Agency (EPA) stating that IVGID conducted the RRA by June 30, 2021. IVGID must then prepare an ERP and submit certification to the EPA within six months of submitting its RRA certification.

The purpose of this Scope of Work (SOW) is to assist IVGID with preparation of the RRA and ERP for its water utility by the required deadlines. To complete this, Farr West Engineering (Farr West) will rely upon information and resources made available by the EPA as further described in the tasks below.

DESIGN SERVICES

Task 1 – Project Management

Objective

To plan, organize, direct, control, and communicate all relevant activities set forth in this SOW within the approved budget and schedule.

Approach

Farr West will routinely review project progress and communicate project status on a regular basis to IVGID staff. Communication will be through email and telephone, as well as project coordination meetings with IVGID and Farr West staff. The following approach applies:

- Project administration includes scheduling maintenance, cost control, filing, resource allocation, and routine communications.
- Team coordination, including conference calls and internal meetings.
- Monitoring changes to SOW, budget, or schedule and developing change management strategies with IVGID.
- Provide quality assurance and quality control.

Deliverables

~~There are no formal deliverables associated with this task.~~

Strike and replace w.
• Maintain the overall project schedule
• Prepare meeting and workshop agendas
• Provide written meeting and workshop Minutes
• Produce written change orders, if applicable

Assumptions

The following assumptions apply:

- This task includes coordination of workshops identified in subsequent tasks.
- This task includes one 1-hour kickoff meeting with IVGID's project manager to discuss the approach and establish the project team.
- Project-related issues will be identified, communicated, and resolved.

Task 2 – Risk and Resilience Analysis

Objective

To perform the RRA required by AWIA and assist IVGID with submitting its certification to the EPA by June 30, 2021.

Approach

Farr West will rely upon the EPA's recommended RRA steps as guidelines for this task. The recommended steps are as follows.

1. Build a team.
2. Identify critical assets.
3. Identify malevolent acts threats.
4. Identify natural hazards threats.
5. Create asset/threat pairs.
6. Conduct a risk and resilience analysis.

A team, including key personnel from different departments with the water utility, will be formed and will hold workshops to develop asset/threat pairs for consideration in the RRA. The EPA's Vulnerability Self-Assessment Tool (VSAT Web 2.0) will be used to complete the RRA. Per AWIA, the assessment must include:

- The resilience of the pipes and constructed conveyances, physical barriers, source water, water collection and intake, pretreatment, treatment, storage and distribution facilities, and electronic, computer, or other automated systems (including the security of such systems);
- The monitoring practices of the system;
- The financial infrastructure of the system;
- The use, storage, or handling of various chemicals by the system; and
- The operation and maintenance of the system.

Deliverables

The following deliverables will be submitted under this task:

- VSAT Web 2.0 output file.
- Produce documentation related to the identified critical assets, malevolent acts threats, natural hazard threats, asset/threat pairs (see the list ^{1,2} contain in the Approach)
- Produce + deliver the risk and resilience analysis report.

Assumptions

The following assumptions apply:

- The Washoe County 2020 Hazard Mitigation Plan, and any existing Vulnerability Assessment and/or Emergency Response Plans, and IVGID's Water and Wastewater Utility Master Plans and Rate Study will be used as references for this task.
- IVGID will provide additional existing documents and/or data which may assist with this project in a digital format (e.g. .doc, .xls, .pdf, etc.)
- Farr West will also refer to AWWA's J-100-10 Risk and Resilience Management of Water and Wastewater Systems manual and EPA's Baseline Information on Malevolent Acts for Community Water Systems.
- No more than six (6) Asset/Threat Pairs will be developed for inclusion in the RRA as recommended by the EPA.
- This task includes two, 2-hour workshops with Farr West and IVGID staff to create asset/threat pairs, review data, and present the RRA.
- IVGID will identify a project lead responsible for submitting the RRA certification to the EPA. It is recommended that the secure online portal be used for certification. IVGID's project lead will need to create an account for the online portal.

Task 3 – Emergency Response Plan

Objective

To prepare an Emergency Response Plan for IVGID's water system which meets the requirements of AWIA and is completed within six months of the RRA certification.

Approach

Farr West will also rely upon steps recommended by the EPA as guidance to accomplish this task. The recommended steps are as follows.

1. Conduct a Risk and Resilience Assessment (Task 2).
2. Identify ^{and document} state regulatory requirements.
3. Identify ^{and document the} and integrate local plans.
4. Coordinate with Local Emergency Planning Committee (LEPC) and response partners.
5. Plan ^{and document the} for resources needed in an emergency.
6. Prepare ^{and document} the Emergency Response Plan.

AWIA requires coordination with the LEPC, to the extent possible, when preparing the ERP. It is also recommended that other response partners be engaged in the process. Workshops will be held with the LEPC, response partners, and IVGID staff to understand response processes and procedures which can be implemented during a drinking water incident. The EPA's ERP template will be used for this task. Per AWIA, the ERP will include:

- Utility information,

- Resilience strategies,
- Emergency plans and procedures,
- Mitigation actions, and
- Detection strategies.

Deliverables

The following deliverables will be submitted under this task:

- Draft Emergency Response Plan (one digital copy).
- Final Emergency Response Plan (one digital and four hard copies).

• *Documentation identified in the Approach*

Assumptions

The following assumptions apply:

- This task includes one, 2-hour workshop with Farr West, IVGID staff, LEPC, and response partners to discuss and develop plan elements.
- This task also includes a 1-hour meeting with Farr West and IVGID staff to review the draft ERP and discuss IVGID comments. This meeting will occur four weeks after submittal of the draft to IVGID.
- This task does not include preparation of utility system maps or as-built drawings for inclusion in the ERP.
- Farr West staff will use data from IVGID's existing Emergency Response Plan (2019) to develop an AWIA complaint document for certification to EPA.
- IVGID will identify a project lead responsible for submitting the ERP certification to the EPA. It is recommended that the secure online portal be used for certification. IVGID's project lead will need to create an account for the online portal.

Task 4 – Staff Training Session

Objective

To provide an overview of the Emergency Response Plan to IVGID staff including training on how to respond during a drinking water incident.

Approach

The following approach applies:

- Preparation of a PowerPoint presentation and any needed handouts.
- Presentation of the ERP at a meeting with utility staff including training as to staff roles and procedures during incidents as detailed in the ERP.

Deliverables

The following deliverables will be submitted under this task:

- Presentation slides and handout materials (if any).

• The PowerPoint (.ppt) file

Assumptions

The following assumptions apply:

- This task includes a 1.5-hour training workshop for IVGID staff.

Task 5 – Owner Directed Services

Objective

To provide capability for the Engineering Manager to request additional services from Farr West which were unknown when this SOW was prepared.

Approach

The following approach applies:

- At the time of request, Farr West will provide a budget and schedule for any work associated with this task.

Deliverables

There are no formal deliverables under this task.

Assumptions

The following assumptions apply:

- Any request for services under this task must be provided in writing by IVGID's general manager.
- The budget amount for this task has been set at approximately 10 percent of the total contract value.