

## MINUTES

### **REGULAR MEETING OF OCTOBER 30, 2019 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 Vice Chairman Phil Horan on Wednesday, October 30, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

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

The pledge of allegiance was recited.

#### **B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES\***

On roll call, present were Trustees Tim Callicrate, Phil Horan, and Kendra Wong (on the telephone). Trustees Peter Morris and Matthew Dent were absent.

Also present were District Staff Members Director of Public Works Joe Pomroy, Director of Golf/Community Services Darren Howard, and Director of Finance Gerry Eick.

Members of the public present were Doug Keil, Mike Hess, Linda Newman, Patrick McBurnett, Pete Todoroff, Steve Dolan, Jack Dalton, Margaret Martini, Michael Brothers, Iljosa Dobler, Cliff Dobler, Art Schumander, Sara Schmitz, Aaron Katz, Judith Miller, Frank Wright, and others.

(49 individuals in attendance at the start of the meeting which includes Trustees, Staff, and members of the public.)

#### **C. PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) – Medium-Term Installment Purchase plans for golf carts for the Mountain Golf Course in the total amount of \$204,627.16 – The public hearing was cancelled/not held.**

Interim General Manager Indra Winquest announced that he is postponing the noticed public hearing and General Business I.1. due to circumstances such as not having a full Board present, not having a sample lease agreement, etc. and that this will be rescheduled to November 13, 2019.

**D. PUBLIC COMMENTS**

Mike Abel read from a written statement which is attached hereto.

Ellie Dobler read from a written statement which is attached hereto.

Clifford Dobler read from a written statement which is attached hereto.

Linda Newman read from a written statement which is attached hereto.

Margaret Martini read from a written statement which is attached hereto.

Pete Todoroff announced that Tom Cardinale, a member of the Citizen Advisory Board, passed away after a long illness. Mr. Todoroff then said that our Commissioner, Marsha Berkbigler, during a Commissioner's meeting on short term rentals, made some appalling statements. She didn't understand the opposition presented and that Commissioner Kitty Jung said that Incline Village complains so much what about cutting off their snow removal for twenty-four hours. He found this statement unacceptable and that it is on video which he has a copy of so if anyone wants to see it, please let him know and he will send it to them.

Frank Wright said that he is appalled and that he can't believe the stuff that goes on in this District. Here we have another attorney and we had a brand new attorney present at the last meeting and that before that we had Kim Guinasso, and before that we had Jason Guinasso so the Board never knows who is going to show up. Our attorney commits crimes, Chair commits crimes, we have one Trustee who lives in Reno most of the time, and one Board member who is going through bankruptcy. Nobody does anything to stop any of this. We live in a community that should be everyone else's dream. We have this disaster because of a Trustee who rubber stamps everything. We hire consultants, we get a three page report, and where did it come from – it came from the Internet and no one is going to stop it. What Staff does instead is to e-mail him and he found more pages. Who is going to hold these people accountable? One Trustee doesn't live here and it is the Chair that is behind this. It isn't the attorney because we don't know who is going to show up. Mr. Wright continued that he spends most of his work days working on IVGID crap and that he has become very good friends with the Attorney General as well as the Registrar of Voters. Trustee Horan should have been prosecuted because what he did at Raley's was wrong and he should have been held accountable; it was wrong.

Sara Schmitz says it seems like she always has to go after Mr. Wright and she guesses that is just the luck of the draw. Ms. Schmitz then read from a written statement which is attached hereto.

Aaron Katz said that he has a placeholder statement as well as other statements to submit. He wants to speak about the Severance situation. Former District General Manager Pinkerton entered into a contract with Mr. Severance which paid Mr. Severance thirty-five thousand dollars for a yield management study. Anyone who knows about yield knows that it is impossible to implement because it only works for a time sensitive item that is going to run out or a service that is available some of the time so why was the District working with Mr. Severance. He did a statement when he learned about the plagiarism and he provided the Board with material and he thought that was the end of it. Now we have a full fledged cover up as it was shared with Mr. Severance which allowed him to come up with an updated report. He didn't learn about this until yesterday when Staff provided the updated report. Staff has committed at least six public records request violations because Mr. Severance talks about other records that were never given to him. The Board needs to get to the bottom of this and they need to ask Staff questions and learn about it and the result will mean that some of our employees will have to go.

Judith Miller read from a written statement which is attached hereto.

Patrick McBurnett said he ought to sell his house and move to Newark, New Jersey because things are awful here. He has been here for twenty-seven years and there have been good times and bad times along with problems. He still thinks that it is the best place to live and that is why he lives here. What are the things that bother him – it is the nastiness and vitriol that really bothers him. All people make mistakes. The Board makes mistakes. Management makes mistakes. However, most of the employees at IVGID are trying to do a good job. We have had two General Managers that were very controversial and right now, we have an opportunity to fix this problem as we have an Interim District General Manager who will make a very good District General Manager. He has been a valued member of the community who is valued by Staff, knows the regulators, etc. and he is a good man. Stop the attacks because no one gives a damn about what you think as personal attacks have no place here. We need to heal and make it better and the Interim General Manager will do a good job as we need that smartness in this community.

Mike Hess read from a written statement which is attached hereto.

Steve Dolan said he has another public service announcement similar to one he had at last meeting. He hopes you pay attention and read the e-mails he has sent to the Board regarding the snowmobile proposal. Currently, Tahoe Regional Planning Agency and the Department of Wildlife are hoping that the IVGID Trustees are willing to step up and stop the snowmobile usage for Incline. He has spoken with Ms. Sibr of the United States Forest Service (USFS) and these comments help. Mr. Dolan then talked about a postcard that is available to have sent into to her. Snowlands.org, which is a very influential group who studies snow lands in Nevada, stated that this Incline Lake proposal needs to have comments. Cautions that this may be the only opportunity to comment and that there is only twenty days left as a community and Trustees. Our Interim District General Manager needs to get a letter out. Our property is going to be affected as is an avalanche area. The Incline Lake property is surrounded by this proposal and this proposal would limit what we might want to do up there.

Gail Farrell said she is with Snowlands which is a nonprofit. Ms. Farrell said that she wanted to talk to the Board and build upon what Mr. Dolan just spoke about. The USFS proposal is what will manage the snowmobiles in the Tahoe Basin and the Lake Tahoe Basin Management Unit is the smallest unit. USFS is required to put together a snowmobile plan, it is a proposal and it says snowmobiles are allowed in a certain area and Ms. Farrell displayed a map of where snowmobiles will be allowed which she said is quite an extensive area. Snowlands is an advocacy group for human powered recreation and we would like the IVGID Board to recommend to the USFS a different configuration of snowmobile use. Ms. Farrell went out to say that they would like to recommend it is the north quadrant to be non-motorized in the winter as it is in summer. There is adequate space in Lake Tahoe available which has over 40,000 winter visitor trips. Love to give you more information including her e-mail address.

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

Chairwoman Wong asked that General Business Items I.5. and I.6. be removed.

Interim District General Manager Indra Winqwest asked that General Business Items I.3. and I.4. be postponed until November 13, 2019 in order to have more Board attendance along with a few discrepancies in estimation by Staff which was identified by a member of the public.

Vice Chairman Phil Horan assured the public that the Board hasn't lost their focus as it is unfortunate that they have to do this.

Hearing no further changes, Vice Chairman Horan approved the agenda as revised.

**F. DISTRICT STAFF UPDATE (for possible action)**

**F.1. Interim District General Manager Indra Winquest**

Interim District General Manager Winquest went over his submitted report and added that at the September 25, 2019 Board of Trustees meeting, the Board approved him to engage in a contract regarding the electrical at the Mountain Golf Course maintenance building and that this has been done as the District is in a contract with MSA at a cost of \$6,500.

Chairwoman Wong said regarding the Director of Finance position and it being only finance that she knows that the current holder has other responsibilities so how are you dividing out all of his responsibilities. Interim District General Manager Winquest said that Staff will update the Board at the November 13 meeting as he is in the process of restructuring those responsibilities however he wants the new person to focus on District financials and those operations. Chairwoman Wong said that she is looking to the Interim District General Manager's leadership on the division of the additional duties.

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

There were no reports to the Board of Trustees.

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

**H.1. Reject the bids for the Sewer Pump Station #1 Improvements Project; 2019/2020 Capital Improvement Project; Fund: Public Works; Division: Sewer; Project # 2599DI1703 in accordance with NRS 338.1385, paragraph 6, subparagraphs (b) and (d) (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Chairwoman Wong made a motion to approve the Consent Calendar as submitted. Trustee Callicrate seconded the motion. Chairman Horan called the question and the motion was unanimously passed.

Chairwoman Wong added that Trustee Dent sent her an email that he too is in support of this item.

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

- I.1. Review, discuss, and possibly adopt Resolution No. 1875 authorizing a Medium-Term Installment Purchase Agreement in the amount not to exceed \$204,627.16, through an Equipment Lease/Purchase Agreement with EZ-Go to procure fifty-eight (58) gas-powered golf carts for the Mountain Golf Course (Requesting Staff Member: Director of Finance Gerry Eick) **(REMOVED FROM THE AGENDA IN ITS ENTIRETY)**
- I.2. Review, discuss, and award Recreation Center Janitorial Services Contract to CC Cleaning Service effective November 16, 2019 in the amount of \$67,340 and review, discuss and award of the Diamond Peak Ski Resort Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$39,000 effective the start of their one hundred and twenty-one-day season which is yet to be determined and approve establishing one (1) Full Time and two (2) Seasonal Part Time Janitorial Positions in Buildings Maintenance effective November 1, 2019 with an annual budget of approximately \$86,010. (Requesting Staff Member: Director of Finance Gerry Eick)

Director of Finance Gerry Eick gave an overview of the submitted memorandum as well as the PowerPoint presentation that was included in the packet.

Interim District General Manager Winquest said that this is not just about the issues for the past few years as Staff has gone through this a few times and to have one contract for all our venues is just asking too much for any one vendor. At the Recreation Center, it needs to be cleaned to a completely different level such as being sanitized throughout especially in our kids' areas. Staff went through a long period of time where Staff spent a tremendous amount of time cleaning the place and they have pitched in to provide a great product to our members. Every venue manager has had issues with this service. Interim District General Manager Winquest then commended all of our managers and Staff for their assistance and work on this process. We have to do this as we owe it to our community thus this is the best course of action.

Chairwoman Wong said where do we expect to be over budget for janitorial services for this year. Director of Finance Eick said on agenda packet page 26 there is the explanation and that we will still end up about forty thousand dollars over budget for the year.

Trustee Callicrate said that this is long overdue as it has been a problem for over twenty years. This makes sense to split it up and add Staff. It can get overwhelming, especially at the Recreation Center, and he will be supporting this as it is a necessary and vital component for moving forward.

Director of Finance Eick recapped agenda packet page 25 and said that Staff held a pre-bid tour which was not mandatory for all bidders and that we received only one proposal from CC Cleaning. Staff also posted a request for quotation for Diamond Peak. We anticipated that the Recreation Center would be over fifty thousand dollars so we had to do a request for proposal and that Diamond Peak was going to be under fifty thousand dollars so we could do the quotation process. Staff made an offer of a facility tour and one company did take Staff up on that offer and we received two proposals. CC Cleaning was the lowest responsive service provider on both items. Additionally, we have a per day cleaning cost if Staff decides to extend the Diamond Peak ski season.

Vice Chairman Horan said that janitorial contracts are a challenge and that it is incumbent upon us to provide clean facilities to the community. Staff has done a good job on this effort and it is something that we can live with thus he will be supporting it.

Chairwoman Wong made a motion to:

1. Award the Recreation Center Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$67,340 effective November 16, 2019.
2. Award the Diamond Peak Ski Resort Janitorial Services Contract to CC Cleaning Service, LLC in the amount of \$39,000 effective the start of their one hundred and twenty-one-day season which is yet to be determined.
3. Authorize Staff to execute all documents based on a review by General Counsel and Staff.

Trustee Callicrate seconded the motion.

Vice Chairman Horan asked for any further comments, hearing none, called the question and the motion was passed unanimously.

Chairwoman Wong made a motion to:

4. Authorize the addition of one (1) Full Time and two (2) Seasonal Part-Time Custodian positions within the Buildings Maintenance Department of Internal Services effective November 1, 2019 with an annual budget of approximately \$86,010.

Trustee Callicrate seconded the motion.

Vice Chairman Horan asked for any further comments, hearing none, called the question and the motion was passed unanimously.

Chairwoman Wong said that Trustee Dent sent his support for this item.

- I.3. Review, discuss and possibly approve a preferred alternative for the Tennis Center Renovation Project – Fund: Community Services; Division: Tennis; Project 4588BD1604 (Requesting Staff Member: Director of Public Works Joe Pomroy) **(REMOVED FROM THE AGENDA IN ITS ENTIRETY)**
- I.4. Review, discuss and possibly approve a preferred location for the Bocce Court Construction Project – Fund: Community Services; Division Parks; Project 4378LI1804 (Requesting Staff Member: Director of Public Works Joe Pomroy) **(REMOVED FROM THE AGENDA IN ITS ENTIRETY)**
- I.5. Review, discuss, comment and provide direction to Staff regarding “Popular Report” format for District Capital Improvement Projects (Requesting Staff Member: Director of Finance Gerry Eick) **(REMOVED FROM THE AGENDA IN ITS ENTIRETY)**
- I.6. Review, discuss and possibly approve the Board of Trustees Handbook (Requesting Trustee: Chairwoman Kendra Wong) **(REMOVED FROM THE AGENDA IN ITS ENTIRETY)**



**J. APPROVAL OF MINUTES (for possible action)**

**J.1. Regular Meeting of September 25, 2019**

Vice Chairman Horan asked for changes, receiving none, the minutes were approved as submitted.

**K. REPORTS TO THE IVGID BOARD OF TRUSTEES\***

**K.1. District General Counsel: Law Firm of Hutchison & Steffen**

Daniel Stewart said that the tax challenge to assessments was successful in the District court last week and that the pieces are being worked out which could result in refunds.

Vice Chairman Horan asked if it was still possible to appeal. Mr. Stewart said that the losing party has thirty days to file an appeal and that there has been no comment one way or another.

Vice Chairman Horan said that this is good news and bad news as individuals will benefit but IVGID and the North Lake Tahoe Fire Protection District will have to issue the refunds.

Vice Chairman Horan said that he wants to make a comment relative to counsel and that is that when this Board approved a contract with Hutchison & Steffen, we were hiring a law firm that has a broad base with many different talents. We like to see consistency while enjoying the benefits of getting a much bigger law firm. We expect the counsel that comes to work with us to be accountable and knowledgeable.

Chairwoman Wong said, based on the latest numbers, have we quantified the dollar amount for IVGID. Director of Finance Eick said that IVGID is not a direct participant that has to meet the order of the court so we don't have access to those records. Staff has been disclosing, and it cost IVGID about one million dollars last time, that this goes farther back thus it has been incurring more interest, that this is undeterminable however it will be fairly significant. Until it becomes probable and Washoe County can tell us what it is, Staff has no estimate.

**L. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA\***

There were no Board of Trustees updates at this time.

**M. PUBLIC COMMENTS\* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.**

Mike Abel said notwithstanding the law firm comments, the public is owed some kind report on open meeting law violations and their status as well as the status of the Smith lawsuit. He was going to take issue with the crazy golf cart financials and he wants to criticize Staff for the byzantine presentation and asked how the Board can reach a decision when it is presented in a twelfth grade form of writing. It seems to him that there needs to be some Staff coordination so that presentations are done in a cogent manner.

Cliff Dobler said that on September 25 he provided public comment about the two bathrooms at the Mountain Golf Course. There was a cost estimate of ninety thousand dollars and spending of eighty thousand dollars with another sixty thousand dollars spent this year and there was replacing of siding. He asked for an investigation and he never received a response so he did own. There are two distinct projects – in January, a paving contract was approved which was robbing cart path maintenance and that did not include interiors and it was completed in 2019/2020 but was not started until this fiscal year. He asked for a ledger and it came back without dates. Fifty-four thousand dollars went to a paving contractor. Auditors don't perform audits on capital projects. He asked the Director of Community Services who said it was done in June; he then asked the Engineering Manager who said it wasn't done at all.

Linda Newman said she would like to comment the Interim District General Manager for cancelling the public hearing and removing three agenda items that were short on complete and accurate information. She would suggest that our new Director of Finance not be responsible for overseeing janitorial contracts and positions and that this is the type of oversight that should be done by the individual venue managers and issues be brought to Human Resources. All the information on this item could have been presented in the packet and then the Board could ask questions. She thinks, in many cases, just like the General Manager's report, it is in there and readable thus whatever comes up after the fact should be highlighted and updated and then the Board could ask questions. Ms. Newman

said that she thinks that everyone can read what is in the Board packet and ask questions. Thank you to Vice Chair Horan for your courtesy to let the public speak even if they went over by three or four seconds.

Steve Dolan said he wanted to finish up on the first part of his request as this is a time sensitive issue and that he is offering to work with the Interim District General Manager to evaluate his proposal and pick out what is the most pertinent as his effort is quite different than Snowlands as he is focused on Third Creek where the District has spent millions of dollars renovating it for the stream and spawning trout. There was two thousand Lahontan trout released and Third Creek is where they are headed so we need to try and nip this proposal in the bud. He would like IVGID to reinforce the cooperation with our other agencies and also Third Creek to help enforce their establishments and protections. You, as Trustees, pledged to protect our environment and help with the endangered Lahontan trout.

**N. REVIEW WITH BOARD OF TRUSTEES, BY THE INTERIM DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)**

Interim District General Manager Winquest said that the Tennis Center renovation and Bocce ball site selection will now be on the November 13 agenda and that the December 11 agenda will include the WFFF contract award, Board of Trustees handbook, and popular reporting. He also added that Trustee Dent asked that we add an item to commit excess budget from various projects to fund cart path rehabilitation at Mountain Golf Course.

Chairwoman Wong asked that Staff start planning out our budget sessions and adding those to the long range calendar.

Interim District General Manager Winquest said on November 13, Staff will be bringing back the public hearing for lease agreement for the golf carts as well as a General Business item which will be a forty-eight month lease with a purchase option that we do not plan to exercise. Additionally, Staff would like to finalize the January dates for the workshop and meeting.

**O. ADJOURNMENT**

The meeting was adjourned at 7:41 p.m.

Respectfully submitted,

Susan A. Herron  
District Clerk

Attachments\*:

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

Submitted by Mike Abel (1 page): The Pont and Effluent Pipeline

Submitted by Iljosa Dobler (1 page): Public Comments by Iljosa Dobler at IVGID Board of Trustees Meeting on October, 30, 2019

Submitted by Clifford F. Dobler (1 page): Public Comment by Clifford F. Dobler at Board of Trustee Meeting on 10/30/2019

Submitted by Linda Newman (1 page): October 30, 2019 IVGID Board of Trustees Meeting, Public Comment by Linda Newman – To be included with the Meeting Minutes

Submitted by Margaret Martini (2 pages): October 30, 2019 IVGID BOT Meeting Public Comment By: Margaret Martini – To be included with the Minutes of the Meeting

Submitted by Sara Schmitz (1 page): The role of a Board Treasurer:

Submitted by Aaron Katz (41 pages): Written Statement requested to be included in the written minutes of this October 30, 2019 Regular IVGID Board Meeting – Agenda Item D – Public Comment – IVGID’s Staff’s lack of public reporting or response to the third major break to IVGID’s sewer effluent export pipeline – we not have a ticking time bomb that needs to be difused *immediately!*

Submitted by Aaron Katz (31 pages): Written Statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees’ regular October 30, 2019 Meeting – Agenda Item D – Public Comment – The Board’s refusal to agendize for possible action direction which compels Staff to take action against local resident Eric Severance to recover the \$35,000 he obtained

under false pretense for a yield management study/report he plagiarized and passed off as his own

Submitted by Aaron Katz (10 pages): Written Statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees' regular October 30, 2019 Meeting – Agenda Item D – Public Comment – The Board's refusal to agendize for possible action direction to Interim General Manager ("GM") Winquest to take action against Diamond Peak Venue Manager Mike Bandelin for negligently approving \$35,000 in public funds paid to local resident Eric Severance for an alleged yield management study/report, and separately to compel Mr. Bandelin to make the District's Ski California Gold Passes available for use by members of our community

Submitted by Aaron Katz (24 pages): Written Statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees' regular October 30, 2019 Meeting – Agenda Item D – Public Comment – The Board's refusal to agendize for possible action direction to Staff which compels them to comply with revisions to Nevada's Public Records Act ("NPRA"), because if they continue to act otherwise the District is going to be financially penalized with civil penalties

Submitted by Aaron Katz (19 pages): Written Statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees' regular October 30, 2019 Meeting – Agenda Item D – Public Comment – Another parcel with multiple dwelling units whose owner(s) currently pay, and for some number of years have been paying, a single beach ("BFF") and/or Recreation ("RFF") Facility Fee(s). *When is Staff going to do its job of assessing parcels with obvious multiple dwelling units multiple BFFs and/or RFFs?*

Submitted by Aaron Katz (8 pages): Written Statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees' regular October 30, 2019 Meeting – Agenda Item D – Public Comment – Repeated evidence IVGID Staff allow Golfnow to sell IVGID golf course rounds of golf to the general public for less than the "so called" preferred picture pass holder ("PPH") rate

Submitted by Aaron Katz (33 pages): Written Statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees' regular October 30, 2019 Meeting – Agenda Item C & I(1) – Proposed acquisition of fifty-eight (58) Mountain Course golf carts on a medium-term installment purchase basis for use in Fiscal Year 2020-21

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Submitted by Judith Miller (11 pages): Public Comment IVGID Board of Trustees Meeting 10/30/19

Submitted by Mike Hess (1 page): Comments to the IVGID Board of Trustees RE: Popular Report for District Capital Improvement Projects

Submitted by Steve Dolan (3 pages): Friends of Third Creek

Submitted by Gail Farrell (6 pages): Lake Tahoe Basin Management Unit, Snowmobile Plan Proposed Action needs modification for human-powered winter recreation opportunities – deadline for comments is November 19, 2019

Submitted by Clifford F. Dobler (1 page): Public Comment by Clifford F. Dobler at IVGID Board Meeting on October 31, 2019

## The Pond and Effluent Pipeline

*Mike Abel*

I was delighted to see that our staff and Board are proposing to discuss the effluent pipeline in a workshop scheduled for 1/15/20. I was quite disconcerted to find out about the latest break in our Effluent Pipeline (E/P) under highway 28 early this month. Without excoriating our board and our ex-GM's lack of attention to this critical infrastructure project known as phase 2 of the Effluent Pipeline Project - I want to suggest that our Trustees get existing copies of HDR & PICA reports on this project known as phase 2 as well as any final reports that Mr. Pomeroy can supply. The reports are quite shocking in revealing the deplorable condition of the pipeline beyond Sand Harbor to Highway 50. It is literally beyond the point of imminent failure. But, do not take my word for it, read the reports yourselves!

Our Utility Fund lacks adequate money to fund this project due to the fact that dedicated pipeline funds were diverted to other purposes. Again recriminations are pointless. The board needs to look at alternative funding and financing programs to implement this project.

We need to attend to this matter ASAP to remedy this critical and failing component of our utility infrastructure. As residents and stewards of our environment we have a responsibility to protect our precious lake Tahoe for future generations. While I would like to present more on this issue at the January workshop, I want to propose to the board now that:

1. We need to give up on the concept of Co-location with TTD. The deplorable condition of the 6 miles of pipeline cannot wait.
  - a. TTD has no existing timetable or funding for this project
  - b. It may take as much as 10 years to obtain a special use permit for co-location - this estimate by our own consultants.
  - b. Obtaining the required federal funding seems like a pipe dream at best with a Republican administration in a Democratic state.
2. We need to (without waiting till January) have our staff look into getting the large effluent pond properly lined ASAP as this is a necessary key component of the entire E/P project. We will need this project to be completed before any work can be done on the pipeline.
3. Finally we need to think about hiring a capital projects manager to manage this and other projects. The manager's responsibility will involve Coordination – permitting – design – funding – and construction management.

Public Comments by Iljosa Dobler at IVGID Board of Trustees Meeting on October, 30, 2019

This transaction for 58 new golf carts at the Mountain Golf Course is not a lease for four years costing \$121,605 as stated to the public at the September 25, 2019 Board meeting.

This transaction is a purchase for \$297,427 financed by trading in our existing fleet for \$92,800 and borrowing \$204,627. There is no option to buy the carts after 4 years. The carts are purchased immediately .

To waste \$33,000 unnecessarily on interest expense could not possibly be the best use of public funds as stated in the proposed Resolution 1875. This is incredible. There is no need to borrow money.

According to the 2020 Community Services Special Revenue Fund budget adopted in May, there will be over \$9 million in unrestricted funds when this transaction is scheduled to take place in June next year.

There are no assurances that these new gas powered carts can be sold at the end of four years for the \$116,000 balloon payment on the borrowings.

If, as the staff has said, lithium battery powered carts are the future, then why would the same staff believe there will be a market for gasoline powered carts in four years.

Actually the tattered cart paths should be replaced first before new carts are acquired and that is not even on the agenda

Fleet usage based on golf round this past season indicates that for the months of June, July and August, the carts, on average, were used for only one round per day. During the 51 days of May, September and October, 29% of the carts, on average, remained idle.

My husband and I, who have owned golf carts for several years and also owned mortgages on two golf course, fell quite certain that the existing fleet will last at least 4 more years, since there is not a requirement to change batteries in gas powered carts.

So instead of wasting \$33,000 on interest expense why not use that same money to staff Incline Beach with lifeguards during the busy summer months to provide safety to our citizens. There were no lifeguards on duty this past season.



**Public Comment by Clifford F. Dobler at Board of Trustee Meeting on 10/30/2019**

If a Board Policy states that the "appropriate level of fund balance" should be no more than a certain amount then any fund balance which far exceeds that appropriate level would be inappropriate. So we have a case of IVGID's inappropriateness in violating Board Policy.

The trio of Board bandits, Wong, Morris and Horan approved a budget in May, wherein for the fiscal year which ends next June, the Community Services Special Revenue Fund which account for all recreational venues other than the beaches, will have a fund balance of \$9,146,076 which is over 100% higher than the Board limit of an "appropriate level of \$4,493,000". Now this large inappropriate amount of \$4,653,000 was not committed to anything and ends up to be nothing more than a slush fund to be used on whatever the three bandits might decide they want. Anyone ever heard of a government entity taxing people and not spending it? Well !

So let's get this straight, three out of five people can assess property owners total annual Fees of \$5,783,000, take the money, not spend 81% of it, and not tell the public why.

The latest gimmick used this year is to astronomically inflate construction budgets, then obtain bids which are much lower resulting in large savings which the bandits can add to the inappropriate stash. Take the Mountain Golf Course Clubhouse. An inflated budget of \$1,529,000 with a bid and other costs of only \$1,192,000. \$337,000 will be added to the stash. Apparently the same goes for the Tennis Center, doubling up items to create a giant budget. Savings will be at least \$300,000 when bid in January and will find its way to the stash.

What is even more amazing is that over the next 4 1/2 years, based on the five year capital plan submitted to the State, they intend on assessing each property owner the same amount in annual fees and only spend \$1,713,046 or 37% of the inappropriate slash.

I doubt many parcel owners in Incline and Crystal Bay would be thrilled to know about this inappropriate behavior and even less thrilled to know these spendthrifts are in charge.

Want new cart paths at the Golf courses? Sorry not in their plan. Want clean restrooms at the Rec Center? Sorry not in their plan. Are they sitting on the inappropriate funds to try and hatch a golden egg? Who knows not in their plan.

Now I'm a fee payer and it seems logical that I should be told how my money will be spent. Wouldn't that be a fiduciary responsibility of the inappropriate people in charge? New Board elections are one year away. We need appropriate responsible people.

October 30, 2019 IVGID Board of Trustees Meeting  
Public Comment by Linda Newman – To be included with the Meeting Minutes

It is important for this Board to take immediate action on building a transparent and accountable framework for our operations, capital projects and financial accounting and reporting. It is also time for this Board to identify the District's most important priorities and ensure that we have the most qualified staff, consultants, contractors, and vendors.

Mr. Dobler and I have submitted a number of memorandums to Audit Committee Chair Horan documenting the District's violation of Nevada law, Government Accounting Standard Board Statements, as well as IVGID's own policies and practices. These financial accounting and reporting violations have materially distorted the District's budgets and comprehensive annual financial reports. To date, we have not received a response. As our Board, you are accountable to our citizens and have a responsibility to provide complete and accurate financial information and disclosures. I request this Board provide us with the corrective actions you are undertaking to remedy these violations and ensure the District implements effective internal controls.

As our Board, you are also responsible for the proper stewardship of our utility infrastructure. Since 2015, you have not provided the Utility Fund with the required working capital and set aside money to support our \$600 million water and sewer infrastructure. In addition, the replacement of the 6 miles of deteriorating effluent pipeline and the lining for the emergency effluent storage pond should be this District's number one priority. We have had multiple breaks spilling over SR 28 threatening our health and safety and endangering our lake. In late September, there was another break in the 6 miles of effluent pipeline in critical need of replacement. Despite this, and after budgeting more than \$600,000 for Pica to investigate the condition of our pipeline and HDR to evaluate the data, months and months have passed without this Board securing the information and initiating a realistic plan to move forward. I recommend the engagement of an independent contractor to take over this project in its entirety.

After the exodus of key employees, there is a void in the performance of critical District functions. Our District must prioritize the engagement of individuals that can adopt technology and innovation to improve Finance, Communications, IT, HR, well planned, managed and cost effective infrastructure, Capital Project Budgeting and Management, the delivery of quality recreational services and responsibly maintained facilities.

October 30, 2019 IVGID BOT Meeting Public Comment

By: Margaret Martini – To be included with the Minutes of the Meeting

This is one scary agenda! After reading through the packet, anyone living in this community would have serious concerns about the competence of our Board Chair and our Senior Staff.

First, we have a public hearing on a Medium-Term Installment Plan for Mountain Golf Carts. In addition, to the actual amount being incorrect, the Resolution provided in the packet has so many errors and violations of Board policies and Nevada law that I lost count. It also deviates radically from the information provided to the Board at the last meeting. Did the Board Chair actually read the resolution and look at the supporting documents? If she did and permitted it to be presented to the Board and the public she should be held accountable. If she didn't and delegated it to the General Manager and Mr. Eick, well maybe we need a Board Chair who takes the accuracy and content of the Board's public meeting agendas seriously.

Next, is the consent calendar which includes another blatant example of the District's inability to accurately estimate budgets for vital projects. Here Staff budgeted \$470,000 and received a bid for almost double that amount. If this is rocket science, then we need to hire a rocket scientist. If it isn't we need an independent expert to get our projects properly budgeted and properly put out to bid.

The Tennis Center alternatives presented without dimensions and square footage –made me laugh. As for the high estimates, I laughed harder. We are paying a professional consultant more than \$100,000 in design work to deliver this? Must be a trick.

Then there is the Popular Reporting Format for CIPs. Not popular with me. Some of these columns make absolutely no sense.

And then there is the Board of Trustees Handbook with Chair Wong's changes. Although the Board did not approve the removal of citizen correspondence from the Board packets and the Board clerk has continued to omit the correspondence,

Chair Wong has decided that the community should continue to be kept in the dark when it comes to the writings of our citizens to our Board and our District.

Of course, whether the Board approves the handbook or not, it really doesn't matter. Under Chair Wong's command, Nevada law and board policies and practices really don't matter. When it comes to open meeting laws, public records, financial accounting and reporting whatever she and Guinasso decide goes.

A handwritten signature in purple ink, appearing to read "A. Martini". The signature is written in a cursive style with a large, stylized initial "A".



The role of a Board Treasurer:

NRS 318.085 states the Treasurer is to keep strict and accurate accounts of all money received by and disbursed for and on behalf of the district in permanent records. In simple terms the Treasurer is to oversee the District's finances. This summer we learned that Peter Morris, the Board elected Treasurer, is not fulfilling the role and that our Director of Finance is somehow also fulfilling the role of Treasurer by producing financial reports. So the oversight role was somehow delegated to the person producing the financial reports. It is impossible to have one person doing the work and being the overseer of the work being done. Therefore, we have had NO Treasurer for an extended period of time. With the planned departure of the Director of Finance, the Board needs to elect a new Treasurer, one who actually fulfills the financial oversight role.

NRS318.085 also states the treasurer of the board may or may not be a member of the board.

Since the role may be fulfilled by someone other than a Trustee, I think the Board needs to look beyond the Trustees when it elects a new Treasurer. In observing how Cliff Dobler and Linda Newman have found errors within the District's financial reports on numerous occasions, have delved into the financial details of the utility fund and the effluent pipeline project and budgets, I suggest the Board ask Cliff Dobler to serve as Treasurer reporting to the Board on financial oversight matters. I also recommend that he serve on the IVGID Audit Committee. I feel Mr. Dobler would be an asset to this Board and to interim General Manager Winquest as the District manages the departure of Mr. Eick. The Board needs to elect a new Treasurer and I recommend Cliff Dobler.

**WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 30, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM D – PUBLIC COMMENT – IVGID STAFF’S LACK OF PUBLIC REPORTING OR RESPONSE TO THE THIRD MAJOR BREAK TO IVGID’S SEWER EFFLUENT EXPORT PIPELINE – WE NOW HAVE A TICKING TIME BOMB THAT NEEDS TO BE DIFUSED *IMMEDIATELY!***

**Introduction:** On September 26, 2017 the Nevada Department of Transportation (“NDOT”) reported there had been some type of water break along the portion of State Highway 28 (“SR-28”) leading from IVGID’s Spooner Summit wastewater pumping station to the junction of State Highways 28 and 50. Subsequently it was confirmed that the water break was really another break in IVGID’s sewer effluent wastewater pipeline.

I fully expected interim General Manager (“GM”) would have formally reported on this break, and the costs to fix it at tonight’s meeting. However when Mr. Winquest’s “Status Report Prepared for (tonight’s)...Meeting” which appeared in the Board packet for tonight’s meeting<sup>1</sup> became public, woefully, no mention whatsoever was made<sup>2</sup>. Given this break was wholly predictable and has again cost the public tens if not hundreds of thousands of unnecessary dollars to make a bandaid fix, I submit this written statement.

But before I do, let’s take a stroll down history lane to understand IVGID’s staff’s incompetence, misrepresentations of fact, and embezzlement of funds we sewer customers have been paying for the last eight (8) or more years allegedly to fund a \$23 million reserve to replace an additional six (6) miles of our failing sewer effluent export pipeline.

**IVGID’s Sewer Effluent Export Pipeline:** IVGID constructed its Wastewater Reclamation Facility (i.e., Treatment Plant) on Sweetwater Road in 1962. The Treatment Plant processes and disinfects an average of 1.3 million gallons of wastewater daily. “The effluent export (pipe)line transports treated wastewater<sup>3</sup>...through a twenty-mile...pipeline...from IVGID’s...wastewater treatment plant to the

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<sup>1</sup> See pages 6-9 of the packet of materials prepared by staff in anticipation of tonight’s October 30, 2019 Board meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_10-30-2019.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_10-30-2019.pdf)] (“the 10/30/2019 Board packet”).

<sup>2</sup> In contrast, Mr. Winquest had little problem discussing improvements to the District’s overall treatment and transport system for raw sewerage [i.e., sewer pumping station (“SPS”) #1 which collects raw sewerage and transports it to the District’s wastewater treatment plant on Sweetwater Road, nor the Water Resource Recovery Facility (“WRRF”) which uses pressurized air to mix and recirculate wastewater to retain the correct balance of oxygen aeration at all times (see page 6 of the 10/30/2019 Board packet)].

<sup>3</sup> See the project description for the Effluent Export (Pipe)line – Phase II capital improvement project (“CIP”). The 2017 Project Summary for this project with an asterisk next to the quoted project description is attached as Exhibit “A” to this written statement.

disposal point at the wetlands southeast of Carson City.”<sup>4</sup> “This line was constructed in the early 1970’s as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin.”<sup>3</sup>

“Starting in 2006 and finishing in 2009”<sup>5</sup> IVGID began phased replacement of this aging pipeline. Phase I replaced “approximately 18,000-linear feet of Segment 1 ‘16-inch Export Pipeline’ 1 (Inline Village to Sand Harbor),”<sup>5</sup> and “11,000-linear feet of Segment 3 (around Spooner Meadow).”<sup>3</sup> “During planning and design (of the first phase of this project) approximately 13,700 (additional) linear feet of Segment 3 and all 17,300-linear feet of Segment 2 were identified to be in good condition and...not identified for replacement. These pipeline segments (we)re in the southbound shoulder of SR-28 between Sand Harbor and Spooner Meadow.”<sup>5</sup>

**The First Sewer Effluent Export Pipeline Break:** “In August 2009 a pipe break within the *unreplaced* portion of Segment 3 washed out SR-28. Investigation...revealed areas of advanced corrosion on the damaged pipeline section, indicating that *unreplaced* portions of the export line may be nearing the end of their service”<sup>3</sup> lives.

**IVGID’s Effluent Export Pipeline – Phase II Project:** As a result, Phase II of the Effluent Export Pipeline Project was approved for “*replacement* of the remaining (approximate 6 miles of) pipeline... within the Tahoe Basin;” i.e., that portion leading from Sand Harbor to Spooner Summit. “Th(is) project...(described as) moving the pipeline to the center of the Southbound (SR-28) travel lane...(was scheduled to) be completed over multiple years (commencing in 2015<sup>6</sup>)...(Since) funding for this project w(ould ultimately come from)...utility rates”<sup>4</sup> local users (i.e., us) were assessed, “it (became) ...necessary to collect the funds through sewer rates in advance of the project...(And as a result,) large (yearly) sewer CIP rate increases (began) in 2011...(allegedly) to raise the necessary capital funds for this project.”<sup>7</sup>

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<sup>4</sup> Go to <https://www.yourtahoeplace.com/public-works/sewer/about-our-sewer-system>.

<sup>5</sup> See page 3 of IVGID staff’s August 11, 2017 Memorandum which seeks Board authorization for \$1,322,600 in repairs to the effluent export pipeline. This page with an asterisk next to the quoted language is attached as Exhibit “B” to this written statement.

<sup>6</sup> In Joseph Pomroy’s February 27, 2013 utility rate study presentation to the IVGID Board and the public, he represented that the construction project start date for phase II of the effluent export pipeline project was to be the spring of 2015 (see page 244 of the packet of materials prepared by staff in anticipation of the Board’s February 27, 2013 meeting (“the 2/27/2013 Board packet”)). A copy of this page with an asterisk next to his representations is attached as Exhibit “C” to this written statement.

<sup>7</sup> See page 11 of IVGID staff’s January 11, 2019 Memorandum in support of its “Utility Rate Study Presentation – 2019.” A copy of this page with an asterisk next to the quoted language is attached as Exhibit “D” to this written statement.

In a written statement attached to the minutes of the Board's December 12, 2018 meeting<sup>8</sup> I documented in writing "exactly what tasks (we)re encompassed within Phase II of the Effluent Pipeline Project."<sup>9</sup> Namely,

"The proposed project...will *replace*...two remaining sections...of 16-inch Export Pipeline...a total length of approximately 6 miles."

Given no portion of this pipeline has been replaced, ***none of the nearly \$15 million in past sewer charges staff have assigned to the Effluent Export Pipeline Project, Phase II<sup>25</sup>, have been spent on any of this scope of work!***

**Staff's Embezzlement of Accumulated Reserves Designated to Pay For Phase II of the Effluent Pipeline Project:** Yet at least \$4,811,782 of this nearly \$15 million in accumulated savings for the export project has been used for *other* endeavors<sup>24</sup> even though staff have represented to the Board and the public that "accumulated savings for the Export Project (will be kept)...*separate* from... uncommitted reserves" for other sewer CIPs (see Exhibit "C"). Staff's use of these accumulated savings for projects other than replacement of two remaining sections of the pipeline totaling approximately 6 miles in length, *constitutes embezzlement*<sup>10</sup>.

**The Second Sewer Effluent Export Pipeline Break:** "A second significant pipe break within the *unreplaced* portion of Segment 3 occurred on April 17, 2014...again caus(ing) significant damage to SR-28...(and) forc(ing) the shutdown of the southbound lane for two days."<sup>7</sup> Although I am unable to determine the costs of these repairs, nor the environmental penalties assessed, if any, rest assured they were substantial and have offset an equivalent amount of IVGID staff's estimated \$7 million in alleged co-location savings (see discussion above).

**Proposed Shared Use Path Relocation:** Given the Tahoe Transportation District ("TTD") is the proponent for a shared use path project, and "the District...(did not and) does not have sufficient reserves to fund (replacement of the remaining pipeline)...at a cost of \$23 million<sup>8</sup>...beginning in 2013 the District began "work(ing) with the...TTD on the feasibility of co-locating the new (approximately 6 mile) section of effluent export pipeline with the (proposed) Tahoe Bike Path...Depending on the total length of pipeline eventually replaced<sup>11</sup>...District Staff estimate(d)...the District could save upwards of

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<sup>8</sup> See pages 136-154 of the 1/23/2019 Board packet as well as Exhibit "D."

<sup>9</sup> See page 137 of the 1/23/2019 Board packet.

<sup>10</sup> NRS 205.300(1) instructs that "any bailee of any money...who uses or appropriates the money...or any part thereof in any manner or for any other purpose than that for which they were deposited or entrusted, *is guilty of embezzlement.*"

<sup>11</sup> Although it is unclear exactly how IVGID staff were able to come up with \$7 million of cost savings, it appears this number was premised upon essentially all 30,000 linear-feet of the District's 16-inch pipe being relocated in the Tahoe Basin. Putting aside the fact any alleged cost savings have long since been off-set by pipeline testing and repairs, the most recent U.S. Forest Service "SR-28 Shared Use



\$7 (million) via co-location and cost sharing with TTD...(Thus) at the October 2014 Board of Trustees meeting, the District entered into an amendment to (an) existing Interlocal Agreement (with the TTD) that would allow completion of the next steps of the (proposed shared-use path) project;<sup>11</sup> i.e., completion of a Draft Environmental Assessment. And again, IVGID's cost for the portion of the assessment (\$300,000) offset an equivalent amount of IVGID staff's estimated \$7 million in alleged co-location savings.

**TTD's DEA:** In July of 2019 the TTD's DEA was finally completed. But rather than calling for all remaining six (6) miles of IVGID's failing effluent pipeline to be relocated under the proposed shared-use path, the report *only calls for approximately 2.6 miles to be relocated*<sup>12</sup>. Because the proposed shared-use pathway veers from SR-28 to accommodate steep topography, the report calls for remaining portions of the pipeline that require replacement to *remain in the highway alignment*.

Translation: Even if the pipeline the subject of phase II of the effluent pipeline project can be re-located under the TTD's proposed pathway, only *less than half* can be relocated. The remainder must still be located within SR-28.

**TTD's Application For a 2018 United States Department of Transportation ("USDOT") Better Utilizing Investments to Leverage Development ("BUILD") Grant**<sup>13</sup>: Since TTD is totally dependent upon grants and donations, on July 19, 2018 it made application to the USDOT for a \$20,950,000 BUILD grant to fund construction of a proposed extension to a shared use pathway. But last December (of 2018) its application was in essence *denied* (available funds were awarded to other applicants<sup>14</sup>).

Translation: Putting aside the fact there is no agreement between IVGID and TTD insofar as IVGID's rights, obligations and financial responsibilities should it be permitted to relocate its effluent export pipeline under approximately 2.6 miles of the proposed shared-use pathway, and given denial of TTD's application for BUILD grant moneys, *shared use path relocation is nothing more than a pipe-*

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Path, Parking, Safety and Environmental Improvements Project Draft Environmental Assessment" insofar as proposed Phase 3 of the SR-28 Corridor Plan Project, Plan #52969 ("the DEA"), contemplates that proposed co-location will only take place under 2.6 miles of the proposed shared-use pathway<sup>12</sup>. Given the \$7 million of alleged cost savings contemplates co-location under a full approximate 6 miles of shared-use pathway, it is evident there *never* was going to be \$7 million of cost savings.

<sup>12</sup> Page 25 from the report confirms that "effluent pipeline relocation w(ill) occur on (only) approximately 2.6 miles of" the proposed path way. A copy of that page with an asterisk next to the quoted language is attached as Exhibit "E" to this written statement.

<sup>13</sup> For an explanation of the BUILD grant program, go to <https://www.transportation.gov/BUILDgrants/about>.

<sup>14</sup> For a list of 2018 grant award winners, go to <https://www.transportation.gov/sites/dot.gov/files/docs/policy-initiatives/327856/build-fact-sheets-121118-355pm-update.pdf>. Notably, the TTD was *not* an award winner.

*dream*. Moreover, until the public understands these “unknowns,” any declaration by IVGID staff of alleged cost savings as a result of relocation is disingenuous at best, and outright deceitful at worst.

**Additional Repairs Necessitated to Address Piping Repairs to Remove (a) Bore Restriction in IVGID’s Sewer Effluent Export Pipeline:** Meanwhile “in early February 2015, the District exposed a pipeline dismantling joint outside the Spooner Pumping Station, drained the pipeline, and inserted a remotely operated track mounted camera into the pipe. The camera inspection revealed a reduction in the internal diameter of the pipe resulting from a short section...where there was excessive cement motor lining...(Thus) at the (IVGID Board’s) February 25, 2015 meeting...(it) authorized a contract (at a cost of \$162,831)...to design and permit...necessary piping repairs to remove the bore restriction (and)...complete an additional round of confirmatory gauging test runs...(Although) the pipeline repair work was completed in August 2015,”<sup>15</sup> I am unable to determine the cost of actual repair. Nevertheless, the cost of both repairs and testing offset an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion above).

**Additional Repairs Necessitated to Prevent a Third Sewer Effluent Export Pipeline Break:** In September of 2015 a condition assessment of “the entire length of...unreplaced portions of Segment 3 (was commissioned and)...13 locations were identified (which) require(d) immediate replacement (since they could)...not wait for final approach for pipeline replacement to be developed.”<sup>16</sup> Thus at the IVGID Board’s August 22, 2017 meeting it approved an interlocal agreement with the Nevada Department of Transportation (“NDOT”) which allowed for “replace(ment of) 13 pipeline sections of 80 to 100-linear feet (each for)...a total of 1,080 linear feet...over approximately 2.5 miles” at a cost of \$1,322,600<sup>15</sup>. And again, this expenditure offset an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion above).

Moreover, since these repairs were to a portion of piping included within phase II of the effluent export pipeline project, and no portion of that work can be salvaged once phase II is eventually prosecuted, this bandaid patch has been a complete financial waste insofar as global replacement of the project is concerned.

**Additional Repairs Necessitated For an Upper Wastewater Pond Liner:** “IVGID currently owns, operates and maintains<sup>17</sup>...a wastewater collection, treatment, and effluent export system that serves

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<sup>15</sup> See pages 4-5 of IVGID staff’s July 13, 2018 Memorandum seeking Board authorization for \$1,322,600 in repairs to the effluent export pipeline. Copies of these pages with an asterisk next to the quote language are attached as Exhibit “F” to this written statement.

<sup>16</sup> See pages 5-7 of IVGID staff’s August 11, 2017 Memorandum seeking Board authorization for \$1,322,600 in repairs to the effluent export pipeline. Copies of these pages with an asterisk next to the quote language are attached as Exhibit “G” to this written statement.

<sup>17</sup> See page 13 of the packet of materials prepared by staff in anticipation of the Board’s February 27, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_2-27-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_2-27-19.pdf) (“the 2/27/2019 Board packet”)].

the communities of Incline Village and Crystal Bay, NV...A critical component of this operation is the 2.4 million gallon primary...*earthen*<sup>17</sup>...effluent storage basin located adjacent to the wastewater resource recovery facility (aka Wastewater Treatment Plant). This storage basin was designed to provide...temporar(y)...automated back-up effluent storage...for brief durations<sup>17</sup>...in the event the Plant's 500,000 gallon effluent storage tank fills to capacity...Lining the storage basin...allow(s) for effluent storage *during emergency situations* and planned effluent pipeline repair and replacement construction projects...(But) as a condition of IVGID's current operating permit with the Nevada Department of Environmental Protection ("NDEP"), *the District is no longer allowed to use the primary effluent storage basin...because it is unlined*<sup>18</sup>. This significantly hampers the District's ability to conduct maintenance of the effluent pipeline system, and *puts IVGID at risk of a discharge of effluent to the waters of Lake Tahoe in the event of a significant emergency.*"<sup>19</sup>

For these reasons, in 2017-18 staff unilaterally modified the "Project Summary" for phase II of the effluent pipeline project to include "lining of the upper (wastewater) pond ("the pond liner")... located directly south of the Wastewater Treatment Plant."<sup>20</sup> And on February 15, 2019 IVGID's Public Works Director, Joseph Pomroy, sent a "technical memorandum" to the United States Army Corps of Engineers ("USACE") admitting that "due to the regulatory limits associated with...use of the (pond liner)...there is *insufficient* operational storage," and \$2,710,000 is required to install a pond liner<sup>21</sup>.

Notwithstanding, at pages 183-184 of the packet of materials prepared by staff in anticipation of the Board's December 12, 2018 meeting<sup>22</sup>, former GM Pinkerton told the Board and the public that the aforesaid \$788,137 had been spent *actually installing the pond liner*, and that this expenditure had been properly charged to phase II to the effluent pipeline project. His rationale was as follows:

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<sup>18</sup> As a result of the April 17, 2014 effluent pipeline break damaging SR-28 (see discussion above), NDEP issued an order barring IVGID from using this storage pond until it is properly lined.

<sup>19</sup> See page 15 of the 2/27/2019 Board packet.

<sup>20</sup> See the asterisk placed on page 132 of the packet of materials prepared by staff in anticipation of the Board's January 23, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_1-23-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-23-19.pdf) ("the 1/23/2019 Board packet")].

<sup>21</sup> See pages 15-17 of the 2/27/2019 Board packet.

<sup>22</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_12-12-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-12-18.pdf) ("the 12/12/2018 Board packet").

“The first thing to remember is no matter what words we have in the narrative, if it’s th(e)...effluent project (then)...there are a whole series of different things that are charged to (that)...project. People can argue left and right that (an assigned expense)...is not part of the effluent project. But...anything from the (treatment) plant to Douglas County that has to do with the delivery of that effluent, and related to any of the work we’re doing on phase II, is part of the effluent project.”<sup>23</sup>

Putting aside the questions of whether this change to the scope of work associated with phase II of the effluent pipeline project was *ever approved by the Board*, and whether or not it is properly part of this project, as aforesaid, it turns out *this liner was never installed*. When Mr. Pinkerton was confronted with this fact on December 12, 2018, he came up with the another disingenuous explanation for the \$788,137 expenditure:

“We had \$788,000 that we expended...related to all this planning we were doing for (phase II of the effluent pipeline)...project for current year expenditures that we always expected to do...And that’s where this \$705,000 estimate...ended up being \$788,000...We put the word(s) ‘pond liner’ in the ‘carry over’ reference because we wanted to reference back to the CIP...to remind (the Board) that...pond lining (wa)s part of the effluent project because when you’re shutting down your pipeline...you...have to have a place for all that effluent to go...So some of the work we were looking towards (doing) in the upcoming year was potentially for...pond lining. So it said ‘pond lining’ in the narrative in the May 22<sup>nd</sup> budget document...And I apologize if there was any confusion related to that. We put the word ‘pond lining’ in to remind you...how pond lining was going to be part of the project.”<sup>24</sup>

Bottom line, this critical pond liner *has never been installed*. And as a result of the most recent (September 26, 2019) pipeline break (see discussion below), the District was *put at risk of a discharge of effluent into the waters of Lake Tahoe*! Moreover, the \$788,137 assigned to the pond liner’s installation has been expended, and it has offset an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion above).

**Second Set of Additional Repairs Necessitated to Prevent a Third Sewer Effluent Export Pipeline Break:** On July 24, 2018 the Board awarded a \$480,000 “additional services (contract)...to remobilize in September (of 2018) and complete an additional round of confirmatory gauging test

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<sup>23</sup> IVGID livestreams its Board meetings (<https://livestream.com/accounts/3411104>) and the quoted language can be viewed at 3:42:37-3:43:13 of the December 12, 2018 livestream [<https://livestream.com/IVGID/events/8489931/videos/184712346> (“the 12/12/2018 livestream”)].

<sup>24</sup> See 3:46:54-3:48:11 of the 12/12/2018 livestream.

runs followed by (a) comprehensive SeeSnake RFT evaluation of (pipeline) Segments 2 and 3(, in part)...to confirm the success of...repair efforts conducted within Segment 3 (see discussion above)... Upon completion (an)...analysis of the collected RFT data (took place which)...provide(d) the District with a comprehensive condition assessment of the evaluated pipeline Segments...Upon receipt of the condition assessment report...District staff (was supposed to) evaluate the findings and develop next steps relative to overall scope of the Effluent Export Project – Phase II.”<sup>25</sup>

I have been informed that a condition assessment report has in fact been delivered to the District, and it identifies at least 12 additional Segment 3 pipeline sections requiring immediate replacement. District staff are intentionally delaying presentation of this report to the Board because the news is not good, and it is going to call for at least \$1 million or more of additional pipeline repairs, all of which will offset an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion above).

**The Third Sewer Effluent Export Pipeline Break:** On September 26, 2019 there was an actual third sewer effluent export pipeline break which again caused significant damage to SR-28. Moreover, since the necessitated repairs were to a portion of piping included within phase II of the effluent export pipeline project, and no portion of this work can be salvaged once this project is eventually prosecuted and completed, this bandaid patch has been a complete financial waste insofar as global replacement of the project is concerned. And again, the cost of these repairs will offset an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion above).

**So What Were the Costs Associated With Repairs to the Third Sewer Effluent Export Pipeline Break?** On October 28, 2019 I made a public records request to learn of those particulars<sup>26</sup>. Although the time for our Public Records Officer to respond to this request has not yet been told, hopefully in the coming weeks the public will have a clearer picture of all expenditures offsetting an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion above).

**Thus I Hope the Reader Can See That Since 2010-11 IVGID Has Incurred Essentially \$5 Million of Expenditures Associated With Phase II of the Effluent Export Pipeline Project Which Could Have Been Avoided if the Approximately 6 Remaining Miles in the Tahoe Basin Had Been Replaced:** Recently IVGID staff shared with the public all expenditures allegedly assigned to the Phase II of the Effluent Export Pipeline CIP since 2010-11, and they total \$4,811,782<sup>27</sup>. Combined with repairs necessitated because of the September 26, 2019 break, it is abundantly clear that by failing to

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<sup>25</sup> See pages 5-6 of IVGID staff’s July 13, 2018 Memorandum seeking Board authorization for \$480,000 in additional testing to the effluent export pipeline. This expenditure has offset an equivalent amount of IVGID staff’s estimated \$7 million in alleged co-location savings (see discussion below). Copies of these pages are attached as Exhibit “H” to this written statement.

<sup>26</sup> I have attached a copy of that request as Exhibit “I” to this written statement.

<sup>27</sup> See page 49 of the 1/23/2019 Board packet. A copy of this page is attached as Exhibit “J” to this written statement, and I have placed an asterisk next to the \$14,774,338 number.

diligently prosecute Phase II *replacement*, and wastefully pursuing the pipedream of possible co-location, ***there will be no cost savings whatsoever!***

**Moreover, These \$5 Million of Expenditures Have Reduced the Amounts Supposedly Accumulated Expressly For the Sewer Effluent Export Pipeline Project, Phase II:** According to staff, “the effluent export project has been the major driver in raising...sewer rates (since) the District currently does not have sufficient reserves to fund this project.”<sup>28</sup> Staff tell us that “large sewer CIP rate increases occurred in 2011, 2012, 2013 and 2014 to raise the necessary capital funds for this project.” In point of fact, in addition to other CIP components of past sewer rates’ capital improvement costs<sup>29</sup> (“CICs”), IVGID has assessed and is currently assessing sewer customers, \$14,774,338<sup>27</sup> since 2010/11 (\$2,000,000/year from 2012-2017 as well as 2018-19, and \$1,000,000 for 2017-18<sup>30</sup>), supposedly as a CIP reserve expressly to fund this \$23,000,000 project<sup>31</sup>. Yet according to staff,

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<sup>28</sup> See page 22 of the packet of materials prepared by staff in anticipation of the Board’s January 23, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_1-23-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-23-19.pdf) (“the 1/23/2019 Board packet”).

<sup>29</sup> IVGID budgets *more*/year for water/sewer CIPs than simply the yearly reserve to fund the Effluent Export Pipeline Project, Phase II. For instance, in 2018/19 staff budgeted \$4,913,000 in CIP revenue to fund a like amount of CIP expenses. This was broken down as follows: \$685,674 in shared CIPs; \$1,310,000 in water CIPs; \$2,680,000 in sewer CIPs [see pages 1-2 of the 2018/19 CIP Budget ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/FY\\_18-19\\_5-year\\_CIP\\_Book\\_-\\_FINAL\\_5.23.18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/FY_18-19_5-year_CIP_Book_-_FINAL_5.23.18.pdf)) - copies of these pages are attached as Exhibit “K” to this written statement] and presumably another \$237,326 in grants given this number is “net of grants.” This number was well in excess of the \$2,000,000 budgeted just for the Effluent Export Pipeline Project, Phase II.

<sup>30</sup> See pages 17 of the 1/23/2019 Board packet, as well as page 32 of the 1/24/2018 Board packet. I have attached a copy of the latter page together with an asterisk next to the portion which evidences this factual information, as Exhibit “L” to this written statement.

<sup>31</sup> Like possible relocation within the TTD’s proposed shared use path (see discussion above), this \$23 million estimate *is a pipedream*. First of all, this is a “preliminary design (and) cost...estimate of (only) *probable* construction costs” that was made by HDR Engineering on May 30, 2012 (a copy of that estimate is attached as Exhibit “M” to this written statement). As we all know, construction costs have increased markedly in the last nearly seven years. Second of all, this estimate does not include all of the costs associated with replacement of this segment of pipeline (for instance, design costs were not included inasmuch as this was only a “pre-design cost estimate”). When these additional costs are added to the estimate, we’re going to be looking at a far different number. Third of all, this estimate does not include the typical 10% add-on (here \$3.2 million) for “construction contingencies” (see page 6 of the 1/23/2019 Board packet for an example of what I am talking about). Fourth of all, staff have repeatedly demonstrated they do not know how to estimate accurately. One need only refer to recent revised construction costs for the Mountain Golf Pro Shop and Tennis Center renovations for confirmation of what I am talking about. Finally, now that our former GM Pinkerton has revealed allocated staff costs are allegedly added to *all* CIP costs, this project’s total cost *is guaranteed to be*

\$4,811,782 of these monies have been spent on this project<sup>27</sup>. As I have demonstrated, *they have not!* Rather, staff have raided nearly \$5 million of what is supposed to be the reserve for phase II of the effluent export pipeline project, to fund *other* CIC projects. Moreover, staff have admitted they intend to continue to charge sewer users an additional \$2,000,000/year to fund the subject project, for at least the next four plus fiscal years<sup>32</sup>.

**Conclusion:** The history I have outlined above demonstrates that for years, IVGID staff have lacked competence to replace any portion of the remaining six (6) miles of effluent pipeline requiring replacement notwithstanding we were told replacement would begin in the spring of 2015<sup>6</sup>. Moreover, staff have spent essentially \$5 million accumulated from rate payers for this express purpose, on other endeavors. Who knows how much money remains to prosecute phase II of the effluent pipeline project, but assuming staff's \$23 million estimate is accurate, and assuming we were to commence in the spring of 2020, we would be at least \$13 million *short*<sup>33</sup>! So where is the money going to come from?

Meanwhile, for some time I and others have been warning that the question isn't whether there will be another failure of the portion of the pipeline requiring replacement, but rather, *when*. Or stated differently, staff has been playing "Russian Roulette" at the public's expense. And now that "when" has arrived, where exactly are we?

The Board needs to take charge of this project to ensure construction commences at the earliest possible time (spring of 2020). It needs to stop wasting time and money pursuing possible relocation under the TTD's shared use pathway. It needs to restrict staff's use of any portion of the remaining \$10,056,602<sup>27</sup> staff have collected from rate payers expressly for phase II of the effluent export pipeline project because if it doesn't, staff will most assuredly waste this away. The Board needs to figure out where the money is going to come from to prosecute this project because we're at least \$13 million short<sup>33</sup> assuming staff's \$23 million estimate is accurate, and likely millions of additional dollars short assuming that estimate is *inaccurate* (which I and others I know believe to be the case). And it needs to decide what we do with incompetent staff which has placed and continues to place the public at risk!

**And You Wonder Why Our Sewer and Other Utility Rates Are as High as They Are?** I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

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*many millions of dollars more.* And the longer staff wait to commence construction, the higher the cost is going to rise.

<sup>32</sup> See page 44 of the 1/23/2019 Board packet.

<sup>33</sup> Subtract HDR Engineering's \$23,053,763 estimate (Exhibit "M") from the \$10,056,602 staff represent will remain in reserves as of July 1, 2019 (Exhibit "J").

**EXHIBIT "A"**





### Project Summary

<b>Project Number:</b>	2524SS1010
<b>Title:</b>	Effluent Export Line - Phase II
<b>Asset Class:</b>	
<b>Division:</b>	24 - Transmission
<b>Budget Year:</b>	2017
<b>Scenario Name:</b>	Active: Yes
<b>Budget Status:</b>	Data Entry
<b>Locations:</b>	
<b>Project Something:</b>	SS - Sewer System

#### Project Description

As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.

The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.

#### Project Internal Staff

The Engineering Department will manage all phases of this project.

#### Project Justification

The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin.

The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.

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**EXHIBIT "B"**

Review, discuss, and possibly authorize an Interlocal Agreement with the State of Nevada Department of Transportation (NDOT) and Authorize an Additional Services Addendum for Construction Inspection Services for Repairs of the Effluent Export Pipeline – 2017/2018  
CIP Project: Fund: Utilities; Division: Sewer; Project # 2524SS1010; Vendors NDOT in the Amount of \$1,002,600 and Tri Sage Consulting in the Amount of \$65,000

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August 11, 2017



As part of the original Effluent Export Project, the District replaced approximately 6-miles of 16-inch diameter effluent export pipeline in the Lake Tahoe Basin. This was accomplished in multiple phases (starting in 2006 and finishing in 2009) and included approximately 18,000-linear feet of Segment 1 (Incline Village to Sand Harbor) and 11,000-linear feet of Segment 3 (around Spooner Meadow). During planning and design of the first phase approximately 13,700-linear feet of Segment 3 and all 17,300-linear feet of Segment 2 were identified to be in good condition and were not identified for replacement. These pipeline segments are in the southbound shoulder of State Route 28 between Sand Harbor and Spooner Meadow.

In August of 2009, a pipe break within the un-replaced portion of Segment 3 washed out State Route 28. An investigation conducted by District Staff and a District hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section indicating the un-replaced portions of the export line may be nearing the end of their service life and replacement of the remaining pipeline should be planned and budgeted.

A second significant pipe break within the un-replaced portion of Segment 3 occurred on April 17, 2014 and again caused significant damage to State Route 28 and forced the shutdown of the southbound lane for two days.

At the January 5, 2011 and the October 10, 2012 meetings, the Board of Trustees authorized preliminary engineering services contracts with HDR Engineering to begin Phase II of the Effluent Export Project. The project was initially scoped to replace the two remaining sections within the Lake Tahoe Basin (a total length of approximately 6-miles). Segment 2 is comprised of approximately 17,300-linear feet of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700-linear feet of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe.

During the construction of the Spooner Pumping Station Improvements Project during the summer of 2012, a section of the high pressure welded steel pipe in Segment 2 was removed. The condition of this pipe section was better than anticipated and, if the section examined is representative of the condition of the

**EXHIBIT "C"**

### Capital Revenues and Expenses

The capital expense is the current five year capital plan that is being developed as part of the budget process. The five year expenses and revenues are presented in the following table. The capital revenue is the summation of monthly capital fees collected in the utility rates, connection fees, and interest income and increases by approximately 9.1% per year averaged over 5 years. The capital expense is the capital improvement projects net of grants and debt proceeds. The five year impact is to balance revenues and expenses. Beginning in year three we expect to begin re-building the uncommitted reserve fund.

5-Year Plan	2013-14	2014-15	2015-16	2016-17	2017-18	5-Yr Sum
Capital Revenue	3,918,000	4,588,000	4,786,000	4,992,000	5,207,000	\$23,491,000
Capital Expense	(4,547,000)	(5,058,000)	(3,996,000)	(4,762,000)	(4,843,000)	(\$23,206,000)
					<b>Subtotal</b>	<b>\$285,000</b>

There are several important points to remember in the estimate of capital expenses. The capital expenses assume that we spend 100% of all capital budgets. The Effluent Export Project has also been adjusted with the assumption that we will not receive Section 595 funding which increases our capital costs. The large rate increases will occur in capital and primarily in sewer in 2013 and 2014.

With the 2012-13 budget year, Public Works began accumulating \$2,000,000 per year in savings for the construction of the Effluent Export Project. We expect to have accumulated a total of \$6,000,000 by the construction project start date in spring 2015 while also continuing to collect \$2 million annually for this critical project.

The reserve balance is a critical fund to be managed in Public Works. At this time, there are several large variables mentioned above that can significantly swing the reserve balance. The amount of the bonding will be adjusted to assure the reserve fund remains at a prudent balance while also considering the costs of borrowing, the economic conditions in Nevada and the susceptibility of the funds. The uncommitted reserve fund, separate from the accumulated savings for the Export Project, is currently scheduled to be less than the Policy target for the next five years. The current goal is to keep the uncommitted reserve fund above \$2.5 million.



**EXHIBIT "D"**

TRPA requirements. This requires staff, chemicals, supplies, tools, equipment, and energy to perform these services.

### Capital Improvement Charge

The capital improvement charge funds the replacement of water and sewer infrastructure. There are separate connection fees to new customers to buy into existing infrastructure. The capital charge is based on funding the costs of the five-year capital improvement plan with a consideration for the multi-year capital plan out a total of twenty years.

### Summary of CIP Rate Changes for the Effluent Export Project

★ The Effluent Export Project has been the major driver in raising the sewer rates. The District currently does not have sufficient reserves to fund this project and it has been necessary to collect the funds through sewer rates in advance of the project. The District has initiated Phase II of the Effluent Export Project that includes replacing the remaining six miles of effluent export pipeline in the Tahoe Basin at a cost of \$23 million and other improvements to the export system. Previous capital budgets showed that up to 75% of this work was to be funded through the Section 595 Program. Large Sewer CIP rate increases occurred in 2011, 2012, 2013, and 2014 to raise the necessary capital funds for this project. The District is still working with our Federal Legislative Advocate to secure new funding through the Section 595 program. The capital plan has been modified to show that we receive no funding for the Effluent Export Project. The District is also pursuing funding options with other project partners.

The District has worked with the Tahoe Transportation District (TTD) on the feasibility of co-locating the new section of effluent export pipeline with the Tahoe Bike Path. At the October 2014 Board of Trustees meeting, the District entered into an amendment of the existing Interlocal Agreement that would allow the completion of the next steps of the project: completion of preliminary engineering and design and conducting the necessary environmental analysis of the proposed alignment to satisfy the National Environmental Policy Act (NEPA) and the Tahoe Regional Planning Agency (TRPA) requirements.

Should TTD be able to secure funding for the final design and construction of the proposed SR-28 bikeway, District Staff estimates there will be substantial savings by co-locating the pipeline within the bikeway. Depending on the total length of pipeline eventually replaced, the District could save upwards of \$7,000,000 via co-location and cost sharing with TTD over replacing the pipeline entirely within the SR-28 roadway.

**EXHIBIT "E"**



## Signage

Appropriate supporting signage would be incorporated at all facilities. Examples include signs for interpretation, wayfinding, shoulder parking restriction, and changeable messaging. Some portion of signage would occur on LTBMU land. Signs that would be located outside the highway right-of-way on National Forest System lands would be permitted to the owner of the sign, when that is other than the NDOT. NDOT signs outside the existing highway right-of-way would be authorized by a USDOT easement deed or by special use permit.

### Performance Measures

- Signage would conform to associated agency regulations, including TRPA, NDOT, FHWA, and Forest Service.

## Stormwater Capture and Infiltration

The project would install permanent stormwater capture and infiltration infrastructure in the parking lot areas, near restrooms, and along roadways. This would include, but not be limited to re-contouring and repaving parking areas to ensure proper drainage of stormwater and installation of infiltration basins, trenches, drop inlets, energy dissipaters, sand-water separators or other means of directing and infiltrating stormwater.

Most stormwater capture and infiltration infrastructures constructed on LTBMU managed lands would be associated with parking lot areas and restrooms. Stormwater facilities in and around the parking areas would be permitted along with the parking lot to the entity managing or owning the parking lots. Numbers and locations of capture and infiltration structures associated with emergency pull-outs and highway vista points on LTBMU land would not be determined until project implementation. Where this occurs, an easement would be granted to NDOT.

### Performance Measures

- Uses Best Management Practices (BMPs) consistent with U.S. Forest Service, Tahoe Regional Planning Agency (TRPA), and NDOT standards;
- Areas of new coverage utilize low impact best management practices.

## Effluent Pipe

Incline Village General Improvement District would co-locate a new effluent pipeline within the alignment of the shared-use path and replace portions of the pipeline that will remain within the highway alignment and install fire hydrant connections on the pipeline. Effluent pipeline relocation would occur on approximately 2.6 miles of LTBMU lands. Issue a Special Use permit for management of the tertiary treated effluent export line to Incline Village General Improvement District. ★

### Performance Measures

- Co-location of utilities reduces conflicts with SR-28 traffic during repair and maintenance activities;
- The utilities occur within the shared-use path alignment wherever feasible;
- Relocation of utilities minimizes landscape disturbance and construction-related environmental effects, and makes future repairs to the pipeline less invasive;
- IVGID maintenance access to all areas of the co-located pipeline is ensured for all future needs;
- Public safety is improved through installation of fire hydrant connections;

**EXHIBIT "F"**

Review, discuss and possibly authorize  
an Additional Services Addendum for  
Electromagnetic Remote Field Testing Inspections  
of the Effluent Export Pipeline – 2018/2019 CIP Project:  
Fund: Utilities; Division: Sewer; Project #  
2524SS1010; Vendors: PICA Corp in the  
Amount of \$480,000

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July 13, 2018

vault and piping improvements near Spooner Summit to allow tool retrieval. HDR also procured the necessary permits to allow completion of the improvements.

In late October 2014, the launch and retrieval piping improvements were constructed and in November 2014 PICA arrived to conduct condition assessment activities.

Prior to inserting the SeeSnake into the pipeline, PICA conducted a series of gauging test runs to ensure the SeeSnake would successfully travel the pipeline from the launching location to the retrieval location without becoming stuck or damaged. The gauging test runs started with a series of progressively larger soft foam "squeegee pigs" designed to clean the pipeline and remove any accumulated debris and then finished with a rigid "gauging pig" designed to replicate the SeeSnake. The gauging pig contains a sacrificial aluminum gauge plate designed to deform should the pig encounter any bore reductions in the pipeline that would cause the SeeSnake to become stuck. The gauging pig also contains a locator beacon to allow PICA to track and assess run progress and travel time as well as geo-locate any problem areas.

During completion of the gauging test runs, the squeegee pigs were successfully launched and retrieved in good condition with little sign of damage or excessive debris. However, the rigid gauging pig encountered a bore reduction just outside the Spooner Pumping Station and sustained substantial damage during the test run. District Staff and PICA opted to end the pigging operation and not insert the SeeSnake tool until a physical assessment of the problem location could be conducted.

In early February 2015, the District exposed a pipeline dismantling joint outside the Spooner Pumping Station, drained the pipeline, and inserted a remotely operated track mounted camera into the pipe. The camera inspection revealed a reduction in the internal diameter of the pipe resulting from a short section of pipe where there was excessive cement mortar lining. This thickened lining was likely the result of a field applied mortar repair dating to the construction of the pipeline in 1970. The camera inspection also revealed that the interior of the inspected sections of pipeline appear to be in good condition further reinforcing that replacement of some or all of Segment 2 may not be necessary in the near future

At the February 25, 2015 meeting, the Board of Trustees authorized a contract amendment with HDR to design and permit the necessary piping repairs to remove

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the bore restriction in the pipeline. The Board of Trustees also authorized a contract amendment with PICA to allow their team to remobilize to the site and complete an additional round of confirmatory gauging test runs followed by the comprehensive SeeSnake RFT evaluation.

The pipeline repair work was completed in August 2015 and PICA remobilized to complete condition assessment in September 2015. However, despite successful gauging runs, the SeeSnake tool was damaged during the first assessment run focused on Segment 3. This damage prevented the planned subsequent runs focused on Segment 2. Fortunately, despite the damage, the SeeSnake tool was able to collect comprehensive condition data on Segment 3.

Analysis of the collected data identified a significant number of defects throughout the entire length of the un-replaced portions of Segment 3. This data confirms the District's planning approach for the complete replacement of remaining portions of Segment 3. Additionally, 13 locations were identified to require immediate replacement and could not wait for a final approach for pipeline replacement to be developed. At the December 14, 2016 meeting, the Board of Trustees authorized a contract amendment with HDR to determine and design the extent of the immediate repairs and support completion of the work.

At the August 22, 2017 meeting, the Board of Trustees authorized an inter-local agreement with the Nevada Department of Transportation to allow pipeline replacement, by Granite Construction, at the 13 identified defect locations in conjunction with the State Route 28 Shared Use Pathway Project. This work was completed in the fall of 2017 and met the requirements of the Nevada Department of Environmental Protection (NDEP) Administrative Order issued to the District following the April 2014 pipeline failure.

### **CURRENT SITUATION**

The proposed additional services addendum with PICA will allow their team to remobilize in September and complete an additional round of confirmatory gauging test runs followed by the comprehensive SeeSnake RFT evaluation of Segments 2 and 3. The goal is to determine the viability of keeping Segment 2 in long term service and to confirm the success of the repair efforts conducted within Segment 3.

**EXHIBIT "G"**

Review, discuss, and possibly authorize an Interlocal Agreement with the State of Nevada Department of Transportation (NDOT) and Authorize an Additional Services Addendum for Construction Inspection Services for Repairs of the Effluent Export Pipeline – 2017/2018  
CIP Project: Fund: Utilities; Division: Sewer; Project # 2524SS1010; Vendors NDOT in the Amount of \$1,002,600 and Tri Sage Consulting in the Amount of \$65,000

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August 11, 2017

During completion of the gauging test runs, the squeegee pigs were successfully launched and retrieved in good condition with little sign of damage or excessive debris. However, the rigid gauging pig encountered a bore reduction just outside the Spooner Pumping Station and sustained substantial damage during the test run. District Staff and PICA opted to end the pigging operation and not insert the SeeSnake tool until a physical assessment of the problem location could be conducted.

In early February 2015, the District exposed a pipeline dismantling joint outside the Spooner Pumping Station, drained the pipeline, and inserted a remotely operated track mounted camera into the pipe. The camera inspection revealed a reduction in the internal diameter of the pipe resulting from a short section of pipe where there was excessive cement mortar lining. This thickened lining was likely the result of a field applied mortar repair dating to the construction of the pipeline in 1970.

At the February 25, 2015 meeting, the Board of Trustees authorized a contract amendment with HDR to design and permit the necessary piping repairs to remove the bore restriction in the pipeline. The Board of Trustees also authorized a contract amendment with PICA to allow their team to remobilize to the site and complete an additional round of confirmatory gauging test runs followed by the comprehensive SeeSnake RFT evaluation.

The pipeline repair work was completed in August 2015 and PICA remobilized to complete condition assessment in September 2015. However, despite successful gauging runs, the SeeSnake tool was damaged during the first assessment run focused on Segment 3. This damage prevented the planned subsequent runs focused on Segment 2. Fortunately, despite the damage, the SeeSnake tool was able to collect comprehensive condition data on Segment 3. A future contract amendment with PICA will be required to allow data collection on Segment 2.

★ Analysis of the collected data identified a significant number of defects throughout the entire length of the un-replaced portions of Segment 3. This data confirms the District's planning approach for the complete replacement of remaining portions of Segment 3. Additionally, 13 locations were identified to require immediate

Review, discuss, and possibly authorize an Interlocal Agreement with the State of Nevada Department of Transportation (NDOT) and Authorize an Additional Services Addendum for Construction Inspection Services for Repairs of the Effluent Export Pipeline – 2017/2018 CIP Project; Fund: Utilities; Division: Sewer; Project # 2524SS1010; Vendors NDOT in the Amount of \$1,002,600 and Tri Sage Consulting in the Amount of \$65,000

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August 11, 2017

replacement and cannot wait for a final approach for pipeline replacement to be developed. At the December 14, 2016 meeting, the Board of Trustees authorized a contract amendment with HDR to determine and design the extent of the immediate repairs and support completion of the work.

During completion of the design, the District approached NDOT about the logistics of completing the repair work within State Route 28 while NDOT was completing major work in the corridor as part of the State Route 28 Shared Use Pathway Project. As IVGID is a project stakeholder, it was suggested to have NDOT's contractor complete the pipeline repairs via the Pathway Project in order to simplify the coordination of construction efforts, minimize impacts to the public, and leverage project economies of scope and scale. Doing so is also the fastest means to completing the necessary repairs.

The proposed interlocal agreement allows Granite Construction (NDOT's contractor) to complete the repair work in conjunction with the Pathway Project work. The proposed improvements will replace 13 pipeline sections of 80 to 100-linear feet over approximately 2.5-miles. A total of 1,080-linear feet of Segment 3 pipeline will be replaced and, from that, a total of five 30-linear feet sections will be retrieved intact for shipment to PICA for additional study and further refinement of the condition assessment results. The repair work is proposed to be completed over approximately four weeks, working 24-hour shifts Monday thru Friday, starting in late September.

Once completed, the repair work will allow sufficient time for the District to continue with condition assessment of Segment 2, pursue federal funding to support pipeline replacement under the United States Army Corps of Engineers Section 595 program, and pursue potential co-location of a replacement pipeline with a future segment of the State Route 28 Shared Use Pathway. The repair work will also satisfy requirements of the Nevada Department of Environmental Protection (NDEP) Administrative Order issued to the District following the April 2014 pipeline failure.

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**IV. BID RESULTS**

NDOT publicly bid the State Route 28 Shared Use Pathway Project via the Construction Manager at Risk alternative project delivery method and has awarded a contract to Granite Construction. The District's pipeline repair work will be completed as a change order to NDOT's competitively bid project.

Granite Construction's pricing to complete the work totals \$1,002,600. The Engineer's Estimate to complete the work was \$900,000.

**V. FINANCIAL IMPACT AND BUDGET**

A total of \$1,000,000 is included in the 2017/2018 Capital Improvement Program budget under the Effluent Export Line – Phase II project (see attached data sheet) and there is an additional \$9,417,000 carried forward and available from previous years' CIP budgets.

The estimated project construction budget is presented in the following table.

**Project Construction Budget**

<b>Description</b>	<b>Amount</b>
Construction Contract	\$1,002,600
Construction Contingency at 15%	\$150,000
Special Inspection and Materials Testing	\$30,000
Construction Inspection Services	\$65,000
Engineering Services and District Staff Time	\$75,000
<b>Estimated Project Total</b>	<b>\$1,322,600</b>

Phase II of the Effluent Export Project has been identified and discussed in the District's annual rate study since 2011. Excerpts relating to the project from the annual rate study memorandums are attached to this memo as Exhibit A.

The utility rates are calculated from a rate model that determines the revenue needs to meet operating and capital expenses while maintaining prudent reserves. Once the revenue target is established, the water and sewer rates are adjusted to



**EXHIBIT "H"**

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Amount of \$480,000

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July 13, 2018

the bore restriction in the pipeline. The Board of Trustees also authorized a contract amendment with PICA to allow their team to remobilize to the site and complete an additional round of confirmatory gauging test runs followed by the comprehensive SeeSnake RFT evaluation.

The pipeline repair work was completed in August 2015 and PICA remobilized to complete condition assessment in September 2015. However, despite successful gauging runs, the SeeSnake tool was damaged during the first assessment run focused on Segment 3. This damage prevented the planned subsequent runs focused on Segment 2. Fortunately, despite the damage, the SeeSnake tool was able to collect comprehensive condition data on Segment 3.

Analysis of the collected data identified a significant number of defects throughout the entire length of the un-replaced portions of Segment 3. This data confirms the District's planning approach for the complete replacement of remaining portions of Segment 3. Additionally, 13 locations were identified to require immediate replacement and could not wait for a final approach for pipeline replacement to be developed. At the December 14, 2016 meeting, the Board of Trustees authorized a contract amendment with HDR to determine and design the extent of the immediate repairs and support completion of the work.

At the August 22, 2017 meeting, the Board of Trustees authorized an inter-local agreement with the Nevada Department of Transportation to allow pipeline replacement, by Granite Construction, at the 13 identified defect locations in conjunction with the State Route 28 Shared Use Pathway Project. This work was completed in the fall of 2017 and met the requirements of the Nevada Department of Environmental Protection (NDEP) Administrative Order issued to the District following the April 2014 pipeline failure.

### **CURRENT SITUATION**

\* The proposed additional services addendum with PICA will allow their team to remobilize in September and complete an additional round of confirmatory gauging test runs followed by the comprehensive SeeSnake RFT evaluation of Segments 2 and 3. The goal is to determine the viability of keeping Segment 2 in long term service and to confirm the success of the repair efforts conducted within Segment 3.

Review, discuss and possibly authorize  
an Additional Services Addendum for  
Electromagnetic Remote Field Testing Inspections  
of the Effluent Export Pipeline – 2018/2019 CIP Project  
Fund: Utilities; Division: Sewer; Project #:  
2524SS1010; Vendors: PICA Corp in the  
Amount of \$480,000

-6-

July 13, 2018

Since 2015, PICA has conducted extensive research and development on the SeeSnake tool to improve its ability to pass pipeline obstructions, harden its construction against damage to its critical components, and enhance the quality of the pipeline data collected. PICA has also improved the capabilities of its gauging equipment to better identify and map potential pipe obstructions in advance of SeeSnake insertion.

Upon completion of the SeeSnake runs, PICA will complete analysis of the collected RFT data. This process will take eight to ten weeks and will provide the District with a comprehensive condition assessment of the evaluated pipeline Segments. This assessment provides critical information to the District about each individual pipe segment installed (an individual pipe segment is a length of pipe between each bell and spigot joint in Segment 3 or between each welded joint in Segment 2). For each individual pipe segment, PICA Corp will provide the start location and end location of the segment, the average wall thickness, the maximum circumferential thickness, the minimum circumferential thickness, and the location, "clock-position", and depth of any significant pitting in each segment.

Upon receipt of the condition assessment report from PICA Corp, HDR, and District Staff will evaluate the findings and develop next steps relative to overall scope of the Effluent Export Project – Phase II. Should all of Segment 2 be identified to be capable of remaining in long term service, it is estimated that the District could reduce the cost of necessary pipeline replacement by approximately \$7-million if the District replaces pipeline within SR-28 and by approximately \$4-million if the District is able to co-locate with future phases of the SR-28 Shared Use Pathway.

#### **IV. BID RESULTS**

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

#### **V. FINANCIAL IMPACT AND BUDGET**

A total of \$2,000,000 is included in the 2018/2019 Capital Improvement Program budget under the Effluent Export Line – Phase II project (see attached data sheet) and there is an additional \$8,756,602 carried forward and available from previous years' CIP budgets.

**EXHIBIT "I"**

## Records Request - Repairs Related to September 26, 2019 Break(s) to the District's Effluent Export Line

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Herron Susan  
**Subject:** Records Request - Repairs Related to September 26, 2019 Break(s) to the District's Effluent Export Line  
**Date:** Oct 28, 2019 4:27 PM

---

Hello Ms. Herron -

As you know on September 26, 2019 there was another break in the District's effluent export pipeline. I have been informed emergency repairs were ordered and paid by IVGID.

I would like to examine the following public records:

1. All writings received from any other branch of government, in part advising IVGID of the break and its obligation to make repairs.
2. All writings originating from IVGID directed to any vendor to inspect and/or repair the break.
3. All invoicing originating from any party other than IVGID for repairs to the break.
4. All reports originating from any party other than IVGID identifying the cause of the break and recommended or performed repairs.
5. Any and all contracts or other agreements entered into by IVGID and with any third party for repairs to the break.
6. All purchase orders created by IVGID for any contracts or other agreements with any third party for repairs to the break.
7. All payments by IVGID for repairs to the break.
8. All written reports by staff members to interim GM Winquest which describe any of the facts giving rise to the break and its repair.
9. All staff time and by whom necessitated by identification and emergency repairs to the break.

Thank you for your cooperation. Aaron Katz

**EXHIBIT "J"**

# Export Pipeline Phase II

	Annual CIP Expenses	Cumulative CIP Expenses	Annual CIP Revenue	Project Balance	Sewer Rate Increase
2010-11 Fiscal Year	\$21,250	\$21,250	\$400,000	\$378,750	3.9%
2011-12 Fiscal Year	\$330,827	\$352,077	\$750,000	\$797,923	9.4%
2012-13 Fiscal Year	\$111,663	\$463,740	\$2,000,000	\$2,686,260	9.9%
2013-14 Fiscal Year	\$59,424	\$523,164	\$2,624,338	\$5,251,174	11.1%
2014-15 Fiscal Year	\$744,805	\$1,267,969	\$2,000,000	\$6,506,369	9.1%
2015-16 Fiscal Year	\$606,318	\$1,874,287	\$2,000,000	\$7,900,051	4.0%
2016-17 Fiscal Year	\$494,331	\$2,368,618	\$2,000,000	\$9,405,720	3.8%
2017-18 Fiscal Year	\$1,743,164	\$4,111,782	\$1,000,000	\$8,662,556	3.3%
2018-19 Fiscal Year	\$700,000	\$4,811,782	\$2,000,000	\$10,056,602	4.0%
	\$4,811,782		\$14,774,338		

**EXHIBIT "K"**



2018/2019 - 5 Year Project Summary Totals - FINAL 05/23/18

Project Type		
A - Major Projects - New Initiatives	D - Capital Improvement - Existing Facilities	G - Equipment & Software
B - Major Projects - Existing Facilities	E - Capital Maintenance	
C - Capital Improvement - New Initiatives	F - Rolling Stock	

Division	Project Number	Project Title	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Project Type	Number of Projects
<b>General Fund</b>										
Accounting/Information Systems	1212OE1601	Check Writer Printer Replacement - 893 Southwood Administration Building	6,000	-	-	-	-	6,000	G	1
	1213CE1101	IT Master Plan - IT Security Devices	15,000	15,000	15,000	-	-	45,000	G	1
	1213CE1501	District Wi-fi Installation Update	-	60,000	-	-	-	60,000	G	1
	1213CE1701	District Communication Radios	6,000	6,000	6,000	10,000	-	28,000	G	1
	1213CO1505	IT Infrastructure	-	132,800	91,800	92,000	-	316,600	G	1
	1213CO1703	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	82,750	87,600	99,950	105,200	104,200	479,700	G	1
	1213CO1801	Email Security Gateway	13,000	-	-	-	-	13,000	G	1
	1213LV1721	IS&T Pick-up Truck and Cargo Unit	-	-	-	-	12,000	12,000	F	1
	<b>Total</b>	<b>Total General Fund</b>	<b>122,750</b>	<b>307,400</b>	<b>212,750</b>	<b>207,200</b>	<b>116,200</b>	<b>966,300</b>		<b>8</b>
General Government	1099BD1501	Admin Roof Replacement	-	62,300	-	-	-	62,300	E	1
	1099BD1502	Upgrade Public Bathrooms at Administration for ADA Compliance	-	-	-	75,000	-	75,000	D	1
	1099BD1701	Administration Services Building	-	-	-	-	150,000	150,000	B	1
	1099BD1803	Administration Fire Panel Replacement	18,000	-	-	-	-	18,000	E	1
	1099CO1802	Digital Records Management System	75,000	-	-	-	-	75,000	G	1
	1099FF1503	Replace Carpeting 893 Southwood Admin Building	51,500	-	-	-	-	51,500	E	1
	1099LI1705	Pavement Maintenance - Administration Building	5,000	5,000	5,000	5,000	5,000	25,000	E	1
	1099OE1401	Admin Printer Copier Replacement - 893 Southwood Administration Building	-	-	-	28,000	-	28,000	G	1
	1315CO1801	Human Resource Management and Payroll Processing Software	120,000	-	-	-	-	120,000	G	1
	<b>Total</b>	<b>Total General Fund</b>	<b>269,500</b>	<b>67,300</b>	<b>5,000</b>	<b>108,000</b>	<b>165,000</b>	<b>664,800</b>		<b>9</b>
<b>Utilities</b>										
Public Works Shared	2097BD1202	Paint Interior Building #A	-	43,300	-	-	-	43,300	E	1
	2097BD1204	New Carpet Building #A	-	-	43,820	-	-	43,820	E	1
	2097BD1704	Replace Roof Public Works #B	-	-	-	105,000	-	105,000	E	1
	2097BD1802	Household Hazardous Waste Building Improvements	-	15,000	150,000	-	-	165,000	D	1
	2097CO2101	Public Works Billing Software Replacement	-	-	-	102,000	-	102,000	G	1
	2097DI1401	Adjust Utility Facilities in NDOT/Washoe County Right of Way	60,000	60,000	60,000	60,000	60,000	300,000	E	1
	2097HE1725	Loader Tire Chains	-	-	-	9,900	9,900	19,800	F	1
	2097HE1729	2002 Caterpillar 950G Loader #523	-	-	-	265,000	-	265,000	F	1
	2097HE1730	2002 Caterpillar 950G Loader #525	-	-	-	-	265,000	265,000	F	1
	2097HE1751	2013 Trackless Snowblower #687	-	-	-	-	160,000	160,000	F	1
	2097HE1752	2001 105KW Mobile Generator #313	-	-	-	-	50,000	50,000	F	1
	2097HV1732	2010 International Vector Truck #638	430,000	-	-	-	-	430,000	F	1
	2097HV1751	1996 Peterbilt Dump Truck #299	-	75,000	-	-	-	75,000	F	1
	2097HV1755	2001 Peterbilt Bin Truck #468	-	-	-	190,000	-	190,000	F	1
	2097LE1720	Snowplow #300A	-	-	-	18,000	-	18,000	F	1
	2097LE1721	Snowplow #307A	-	-	-	-	18,000	18,000	F	1
	2097LE1722	Slurry Liquidator #326	-	-	-	41,000	-	41,000	F	1
	2097LE1724	2015 Sander/Spreader #710	-	20,000	-	-	-	20,000	F	1
	2097LI1401	Pavement Maintenance, Utility Facilities	12,500	105,000	239,000	12,500	12,500	381,500	E	1
	2097LV1701	Pavement Maintenance, Reservoir 3-1 WPS 4-2/5-1	-	-	10,000	165,000	-	175,000	E	1
	2097LV1733	2009 Chevrolet Mid Size Pick-up #630 Compliance Dept.	30,000	-	-	-	-	30,000	F	1
	2097LV1738	2009 Chevrolet 1/2 Ton Pick-up Truck #631	-	30,000	-	-	-	30,000	F	1
	2097LV1739	2009 Chevrolet 1/2 Ton Pick-up Truck #632 Engineering Dept.	-	30,000	-	-	-	30,000	F	1
	2097LV1740	2012 Extend-A-Cab Pick-up #678 Pipeline Dept.	-	-	-	-	32,000	32,000	F	1
	2097LV1744	2012 1-Ton Service Truck w/ Liftgate #658 Treatment	-	-	-	-	43,000	43,000	F	1
	2097LV1746	2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	-	-	46,000	-	-	46,000	F	1
	2097LV1747	2008 Chevrolet Service Truck #609 Meter Truck	-	36,000	-	-	-	36,000	F	1
	2097LV1749	2011 Chevrolet Service Truck #647 Treatment	-	-	45,000	-	-	45,000	F	1
	2097SS1708	WRWP Crew Quarters	153,174	-	-	-	-	153,174	D	1
	<b>Total</b>	<b>Total General Fund</b>	<b>805,674</b>	<b>414,300</b>	<b>591,800</b>	<b>868,000</b>	<b>854,400</b>	<b>3,312,594</b>		<b>29</b>
Water	2299DI1102	Water Pumping Station Improvements	115,000	85,000	50,000	50,000	50,000	350,000	E	1
	2299DI1103	Replace Commercial Water Meters, Vaults and Lids	40,000	40,000	40,000	40,000	40,000	200,000	E	1
	2299DI1204	Water Reservoir Coatings and Silt Improvements	40,000	85,000	85,000	55,000	75,000	340,000	E	1
	2299DI1401	Burnt Cedar Water Disinfection Plant Improvements	100,000	75,000	25,000	25,000	25,000	250,000	E	1
	2299DI1701	Water Reservoir Safety and Security Improvements	200,000	-	-	-	-	200,000	D	1
	2299DI1702	Water Pump Station 2-1 Improvements	700,000	-	300,000	-	-	1,000,000	D	1
	2299DI1707	Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	-	175,000	-	-	-	175,000	D	1

2018/2019 - 5 Year Project Summary Totals - FINAL 05/23/18

Project Type		
A - Major Projects - New Initiatives	D - Capital Improvement - Existing Facilities	G - Equipment & Software
B - Major Projects - Existing Facilities	E - Capital Maintenance	
C - Capital Improvement - New Initiatives	F - Rolling Stock	

Division	Project Number	Project Title	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Project Type	Number of Projects
	Z299LV1720	2013 Mid Size Truck #675 Compliance	-	-	-	31,000	-	31,000	F	1
	Z299WS1704	Watermain Replacement - Maris Peak Road	-	50,000	625,000	-	-	675,000	D	1
	Z299WS1705	Watermain Replacement - Crystal Peak Road	-	-	-	50,000	845,000	895,000	D	1
	Z299WS1706	Watermain Replacement - Rifle Pk Ct, Slat Pk Ct	-	-	50,000	325,000	-	375,000	D	1
	Z299WS1801	Leak Study R2-1 14-inch Steel	65,000	-	-	-	-	65,000	D	1
	Z299WS1802	Watermain Replacement - Alder Avenue	50,000	465,000	-	-	-	515,000	D	1
	Z299WS1804	R6-1 Tank Road Construction	-	5,000	15,000	110,000	-	130,000	D	1
	<b>Total</b>		1,110,000	580,000	1,300,000	666,000	1,655,000	5,201,000		14
Sewer	Z523HE1721	2006 Kenworth T800 Bin truck #587	-	-	-	197,200	-	197,200	F	1
	Z524SS1010	Effluent Export Line - Phase II	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	B	1
	Z599BD1105	Building Upgrades Water Resource Recovery Facility	-	80,000	40,000	25,000	50,000	195,000	E	1
	Z599BD1802	Treatment Plant Fire Panel Replacement	65,000	-	-	-	-	65,000	E	1
	Z599D11104	Sewer Pumping Station Improvements	55,000	50,000	30,000	30,000	30,000	195,000	E	1
	Z599D11703	Sewer Pump Station #1 Improvements	100,000	-	-	-	-	100,000	D	1
	Z599SS1102	Water Resource Recovery Facility Improvements	120,000	75,000	75,000	75,000	75,000	420,000	E	1
	Z599SS1103	Wetlands Effluent Disposal Facility Improvements	100,000	100,000	100,000	100,000	100,000	500,000	E	1
	Z599SS1203	Replace & Re-line Sewer Mains, Manholes and Appurtenances	80,000	80,000	55,000	160,000	55,000	430,000	E	1
	Z599SS1702	WRRF Biosolids Bins	60,000	30,000	-	-	-	90,000	F	1
	Z599SS1707	WRRF Aeration System Improvements	100,000	350,000	-	-	-	450,000	D	1
	Z599SS2107	Update Camera Equipment	-	58,000	-	-	-	58,000	G	1
	<b>Total</b>		2,680,000	2,223,000	2,300,000	2,867,200	2,310,000	12,700,200		12
	<b>Total Utilities</b>		4,874,474	4,217,500	4,683,800	4,243,800	5,499,400	21,715,294		55
Internal Service	5190ME1201	Replacement Shop Tools and Equipment	-	-	-	-	16,000	16,000	G	1
Fleet	5197CD1801	Fleet Software upgrade - manages rolling stock/equip	-	14,000	-	-	-	14,000	G	1
	<b>Total</b>		-	14,000	-	-	-	16,000		2
Buildings	5394LE1723	2003 Genie Scissor Lift	-	15,000	-	-	-	15,000	F	1
	5394LE1724	2004 Equipment Trailer (Tik)	-	5,100	-	-	-	5,100	F	1
	5394LV1720	Replace 2005 Service Truck 4x4 (1-ton) #555	-	-	-	43,600	-	43,600	F	1
	5394LV1722	Replace 2004 Pick-up Truck 4x4 (1/2-ton) #540	-	-	5,000	-	-	5,000	F	1
	<b>Total</b>		-	20,100	5,000	43,600	-	68,700		4
	<b>Total Internal Services</b>		-	24,100	5,000	43,600	16,000	98,700		6
Community Services	3141BD1703	Demolition of #10 Starter Shack	10,000	-	-	-	-	10,000	D	1
Championship Golf	3141BD1706	Venue Signage Enhancement	20,000	40,000	-	-	-	60,000	C	1
	3141FF1804	Champ Golf Exterior Ice-maker Replacement	7,500	-	10,500	-	-	18,000	G	1
	3141GC1103	Irrigation Improvements	25,000	30,000	15,000	26,000	15,000	111,000	E	1
	3141GC1202	Championship Course Bunkers	10,000	-	-	-	-	10,000	E	1
	3141GC1501	Maintenance Building Drainage, Washpad and Pavement Improvements	-	30,000	700,000	-	-	730,000	D	1
	3141GC1802	Championship Course Greens and Surrounds	15,000	15,000	-	-	325,000	355,000	E	1
	3141GC1803	Championship Course Trees	13,000	13,000	-	-	-	26,000	E	1
	3141LI1201	Pavement Maintenance of Parking Lots - Champ Course & Chateau	25,000	17,500	52,500	45,000	10,000	150,000	E	1
	3141LI1202	Pavement Maintenance of Cart Paths - Champ Course	55,000	60,000	62,500	55,000	55,000	287,500	E	1
	3142LE1720	1999 Ty-Crop Spreader #429	36,400	-	-	-	-	36,400	F	1
	3142LE1733	2005 Carryall Club Car #564	-	11,000	-	-	-	11,000	F	1
	3142LE1734	2005 Carryall Club Car #565	-	11,000	-	-	-	11,000	F	1
	3142LE1735	2005 Carryall Club Car #566	-	11,000	-	-	-	11,000	F	1
	3142LE1736	2005 Carryall Club Car #567	-	11,000	-	-	-	11,000	F	1
	3142LE1737	2006 Carryall Club Car #569	-	-	11,000	-	-	11,000	F	1
	3142LE1738	2006 Carryall Club Car #590	-	-	11,000	-	-	11,000	F	1
	3142LE1739	2006 Carryall Club Car #591	-	-	11,000	-	-	11,000	F	1
	3142LE1740	2007 Club Car Carryall Ball Picker #600	25,000	-	-	-	-	25,000	F	1
	3142LE1741	2016 Bar Cart #724	-	-	29,000	-	-	29,000	F	1
	3142LE1742	2016 Bar Cart #725	-	-	29,000	-	-	29,000	F	1
	3142LE1746	2012 JD 8500 Fairway Mower #670	-	-	58,000	-	-	58,000	F	1
	3142LE1747	2011 Toro Groundsmaster 1000D #650	-	-	50,000	-	-	50,000	F	1
	3142LE1748	2015 Toro Greensmaster 1600 #711	-	-	-	-	10,000	10,000	F	1
	3142LE1749	2015 Toro Greensmaster 1600 #712	-	-	-	-	10,000	10,000	F	1
	3142LE1750	2013 JD 3235 Fairway Mower #685	-	-	-	60,300	-	60,300	F	1
	3142LE1753	2011 Toro Greensmaster 1000 #652	14,500	-	-	-	-	14,500	F	1

**EXHIBIT "L"**

### Capital Revenues and Expenses

The capital revenue is the summation of monthly capital fees collected in the utility rates, connection fees, and interest income and increases by approximately 1.1% per year averaged over 5 years.

The capital expense is the capital improvement projects net of grants. This is the current five-year capital plan that is being developed as part of the budget process. The five-year capital expenses and revenues are presented in the following table.

5-Year Plan	2018-19	2019-20	2020-21	2021-22	2022-23	5-Yr Sum
Capital Revenue	4,913,000	4,960,000	5,014,000	5,073,000	5,133,000	25,093,000
Capital Expense	(4,786,000)	(4,881,000)	(4,736,000)	(4,424,000)	(4,715,000)	(23,542,000)
					<b>Subtotal</b>	<b>\$1,551,000</b>

It is important to remember that the capital expenses are budget estimates with further refinement to occur in the CIP budgeting process. The goal of the rate study is to collect sufficient revenues to fund capital expenses over the following five years.

For the 2012-13 through the 2016-17 budget year, the District accumulated \$2,000,000 per year in savings for the construction of the Effluent Export Project. In 2017-18 the District accumulated \$1 million while work was performed on necessary sewer pumping station work. In 2018-19 the District will begin accumulating \$2 million annually for the project. The Effluent Export Project is an on-going project with planning, design and construction costs that have occurred every year since the Phase II project began in 2010-11.

### Summary

The proposed utility rate increase is to raise water rates by 3.4% and sewer rates by 2.7% for a total utility rate increase of 3.0%. The rates are currently scheduled

**EXHIBIT “M”**

Job No. 00115-156363					
Computation					
Project	IVGID Export Pipeline Project, Phase II			Computed	HDR
Subject	Estimate of Probable Construction Cost - 16 inch Effluent Pipeline			Date	5/30/2012
Task	PreDesign Cost Estimate - Single Bid			Reviewed	IVGID
Start	2021 construction start with assumed 4% escalation			Date	6/4/2012
	QUANTITY	UNITS	UNIT PRICE	TOTAL COST	
<b>DIVISION 1 - GENERAL REQUIREMENTS</b>					
Mobilization and Demobilization (10%)	1	LS	\$1,311,829	\$1,311,829	
Insurance and Bonds (3%)	1	LS	\$393,549	\$393,549	
SUBTOTAL				\$1,705,377	
<b>DIVISION 2 - SITE WORK</b>					
Mitigation and Environmental Controls	1	LS	\$250,000	\$250,000	
Asphalt Cutting	59,400	LF	\$3.95	\$234,499	
Repaving - Trench Section	178,200	SF	\$5.26	\$937,996	
Asphalt Overlay (1 inch open-graded) and Rotomill	356,400	SF	\$1.32	\$468,998	
Asphalt Stripping	59,400	LF	\$0.99	\$58,625	
Excavation (Soil)	21,945	CY	\$32.90	\$721,953	
Excavation (Rocks)	1,155	CY	\$789.56	\$911,941	
Hauling and Disposal (Soil and Rocks)	14,135	CY	\$23.69	\$334,813	
Shoring	29,700	LF	\$10.53	\$312,665	
Backfill and Compaction (Intermediate)	8,965	CY	\$59.22	\$530,880	
Backfill and Compaction (Initial Backfill)	4,619	CY	\$59.22	\$273,498	
Bedding Material	1,100	CY	\$59.22	\$65,139	
Aggregate Base	3,300	CY	\$59.22	\$195,416	
Grout Existing Effluent Pipeline	1,816	CY	\$296.08	\$537,817	
Traffic Control	1	LS	\$200,000.00	\$200,000	
Blow off Valves (Installation and Miscell.)	5	EACH	\$986.95	\$4,935	
AVRV manholes	11	EACH	\$3,947.80	\$43,426	
SUBTOTAL				\$6,082,599	
<b>DIVISION 3 - CONCRETE</b>					
Concrete Pipe Cover	1,650	CY	\$263.19	\$434,257	
SUBTOTAL				\$434,257	
<b>DIVISION 15 - MECHANICAL</b>					
<b>PIPES</b>					
8 inch DI (Blowoff)	75	LF	\$105.27	\$7,896	
2 inch HDPE pipe	176	LF	\$6.58	\$1,158	
16-inch DIP Pipe	29,700	LF	\$210.55	\$6,253,308	
<b>FITTINGS</b>					
DIP Fittings (Assume 3% of Pipe Cost)	1	LS	\$188,000	\$188,000	
<b>VALVES</b>					
2 inch AVR V	11	EACH	\$2,631.86	\$28,950	
2 inch Gate Valve	11	EACH	\$197.39	\$2,171	
8 inch Gate Valve (Blowoff)	5	EACH	\$1,315.93	\$6,580	
16 inch Butterfly Valves	2	EACH	\$5,263.73	\$10,527	
Valve Boxes (Blowoff)	10	EACH	\$657.97	\$6,580	
Valve Extension Rod and Casing (Blowoff)	5	EACH	\$986.95	\$4,935	
Tie-in	2	EACH	\$6,579.66	\$13,159	
Pipeline Pressure Testing	29,700	LF	\$2.63	\$78,166	
SUBTOTAL				\$6,601,430	
<b>Subtotal 1 (Division Total)</b>					
				\$14,823,664	
<b>Contractor Overhead and Profit (8% of Subtotal 1)</b>					
				\$1,185,893	
<b>Subtotal 2</b>					
				\$16,009,557	
<b>Construction Contingencies (20% of Subtotal 2)</b>					
				\$3,201,911	
<b>Design (8% of Subtotal 2)</b>					
				\$1,280,765	
<b>Administrative Costs (8% of Subtotal 2)</b>					
				\$1,280,765	
<b>Construction Management (8% of Subtotal 2)</b>					
				\$1,280,765	
<b>Subtotal 3</b>					
				\$23,053,763	
<b>TOTAL ESTIMATED PROJECT COST</b>					
				\$23,053,763	

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE IVGID BOARD OF TRUSTEES' REGULAR OCTOBER 30, 2019 MEETING – AGENDA ITEM D – PUBLIC COMMENT – THE BOARD'S REFUSAL TO AGENDIZE FOR POSSIBLE ACTION DIRECTION WHICH COMPELS STAFF TO TAKE ACTION AGAINST LOCAL RESIDENT ERIC SEVERANCE TO RECOVER THE \$35,000 HE OBTAINED UNDER FALSE PRETENSE FOR A YIELD MANAGEMENT STUDY/REPORT HE PLAGIARIZED AND PASSED OFF AS HIS OWN**

**Introduction:** At the IVGID Board's September 25, 2019 meeting I submitted a written statement I asked be included in the minutes of that meeting wherein I addressed an unbudgeted and unwarranted \$35,000 expenditure in favor of local resident Eric Severance for a less than professional yield management revenue enhancement study/report<sup>1</sup>. Subsequent to submitting that written statement, I discovered that the alleged cost for one such report presented to the District for payment had in large part been plagiarized by Mr. Severance. Upon learning of these facts I reached out to the Board, shared these facts, and asked that at least one Board member or interim GM Winquest agendize the matter for this evening's Board meeting so the Board could consider taking possible action (i.e., recovery of the \$35,000 paid as a result of false pretense)<sup>2</sup>.

Given the Board has refused to agendize this matter for possible action<sup>3</sup>, the purpose of this written statement is at least four fold. First, to formally put the IVGID Board and staff on express notice of Mr. Severance's acts.

Second, to direct staff to pursue recovery of these moneys in accordance with ¶15.5 of the two agreements between Mr. Severance and the District; alternative dispute resolution ("ADR").

Third, to direct staff to file complaint with the Sheriff for Mr. Severance's possible violation of NRS 205.380; obtaining money by false pretense.

Fourth, to direct staff to file complaint with the Office of Attorney General ("OAG") for Mr. Severance's possible violation of NRS 357.040; making false claim.

And finally, to direct staff to never again contract with Mr. Severance and/or any firm he may be affiliated with, for any good or service.

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<sup>1</sup> That written statement appears at pages 183-242 of the packet of materials prepared by staff in anticipation of this October 30, 2019 meeting ["the 10/30/2019 Board packet" ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_10-30-2019.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_10-30-2019.pdf))].

<sup>2</sup> A copy of my October 16, 2019 e-mail to the IVGID Board and interim GM Winquest where I made this request is attached as Exhibit "A" to this written statement.

<sup>3</sup> See pages 1-4 of the 10/30/2019 Board packet.

**Contractual ADR:** ¶15.5 of the two agreements between the District and Mr. Severance<sup>4</sup> addresses “dispute resolution” and state as follows:

“Any dispute arising under this contract will be sent to mediation...The mediation shall be conducted through the American Arbitration Association (AAA) and (shall) be governed by the AAA’s Mediation Procedures...If mediation shall be unsuccessful, either (IVGID) or (Mr. Severance) may then initiate judicial proceedings by filing suit.”

Staff should be directed to initiate mediation with the AAA under its Mediation Procedures.

**NRS 205.380(1):** makes it unlawful [NRS 205.380(1)(a)-(b)] for “a person who knowingly and designedly by any false pretense obtains from any other person any...money...including (that for)...the labor of another person not his or her employee, with the intent to cheat or defraud the other person, is a cheat, and, unless otherwise prescribed by law, shall be punished.”

Mr. Severance is a cheat because he has obtained at least \$20,000 from IVGID based upon his representation he researched and prepared a “Discounting (re: our discount pricing strategy)” report<sup>5</sup> when it was largely prepared by *Unleashed Software*<sup>6</sup> and Mr. Severance simply plagiarized the latter. Moreover, at ¶15.2 of the two agreements he has entered into with IVGID Mr. Severance has warranted that the report for which he has received compensation<sup>4</sup>, has “become and remain(s) the property of” IVGID. But given *Unleashed Software’s* web page is copyrighted<sup>5</sup>, Mr. Severance has and had no ownership to convey. Therefore again, he has received public funds under false pretense.

**NRS 357.040(1):** declares that “except as otherwise provided in NRS 357.050<sup>7</sup>, a person who... does any of the following listed acts is liable to the State or a political subdivision, whichever is affected, for the amounts set forth in subsection 2...(a) knowingly present(ing) or caus(ing) to be presented a false or fraudulent claim for payment...(b) knowingly mak(ing) or us(ing)...a false record or statement that is material to a false or fraudulent claim.”

Because NRS 357.070(1) states “the Attorney General *shall* investigate diligently any alleged liability pursuant to this chapter and may bring a civil action pursuant to this chapter against the person liable,” and Mr. Severance has knowingly presented false or fraudulent claims for payment using false statements (i.e., his invoices) that are material to his false or fraudulent claims<sup>8</sup>, staff

<sup>4</sup> See pages 212-213 and 232-233 of the 10/30/2019 Board packet.

<sup>5</sup> See pages 241-242 of the 10/30/2019 Board packet.

<sup>6</sup> See *Unleashed Software’s* “Discount Pricing Strategy Explained” web page (<http://www.unleashedsoftware.com/blog/discount-pricing-strategy-explained>). Screenshots of this page are collectively attached as Exhibit “B” to this written statement.

<sup>7</sup> Which is not applicable to the present set of facts.

<sup>8</sup> Copies of those invoices are collectively attached as Exhibit “C” to this written statement.



should be directed to make complaint with the OAG and ask he “bring a civil action pursuant to this chapter against the person liable.”

**But Wait, There’s More! Word Has it Former GM Pinkerton Entered Into These Contracts Because it Was a Vehicle to Donate Public Funds to a Member of Our Community Who Was Experiencing Financial Difficulty:** Why doesn’t the Board ask interim GM Winquest if this assertion is true? Has he represented this statement to others in our community? If it’s true, why doesn’t Mr. Winquest initiate recovery against former GM Pinkerton?

**NRS 195.020:** declares that “every person concerned in the commission of a felony, gross misdemeanor or misdemeanor, whether the person directly commits the act constituting the offense, or aids or abets in its commission, and...every person who, directly or indirectly, counsels, encourages, hires, commands, induces or otherwise procures another to commit a felony, gross misdemeanor or misdemeanor is a principal, and shall be proceeded against and punished as such. The fact that the person aided, abetted, counseled, encouraged, hired, commanded, induced or procured, could not or did not entertain a criminal intent shall not be a defense to any person aiding, abetting, counseling, encouraging, hiring, commanding, inducing or procuring him or her.”

**Mr. Severance’s “Consciousness of Guilt:”** Unbelievably, on October 29, 2019 I received an e-mail from Susan Herron<sup>9</sup> [the District’s Public Records Officer (“PRO”)] providing “updated” revisions of the two reports he had prepared pursuant to the two agreements<sup>4</sup> discussed in my September 25, 2019 written statement attached to the proposed minutes of that meeting. Attached to that e-mail were the two referenced “updated” reports<sup>10</sup>. I submit that these reports demonstrate that Mr. Severance “updated” his reports to remove the alleged plagiarized material after he was alerted to the fact by our professional staff, that his scheme had been uncovered. This demonstrates consciousness of guilt or intent to commit the acts referenced herein.

**Adoption of a Policy Permanently Barring Those Who Cause Harm to IVGID, as Well as Any Affiliated Person or Business, From Forever Doing Business With the Public:** Given IVGID is Incline Village’s/Crystal Bay’s largest employer, the time has come to protect the public from those who cause wrongdoing. I therefore ask the Board adopt a policy which forever bars Mr. Severance, any firm he may be affiliated with, and any others in our community who do business with the District, from forever contracting with IVGID to provide any good or service.

**Conclusion:** For the reasons stated, I ask the Board direct staff to: pursue recovery of the \$35,000 Mr. Severance obtained by false pretense; file complaint with the Sheriff for his possible violation of NRS 205.380; file complaint with the Sheriff for former GM Pinkerton being a principal under NRS 195.020; file complaint with the OAG for Mr. Severance’s possible violation of NRS

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<sup>9</sup> That e-mail is attached as Exhibit “D” to this written statement.

<sup>10</sup> The first October 21, 2019 updated report is attached as Exhibit “E” to this written statement, and the second October 24, 2019 updated report is attached as Exhibit “F.”

357.040; and, prepare a proposed policy for adoption by the Board which prevents wrongdoers like Mssrs. Severance and Pinkerton from hereafter contracting with IVGID to provide any good or service.

And you wonder why your Beach ("BFF") and/or Recreation ("RFF") Facility Fees remain as high as they are? Now I've provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

**EXHIBIT "A"**

## Severance Yield Management Study - Further Follow Up

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Horan Phil <horan\_trustee@ivgid.org>, Callicrate Tim <tim\_callicrate2@ivgid.org>, Morris Peter <Peter\_Morris@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>, "Susan\_Herron@ivgid.org" <Susan\_Herron@ivgid.org>  
**Subject:** Severance Yield Management Study - Further Follow Up  
**Date:** Oct 16, 2019 2:17 PM

Dear Chairperson Wong, Other Honorable Members of the IVGID Board and Interim GM Winquest:

On October 14, 2019 I copied all members of the Board and Mr. Inquest insofar as facts developing concerning Eric Severance and his \$35K yield management consulting contracts with IVGID (see below).

Because of new facts which have come to light, I now ask that at least one Board member or Mr. Winquest agendize action against Mr. Severance to recover said \$35K because he has obtained public funds by false pretenses, and he has submitted false and fraudulent claims for payment.

The new facts which have come to light are that Mr. Severance's latest "discounted pricing" report, for which the public paid \$20K, has been plagiarized from the copyrighted Unleashed Software web site. And that's the purpose of this request.

Let's review the history of this matter:

1. The Board NEVER budgeted to spend any monies, in fiscal year 2018-19 on a yield management consultancy study. Ms. Herron has confirmed this fact to me.
2. The Board never independently voted to appropriate any sums for such a study, whether to Mr. Severance, or otherwise.
3. Instead, former GM Pinkerton entered into two written contracts with Mr. Severance for this study. Although Mr. Pinkerton and Ms. Herron claim Mr. Pinkerton had Board approval to unilaterally enter into both contracts because they involved the expenditure of less than \$50K, as I and others have informed the Board, HE DID NOT. The extent of his unilateral authority was pre-conditioned upon the Board having first appropriated the monies for this purpose either in the budget or independently. And here there was no appropriation.
4. If Mr. Pinkerton was correct, then in essence why have a Board? Since the overwhelming majority of District expenditures are for less than \$50K, in essence Mr. Pinkerton is asserting he can spend whatever he wants on whatever he wants as long as the total amount spent at the end of the year does not exceed the total amount budgeted by the Board for a particular function (i.e., Utilities, Community Services, the Beaches or the General Fund). Is that what you Board members thought you were voting on when you approved the budget?
5. Mr. Pinkerton never published a RFQ to secure the most qualified individual(s) for this scope of work. He never published a RFP as an alternative means of securing the same. In other words, the fix was in for Mr. Severance right from the start.
6. Mr. Pinkerton never determined the scope of work for either of these two contracts. Instead he relied upon Mr. Severance to make up his own scope of work (i.e., the equivalent of hiring the wolf to guard the chicken coop).
7. Pursuant to the second contract, Mr. Severance has produced a one plus page "report." Since some on the Board may not have seen the report, it is attached to this e-mail.
8. Putting aside the fact that this report lacks professionalism and has nothing to do with yield management revenue enhancement, as it was supposed to, it turns out Mr. Severance plagiarized most of it off the <http://www.unleashedsoftware.com> web site (go look for yourselves). And given the plagiarized materials are copyrighted, IVGID does not own the contents of the subject report contrary to Mr. Severance's warranty in the body of the contract itself. In other words, the District has not purchased anything.
9. Given Mr. Severance's work product has been fraudulently obtained, and represents the work product of others, his invoicing for payment represents a false NRS 357.020 claim.
10. Thus the requested agendized action is to pursue recovery, with the assistance of the State AG pursuant to NRS 357.050.
11. It is also to pursue recovery under the alternative dispute resolution provisions of the two contracts themselves.
12. It is also to label Mr. Severance what he has demonstrated to be, and to permanently BAR him from ever contracting with IVGID whereby public moneys are paid to him/on his behalf.
13. The public has been cheated out of at least \$35K, and it wants its money back.
14. I remind that this is not the first episode involving Mr. Severance which was improper. 5 years ago Mr. Severance conspired with Bruce Simonian, Dee Carey and recruiter Phil McKinney to hide from the public that Mr. Severance was not qualified to apply for the position of IVGID GM because he did not hold the requisite four year degree from a college or university.
15. Word has it Mr. Severance has attempted to extract more public moneys through a similar contractual scheme with current Interim GM Winquest which Mr. Winquest has allegedly rejected. Is this true Mr. Winquest?

As the Board knows, it cannot take any action unless a matter is first agendized and publicly noticed for possible action. For this reason, I thank the Board in advance for considering this request to agendize and notice the action requested.

And Ms. Herron. Please include a copy of this e-mail and attachment in the next Board packet so the public can see what I have seen insofar as this issue is concerned. Respectfully, Aaron Katz

>>>Forwarded Message<<<

>>From: Aaron L Katz  
 >>Sent: Oct 14, 2019 11:09 AM  
 >>To: "Herron, Susan"  
 >>Cc: Wong Kendra Trustee , Tim Trustee , Phil , Matthew , Peter , isw@ivgid.org  
 >>Subject: Re: Records Request - Severance Yield Management Study - Further Follow Up

>>>Hello Ms. Herron -

>>>On June 27, 2019 you sent me the e-mail below responding to my June 16, 2019 follow up request. You will note that item 4 asked for all 2018-19 expenditures assigned to the chart of account number representing payments to Mr. Severance for his yield management study. One of the documents you DIDN'T provide was a June 25, 2019 invoice from Mr. Severance requesting an additional \$9,425. Only because of my persistence did you finally produce this invoice today.

>>>Even though a physical check may not have been issued by IVGID until the first week of July, you knew or should have known on June 27, 2019 when you e-mailed back to me that there was an outstanding invoice approved (OK by Mr. Bandelin) for payment.

>>>Moreover, I have every reason to believe that this bill pay was included in IVGID's financial reporting for 2018-19 even though the check may have not have been physically prepared until the beginning of the 2019-20 fiscal year. Am I right or wrong about this?

>>  
>>This revelation also means that Mr. Severance was paid \$35K for his  
>>worthless and unprofessional yield management study. Just so everyone knows.

>>  
>>Please explain to me why you didn't previously provide this missing  
>>invoice the moment you actually became aware of its existence? And since  
>>I am sending this e-mail string to the Board and Interim GM Winquest,  
>>why don't you explain the same to these people as well? And why don't  
>>you do so at the next Board meeting so the public can hear it as well?

>>  
>>You're supposed to be an accommodator to those who make public record  
>>requests; not an obstructionist. So even if requesters don't technically  
>>make the correct request to examine records you know they are requesting  
>>to examine, you should be assisting them by being pro-active to get them  
>>the records they are requesting to examine. And that didn't happen here.

>>  
>>And can you please include a copy of this e-mail string in the next  
>>Board packet? I want the public to see how you clearly and completely  
>>provide public records to requesters.

>>Respectfully, Aaron Katz

>>On 6/27/2019 3:04 PM, Herron, Susan wrote:

>>> Dear Mr. Katz,

>>> This e-mail shall serve as IVGID's response to your records request dated June 16, 2019 which reads as follows:

>>> 1. Where this expenditure was budgeted by the Board. Please don't refer me to the budget online because nowhere does this or any other consultancy study appear. And please don't point me to the generic "services and supplies" entry because nowhere are the components of that entry described;

>>> 2. Both purchase orders include a Chart of Account ("COA") number for this expenditure: 340-34-990-6030. I would like to examine records which identify the name staff have assigned to this COA number.

>>> 3. And once you provide the name in paragraph 2 above, I would like to examine detailed budget records for the 2018-19 budget which reveal where this named expenditure was budgeted, and the amount budgeted.

>>> 4. I would like to examine records evidencing all 2018-19 expenditures assigned by staff to COA 340-34-990-6030.

>>> 5. Finally, I want to make sure you previously provided me with the study itself for which payment was made to Mr. Severance. You have provided a four page preliminary "DRAFT" dated 10-31-18. In addition you have provided a two page "Discounting (re: our discount pricing strategy)" which rather than YM per se, speaks of discounting. That's it.

>>> These materials appear to be far less than a "final" study, and do not appear to be presented in a professional manner. Which leads me to believe I have not been provided with the final study itself. Is there something more and if so, I would like to examine it.

>>> Here is a link to the information that you are seeking located on Opengov on our website:

>>> <https://inclinevillagegldnv.opengov.com/transparency#/13682/accountType=expenses&embed=n&breakdown=types&YearAmount=cumulative&YearPeriod=years&graph=bar&legendSort=coa>

>>> I have provided you the documents prepared by Mr. Severance as presented to IVGID Staff; there is nothing more to provide.

>>> This completes your records request in its entirety.

>>> Susan A. Herron  
>>> Executive Assistant/District Clerk/Public Records Officer  
>>> IVGID  
>>> 893 Southwood Blvd.  
>>> Incline Village, NV 89451  
>>> (775) 832-1207  
>>> sah@ivgid.org  
>>> ivgid.com

>>> -----Original Message-----

>>> From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]

>>> Sent: Sunday, June 16, 2019 11:03 AM

>>> To: Herron, Susan

>>> Subject: Records Request - Severance Yield Management Study - Further Follow Up

>>> Hello Ms. Herron. Another public records request

>>> In response to my initial May 3, 2019 NPRA request, you provided two purchase orders authorizing the expenditure of a collective \$35,000 in fiscal year 2018-19. I would like to examine:

>>> 1. Where this expenditure was budgeted by the Board. Please don't refer me to the budget online because nowhere does this or any other consultancy study appear. And please don't point me to the generic "services and supplies" entry because nowhere are the components of that entry described;

>>> 2. Both purchase orders include a Chart of Account ("COA") number for this expenditure: 340-34-990-6030. I would like to examine records which identify the name staff have assigned to this COA number.

>>> 3. And once you provide the name in paragraph 2 above, I would like to examine detailed budget records for the 2018-19 budget which reveal where this named expenditure was budgeted, and the amount budgeted.

>>> 4. I would like to examine records evidencing all 2018-19 expenditures assigned by staff to COA 340-34-990-6030.

>>> 5. Finally, I want to make sure you previously provided me with the study itself for which payment was made to Mr. Severance. You have provided a four page preliminary "DRAFT" dated 10-31-18. In addition you have provided a two page "Discounting (re: our discount pricing strategy)" which rather than YM per se, speaks of discounting. That's it.

>>> These materials appear to be far less than a "final" study, and do not appear to be presented in a professional manner. Which leads me to believe I have not been provided with the final study itself. Is there something more and if so, I would like to examine it.

>>> Thank you for your cooperation. Aaron Katz

**EXHIBIT "B"**



PRODUCT ▾ PRICING INDUSTRIES ▾ LEARNING ▾ PARTNERS CONTACT US ▾

BUSINESS TIPS COMPANY NEWS CUSTOMERS OTHER PARTNERS PRODUCT TRAINING

BUSINESS TIPS

# Discount Pricing Strategy Explained

Written by  
Melanie

DECEMBER 5, 2017 3 min read



Written by

Melanie  
2 years ago

A pricing strategy is an important element of a lucrative business. More than any other element, a pricing strategy directly impacts the amount of profit you make. Choose a pricing strategy that helps you meet your sales objectives, enhances your brand perception and provides the best profit point for market demand. A discount pricing strategy is useful for driving traffic and sales short term, however used as a long-term strategy, discount pricing has some negative effects on market position and brand loyalty.

## Pricing Strategies

Generally, a business must develop a pricing strategy for a product after performing a marketing analysis. Product distribution, positioning and promotional decisions are made and demand is estimated. A pricing strategy is formulated taking into consideration factors of cost, competition and profit objectives. Possible pricing strategies include a full price strategy, competitive pricing, discount pricing or a mix of these. We will focus on discounting pricing strategies for this article.

## Discount Pricing Strategy

Businesses use discount pricing to sell low-priced products in high volumes. With this strategy, it is important to decrease costs and stay competitive. Large retailers are able to demand price discounts from suppliers and make a discount pricing strategy effective as they buy in bulk. It is usually impossible to compete with these retailers based solely on a discount pricing strategy.

- CATEGORIES
- Business Tips
  - Company News
  - Customers
  - Other
  - Partners
  - Product
  - Training





PRODUCT PRICING INDUSTRIES LEARNING PARTNERS

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Proceed with discount pricing strategies cautiously. Occasional discounts and discounts that reward loyal customers are effective. Discounts used too often begin a downward pricing spiral that may eventually damage your ability to sell the product at full price. For example, if a retailer has periodic large discounts then it may condition your market to wait for these sales, lowering profit margins.

## Types of Discounts

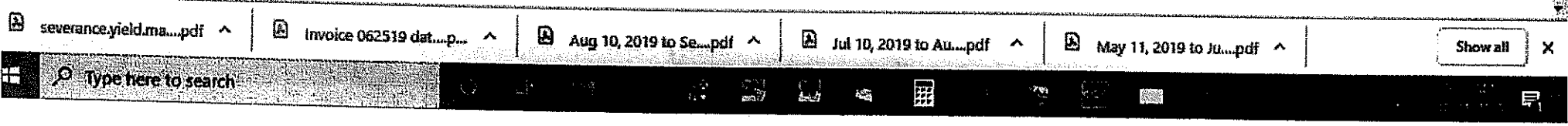
### Quantity discounts

It is increasingly common to offer quantity discounts to customers who purchase in bulk and it generally rewards customer loyalty. These discounts can be cumulative, such as discounts given to customers who place multiple small orders or loyalty cards that give a free item after a certain number are purchased.

### Seasonal discounts

These are appropriate to reward customers who purchase during off-peak times and often serve to increase sales at the beginning of peak seasons.

### Promotional discounts





## Promotional discounts

Promotional discounts are short-term and used to drive sales.

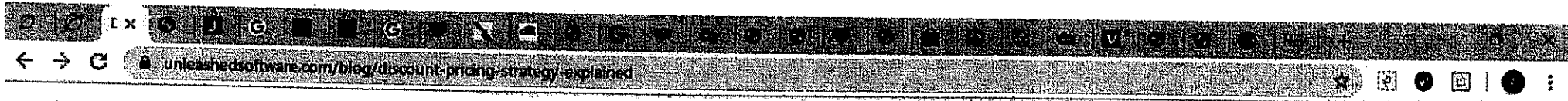
## Loss leaders

These are discounted items designed to bring customers into the store in the hope they'll also purchase more profitable products as well. Loss leaders should be recognised brands that are used frequently. Loss leader items should also change regularly to keep customers coming back.

## Advantages of Discount Pricing

Discounts to reward customers who purchase in bulk, repeat customers and employees build customer loyalty. Loss leaders are effective for retailers who need to increase traffic in the store. Promotional discounts, used sparingly, offer temporary advantages including maximising sales, revenue and profit. During a short-term discount period, more units are sold, allowing the company to decrease inventory stock and temporarily raise revenues.

## Disadvantages of Discount Pricing



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## Disadvantages of Discount Pricing

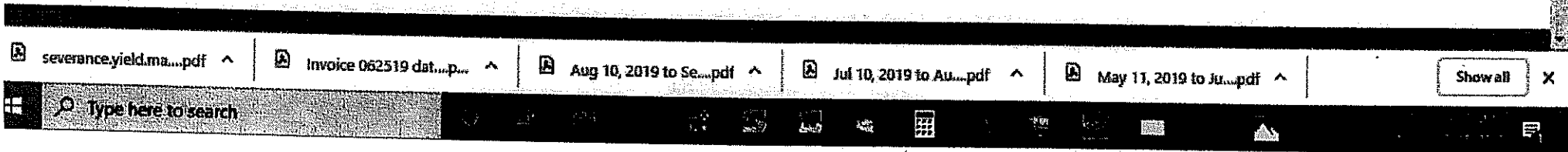
Consider product positioning before choosing a discount pricing strategy. Consumers can often associate low price with low quality, even more true when the brand name is not familiar. Implementing a discount pricing strategy increases the chance that your product will be perceived as lower in quality. While you may gain customers that make decisions on price alone, other customers may choose competitor products because of perceived quality. Low prices may drive sales for a limited time, but do not build customer loyalty. When a lower priced alternative comes along, you may lose your market share. Competitors can simply match your prices, or beat them. When prices have been driven down to absolute low prices, it is difficult to raise prices again, especially if your product is perceived as being lower in quality.

### Was this post helpful?

Let us know if you liked the post. That's the only way we can improve.

Yes No

Topics: discount pricing, pricing, pricing strategy, profit margins

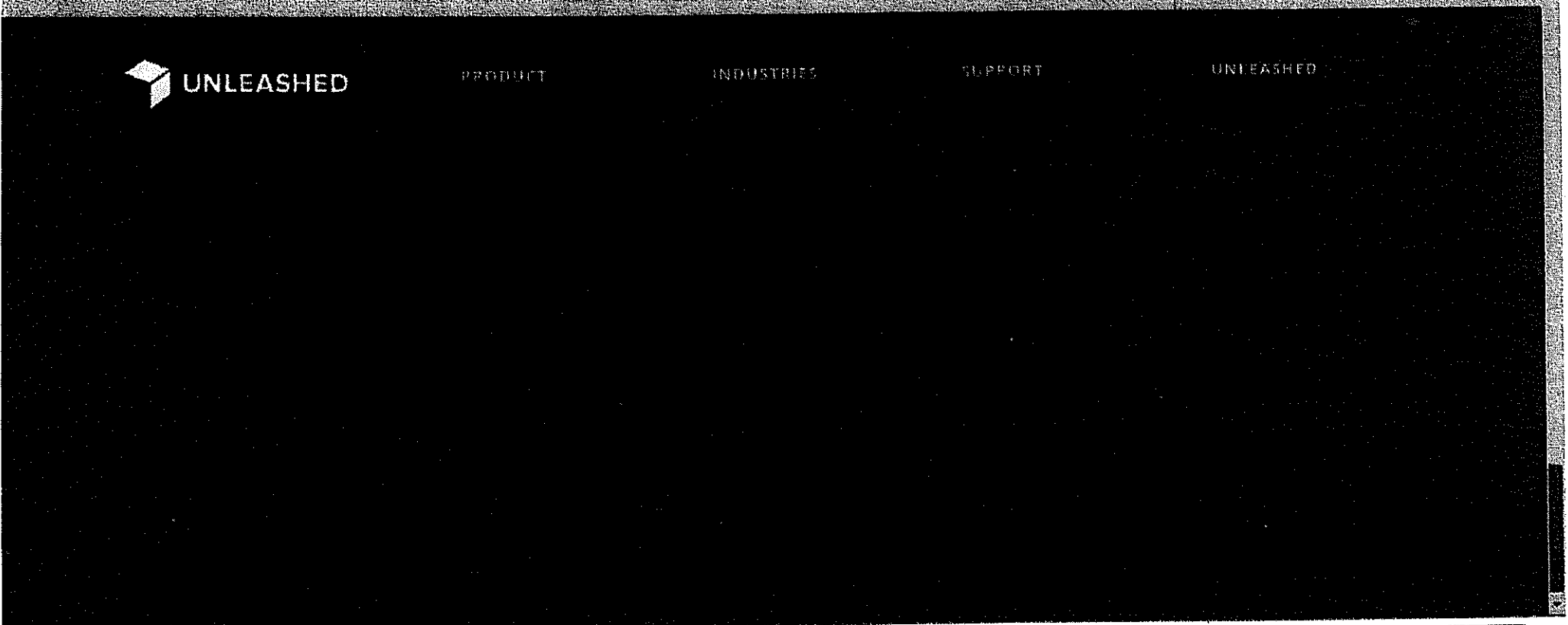




PRODUCT ▾ PRICING INDUSTRIES ▾ LEARNING ▾ PARTNERS

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**EXHIBIT "C"**

**Eric Severance**

**INVOICE**

689 Bridger Ct.  
Incline Village, NV 89451  
775-831-1045 / eric@soundpix.com

INVOICE # 112118  
DATE: 11/21/2018

*OK to pay  
PO # 18-0391  
1/5/19  
Mike Bandelin*

TO:  
Mike Bandelin  
Diamond Peak / IVGID  
1210 Ski Way  
Incline Village, NV 89451  
Phone: 775-832-1125

**COMMENTS OR SPECIAL INSTRUCTIONS:**

Periodic billing: For the Period Sept – November 2018

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
41 hrs.	Consulting time for Yield Management project (research, meetings, analysis, etc.).	\$150.00	\$6,150.00
SUBTOTAL			\$6,150.00
TOTAL DUE			\$6,150.00

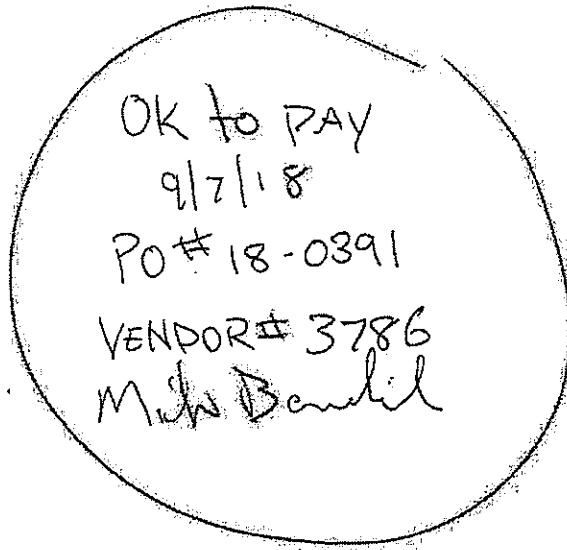
Make all checks payable to Eric Severance

**THANK YOU FOR YOUR BUSINESS!**

**Eric Severance**

689 Bridger Ct.  
 Incline Village, NV 89451  
 775-831-1045 / eric@soundpix.com

**TO:**  
 Mike Bandelin  
 Diamond Peak / IVGID  
 1210 Ski Way  
 Incline Village, NV 89451  
 Phone: 775-832-1125



**INVOICE**

INVOICE # 083118  
 DATE: 9/4/2018

**COMMENTS OR SPECIAL INSTRUCTIONS:**

Periodic billing: For the Period July – August 2018

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
59 hrs.	Consulting time for Yield Management project (research, meetings, analysis, etc.).	\$150.00	\$8,850.00
<b>SUBTOTAL</b>			<b>\$8,850.00</b>
<b>TOTAL DUE</b>			<b>\$8,850.00</b>

Make all checks payable to Eric Severance

**THANK YOU FOR YOUR BUSINESS!**

Eric Savarance

# INVOICE

689 Bridger Ct.  
Incline Village, NV 89451  
775-831-1043 / eric@soundplx.com

INVOICE# 081510  
DATE: 3/15/19

TO:  
Mike Bardin  
Diamond Peak / IVGID  
1210 Ski Way  
Incline Village, NV 89451  
Phone: 775-832-4126



### COMMENTS OR SPECIAL INSTRUCTIONS:

Periodic billing for the Period November 20, 2018 - March 15, 2019

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
72.5 hrs	Consulting time for Yield Management project (research, meetings, analysis, etc).	\$160.00	\$11,600.00
SUBTOTAL			\$11,600.00
TOTAL DUE			\$11,600.00

Make all checks payable to Eric Savarance

THANK YOU FOR YOUR BUSINESS!



Eric Severance

# INVOICE

689 Bridger Ct.  
Incline Village, NV 89451  
775-831-1045 / [eric@soundpix.com](mailto:eric@soundpix.com)

INVOICE # 062519  
DATE: 6/25/19

TO:  
Mike Bandelin  
Diamond Peak / IVGID  
1210 Ski Way  
Incline Village, NV 89451  
Phone: 775-832-1125

*OK to pay  
PO # 19-0178  
Mike Bandelin*

**COMMENTS OR SPECIAL INSTRUCTIONS:**

Periodic billing: For the Period March 16, 2019 – June 25, 2019

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
63 hrs.	Consulting time for Yield Management project (research, meetings, analysis, etc.).	\$150.00	\$9,425.00
<b>SUBTOTAL</b>			<b>\$9,425.00</b>
<b>TOTAL DUE</b>			<b>\$9,425.00</b>

Make all checks payable to Eric Severance

**THANK YOU FOR YOUR BUSINESS!**

**EXHIBIT "D"**

## Public Records Request - Additional Information - Severance Contract

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**From:** "Herron, Susan" <Susan\_Herron@ivgid.org>  
**To:** Frank Wright , "s4s@ix.netcom.com"  
**Cc:** Group - IVGID Trustees <Group-IVGIDTrustees@ivgid.org>, "Winquest, Indra S." <ISW@ivgid.org>  
**Subject:** Public Records Request - Additional Information - Severance Contract  
**Date:** Oct 29, 2019 11:52 AM  
**Attachments:** [Phase 1 Report.pdf](#) [Phase 2 Report.pdf](#)

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Dear Mr. Wright and Mr. Katz,

Attached are two additional reports by Mr. Severance, our consultant, that I received today from Staff. The Phase 1 report was updated on October 21, 2019 and the Phase 2 report was updated on October 24, 2019. I am providing these as a supplemental to the other documents provided to you via your public records requests and doing so as a courtesy.

I am also copying the Board of Trustees and Interim General Manager as well as Mr. Severance so that all parties are informed of this transmittal.

**Susan A. Herron, CMC**

Executive Assistant/District Clerk/Public Records Officer  
Incline Village General Improvement District  
893 Southwood Boulevard  
Incline Village Nevada 89451  
P: 775-832-1207  
F: 775-832-1122  
[sah@ivgid.org](mailto:sah@ivgid.org)  
<http://yourtahoeplace.com>

**EXHIBIT "E"**

Study of Yield Management and Pricing (for use by Diamond Peak) – Phase 1

*Note:*

*This report does not attempt to be all inclusive of the work performed and information gathered and discussed in the course of this phase of the project. It is simply a summary report touching on the highlights.*

Background

With the goal of seeking to optimize revenue and yield for Diamond Peak Ski Resort, it was decided it would be prudent to undertake a review and study of Revenue Management (RM), Yield Management (YM) and Dynamic Pricing in the resort industry. This phase of the work is to understand trends, best practices, who is good at this and why, and what Diamond Peak might do to (better) employ these practices in its business. Also included in this phase is providing advice, guidance and counseling regarding these topics to management.

Overview

Yield Management (YM) is a subset of Revenue Management (RM) and is about selling your product – to the right person, at the right time, at the right price... before it expires. The goal with yield management is to optimize the amount of revenue that can be generated and captured via a deep understanding of supply and demand, and knowing your customer. Dynamic Pricing (DM) is a subset of Yield Management and is the science/art of discovering optimal pricing - at varying demand periods.

Another key contributor to successful yield management is vertical integration. Vertical integration is a strategy where a firm acquires (or controls) business operations within the same production vertical. It can be forward or backward in nature (Company acquires a Supplier or Distributor). Think of Apple Computer – owns or controls everything from product design to chip and hardware manufacturing to distribution to retail to companion services.

RM, and a healthy revenue management attitude and culture, is the overarching goal. Whereas cost management is important in every business, it ultimately cannot grow the business to reach its ultimate potential.

Specific to the resort industry, and our operations; it's ultimately about growing revenue. This is not only about enhancing performance on a yield basis, but creatively seeking out all opportunities for revenue enhancement. So in knowing our industry, and knowing our customer, we can seek to offer more goods and services that best meets their ever growing and changing needs.

Over the last few months we've taken a deep dive into understanding the industry's RM/YM status and the current status of Diamond Peak' revenue and yield management abilities, as well as our marketing and operational capabilities and effectiveness. We are exploring and planning how to improve upon them going forward. We have met frequently to discuss the methods and means to embrace RM/YM, how to begin work on these, and have designed (and begun populating) some data collection tools and reports to help guide this process (much more work will be necessary for full implementation - planned for Phase 2).

We must understand our customer's needs, wants, motivations, and behaviors. Only by tracking them well can we best match our offerings and optimize yields. For example, where demand is high, we need to know price elasticity, but also need to explore if we can increase supply. In some areas supply is ultimately constrained, but in others we can creatively flex to offer more (supply) and increase revenue and (overall) yield.

We're facing macro challenges; flat market, changing demographics, industry trends, DP trends... so what do you do? Data analysis, segment your market, specialize, focus, optimize yield. We may not see increasing visitation, so how do we grow revenue and yield while maintaining high customer satisfaction levels.

*[Observation: re: Current culture; historically, and still to a large degree currently, at Diamond Peak and at many areas within IVGID, the focus is mainly on expenses/costs. This is probably influenced by State (NV) type reporting, and district systems. This is not a bad thing, but worth noting. This may flavor a lot of how conversations concerning strategy, planning, budgeting, etc. go. But, we know how important revenue is to for-profit businesses, so we need to raise the importance and awareness of revenue (to all stakeholders). This touches on the need shift to Revenue Management (vs. predominately Cost Management).]*

*[Observation: in conjunction with my discounting strategy memo – we need to reframe things and talk about “premium products”. Supply and demand is the real issue, and when demand is high we can charge a premium. We're not giving the place away on the days when we're not charging peak prices. We're transitioning from any arbitrary discounting to a data driven model.]*

#### Findings:

What others are doing:

Most resorts (including those in our area) are employing some version of RM/YM. The degree of sophistication varies wildly – from simple historical spreadsheet tracking for budgeting, to sophisticated yield management tracking and almost daily dynamic pricing algorithms. That said, most trail the leaders in our industry, and certainly trail those in other leading industries (such as airlines). The key take away as you have to have a smart management team, and key people assigned to this, with good data collection and implementation systems - to wring out the best benefits - and to keep it up on an ongoing basis. Moreover one must design and implement the right data gathering tools and analysis on an ongoing basis to help guide the best RM/YM decisions. Simply doing some analysis and putting some programs and pricing policies in place before the season, and then not paying much attention to it during the season, is a recipe for failure. For many resorts this new mode of thought (Revenue and Yield Management) is challenging old ways of doing business.

Some examples of leaders in RM/YM:

The best: airlines. The worst: hotels. The Giants do it well, the Bay Bridge does it well with tolls. Amusement parks are good (and innovators).

Resorts (examples): Vail is the king of RM/YM in the resort business. In Tahoe Sugar Bowl is a leader, and Sierra is also good. In Utah Snowbird and Solitude are leaders. Small areas with good RM/YM: Giants Ridge in the Midwest, Lee Canyon, NV.

A note on third party sellers: The Liftopias of the world will sell your product on-line, but at a price. They charge a lot and you may end up competing with yourself (with limited access to customer data). They do offer one a way to get started in on-line sales and broader exposure. Vail does it themselves. The Altera types will follow the Vails. You must educate the public (i.e. buy on-line early and save), and build your own presence in the marketplace. There's also a trend away from day tickets to multi day, passes, etc..

#### Recommendations (highlights):

- Develop a RM/YM operational plan, and begin implementation this season (18-19).
  - Including how data is captured, tracked, etc. – and turned into actionable information.
  - Develop the systems/methods for tiered pre-sales (buy early and save, price never gets cheaper closer to the use date, etc.). [Phase 2]
- Global product usage review (go through all the products we offer, analyze/understand the interplay and correlation, and simplify the product mix). Look for those things you can eliminate/consolidate.
  - The industry pays too much attention to the lead ticket price, peak rate. As important, or more so, also look at all the other revenue areas and products. Can we improve net yield per SV by a couple bucks (makes a big difference to the bottom line)?
- Begin/continue Dynamic Pricing. Raise prices (intelligently) where demand is high. And, where possible, also increase capacity where demand is high. Observe growth trends. Expand to all relevant products.
- Go to three tier pricing for 18-19 (Peak, weekend, value (weekdays)).
- Drop prices from printed brochure (at least for tickets this year).
- Expand/add to programs experiencing high demand. i.e.
  - Last Tracks – (currently sells out) add another night to the prime weekends in the Spring.
  - Kids SS w lunch package – (currently sells out) expand (find lunch solutions)
  - Most popular lessons
  - Others...
- E-Store – Large issue/problem currently (at least half of customers now buy on-line). Amazon has set the bar high on customer on-line expectations – i.e. one-click). Build our own (ideal, long term solution) or white label (temporary), user friendly / one stop shop e-store. Focus on ease of use and availability of all products possible. Research/enable reservations also (lessons, rentals, etc.). Investigate offering insurance for tickets and packages purchased early (like events do i.e. Ticketmaster). Our e-store sales to date have been very low (probably due to how poor the transaction process is/was).
- Scanning: Improve scanning (both in a data knowledge sense and in a control sense). Create customer and employee incentives. Scanning; reward the behavior you want - in both the

customer, and the employees, creatively. Customer: earn points for every scan that translates into rewards, events, and recognition. Employees: define scan goals, create rewards. Eventually automate (e-gates). [See scanning info. memo from Agenda of 10/3/18 mtg.]

- Tracking competitor pricing. Capture, at least weekly, ticket prices of our main competitors. Also note unique/creative programs and their pricing.
- Surveys – improve content (questions, etc.), conduct regularly. [outside help/]
- Purge, simplify, consolidate (move into other products) - old products (with low demand, outdated, etc.). It's easy to add, but we forget to prune.
- Ticketing Kiosk approach, like Southwest Airlines.
- Refine Discount/Premium pricing policy (See ES Discount Policy Memo)
- Develop/identify our Season's Pass Strategy
- Develop a plan (task Marketing) to improve low period sales (weekdays: especially Mon – Thurs.)
- Implement a multi-day flex pass. i.e. Three day, averages out to be an attractive discount, after the third day it locks that discounted daily rate from then on. Ultimately it would be direct to lift after the third day. Not applicable during Christmas holiday. The goals and benefits are: high customer satisfaction, convenience, repeat visitation and loyalty.

Next Steps:

- Proceed with Phase 2 (DP Implementation, etc.)
  - RM/YM study scope (Phase 1) right now is about Ski; should be expanded to include Food and Beverage also ASAP (before this season starts)
- Other IVGID departments later: Golf, etc.



**EXHIBIT "F"**

## Study of Yield Management and Pricing (for use by Diamond Peak) – Phase 2 Report

*Note: This report does not attempt to be all inclusive of the work performed and information gathered and discussed in the course of this phase of the project. It is simply a summary report touching on the highlights.*

### Background:

Phase 2 was a continuation of the Revenue Management (RM), Yield Management (YM) and Dynamic Pricing work started in Phase 1 and was additionally expanded to enable deeper exploration into areas for RM/YM improvement, to assist in the implementation thereof, and to take this work into other departments (i.e. Food and Beverage). Additionally, work was done in studying and analyzing areas for improvement in operating departments (Skier Services, Marketing, etc.), and assisting in developing plans for implementing defined improvements and new ideas. Note: Please see the Phase 1 report for an overview of RM/YM.

### Overview & Recap:

**Pricing Models** – As part of RM/YM/Dynamic pricing goals; whereby we want to optimize revenue, incent use, and potentially control demand - a proprietary multi-tiered pricing model/matrix was created to use for upcoming season(s). The tiers are the unique time periods in the operating season that may be candidates for different pricing. This data driven model is intended to act as a template for establishing the pricing for each tier – and for integration into RTP.

**Developed Revenue models** - with what-if analysis capabilities tying into pricing and product mix (i.e.: what are the impacts - if we adjust certain prices, and specific timing tiers - to everything else in the revenue mix? What if we could offer increased capacity in certain popular products and programs?). The goal was/is a semi-dynamic, multi-tiered, revenue model. Revenue models used the last two years of data to analyze what were the trends in the different ticket types, in order to forecast projected revenues (with the proposed multitier pricing) for the future. [Note: the historical data should be expanded, and maintained going forward.] This can also offer a better understanding of the product usage mix, and in turn help guide product and program choices.

**Financial planning, forecasting and budgeting** - Reviewed budgets and the budgeting process. Worked on methods to incorporate historical data into forecasting models (with one of the uses to be improved revenue budgeting). Comment: Diamond Peak needs bottom up, as well as data driven forecasting tools, for optimal budgeting.

**Surveys** – reviewed current practices, design, content, etc. of Diamond Peak's Customer Surveys and explored areas for improvement. Worked with Marketing to review survey efficacy, design, results, etc. The improvement goal here is that we want more than a score. We also want to glean what customers want now and in the future. We need to truly understand what

customers are telling us with this feedback, and incorporate this information into management practices and measurements (i.e. weekly). Additionally, we need to develop better questions and data collection methods (and also seek out 'best of breed' in survey practices in the ski industry).

Utilization - With the goal of better utilization (of this asset, the ski resort) we reviewed areas for improvement and new ideas. Considering there is excess capacity at many times (not unique to just DP), how do we improve utilization? One of the primary areas to focus on first was/is: how do we improve weekday business? A report to address this was created.

Season Passes – As a component of RM and YM, we asked the question: What is Diamond Peak's seasons pass strategy? And how does it fit in with future planning, RM/YM strategies, and the competitive landscape? A report to address this was created.

Dynamic pricing competitive analysis – Assisted staff in designing and developing tools to track what other resorts are doing in regards to dynamic pricing (throughout the season). This project's goal is to understand what others are doing, both in dynamic pricing strategy, and in implementation – and how that impacts our regional market. Results will help guide DP in its dynamic pricing plans. Going forward it is recommended that this project be expanded to also capture product and program offerings, and methods.

Skier Services – Expanded and completed a 'Product Usage' project to better understand usage, program relevancy (what to keep & what to cut/modify), where opportunities lie for improvement, expansion, etc. Consulted with staff in studying and understanding work flows, analysis of customer trends, and reducing inefficiencies. Helped the Skier Services team develop 'findings and recommendations' reports that outline recommended improvements and changes in pricing, programs, HR issues, etc. Note: there is more work to do in the Skier Services dept. – with large positive revenue opportunities/impacts.

Marketing – worked with marketing to work on shifting from volume to more yield driven strategies and to work towards improved measurement metrics (to better support our marketing investments).

Human capital / Human Resources (recruitment, retention, and training) - From a better understanding of our product usage (with greater insight into supply and demand), we gained a greater understanding of some of our major current constraints, and our ability to deliver on certain services offered. For example, in Ski School, with its lack of instructors, we had impacts to the bottom-line and it threatens our customer promise (ability to serve). Specifically, more guests want to take lessons than we can provide, often, not just on peak holiday/sell-out days. Major challenges lie ahead as the continuing strong economy is increasing the tight labor market problem – especially in service industries like ours. Specifically, we need to greatly improve recruitment, retention, and training. Human Capital is our greatest asset - and is an area of weakness. Note: these observations and comments are not to say the current efforts are poor, it's just that we need to do more. This area (HR) is probably the most important one in regards to needing to improve (with creative ideas, greater resources, etc.).

Food and Beverage: Assisted F&B - in beginning to undertake RM/YM strategies. Researched market, pricing, policies. Developed models for pricing. Expanded programs to enhance

revenue (i.e. Last Tracks, Sierra Scouts, etc.). Analyzed product usage, reviewed existing pricing philosophy, and evolved away from cost basis pricing for future pricing of top popularity products. Helped food and beverage understand and embrace revenue management thinking, and inspired a greater appetite for growing the business (i.e. Last Tracks, Sierra Scouts, etc.) to better serve our customers. Note: There's more work to do here, and we can leverage and use the models that were developed for Ski, and apply them in F&B district wide.

Reporting – worked with DP management, staff, and district staff in reviewing reporting tools, methods, integration, etc. to learn where problems lie and developed ideas for improvements. This is an ongoing area ripe for improvement as many of the district's various systems don't always jive, making reporting challenging at times, and lowering management confidence in these critical tools. Going forward, additional goals are: forecasting demand on a micro basis - develop a study/ break down each week of the year, day of the week, and forecast visitation, revenue, and yield. Additionally, we want to capture and chart the key measurement metrics in management 'Dashboards'.

Events/Facilities – Assisted this department with initial RM/YM analysis. Work cut short by personnel changes.

#### Recommendations:

[These are summary bullets of recommendations, many of which flow from the work outlined, and described in greater detail, above]:

- Implement the new pricing model and integrate into RTP with as many tiers as possible for this upcoming season (Priority 1).
- (Pre)test the ability to change a Tier's dates and price and calculate how far in advance that would need to be done (i.e. could management decide by Thurs. at noon about a price change for the upcoming weekend, and the staff and system be able to integrate that change in RTP?). Note: Suggestion - switch to percentage (of retail) for Resident Daily Ticket rate (suggest 50%). The longer DP stays at a fixed/static price (like the current \$25) the harder it is going to be to move to the proper level (and DP's cost of doing business continues to rise, so this product's pricing needs to flex as well). This is negatively impacting season passes as well (Priority 2).
- Improve e-sales (online, etc.) – ensure the new e-store systems are implemented for the upcoming season to allow for optimal on-line and advance sales. Not only in tickets, but also in Skier Services (booking lessons, etc.). Remember, a major goal here is to pre-sell as much as possible. It not only helps sales but also aids forecasting, staffing, operating efficiencies, etc.
- Develop a Call Center (needed to support on-line sales, Skier Services, etc.). With ski resort customers now booking approximately 50% of sales on-line, support shifts from the physical world to the virtual one. It cannot be assumed that a customer having difficulty online (or just questions) will physically come to the resort (to conduct their

purchase/get answers) if they can't receive phone (or live chat) assistance. They most likely will go elsewhere. Currently this is a problem area and will only increase in severity. This virtual customer support is analogous to on-site Q&A at a ticket window, guest services, etc.

- Improve Human Resources efforts (i.e. recruitment, retention, and training) - as described in the Overview. A critical area.
- Implement the recommendations outlined in the Skier Services 'findings and recommendations' reports.
- Improve Operational Measurements – need more/improved operational measurements (in numbers and in percentages); i.e. % of guests served vs requested services, # acres groomed (& vs targets), # acres snow made, etc. Share with all operational staff so goals are clear and measurement to those goals is understood. Reminder: You get what you measure.
- Re: RM/YM – Help management and department heads better understand where the revenue opportunities and best yields (profit margins) exist and work to optimize those (remove barriers, constraints).
- Improve financial planning, forecasting and budgeting (see above).
- Improve Surveying and better integrate into management practices.
- Continue and expand the 'dynamic pricing competitive analysis' project.
- Continue and expand the work RM/YM done in Ski F&B - and leverage and use the models that were developed for ski, and apply them in F&B district wide.
- Implement ideas to improve utilization, starting with Weekdays. Also look for incremental revenue opportunities (think: what can deliver \$1 or \$2 more per SV?) – i.e. ideas such as Hot Choc. & cookie cart/kiosk, etc.
- As discussed, consider the 3 day mini pass. It addresses: convenience, anxiety reduction (of choice), value, repeat visitation (reward). Possibly make it exclusive, limits, perks, \_\_\_? Reward use (repeat visitation... maybe it gets cheaper). Due to voiced initial technical concerns; maybe in the first year it's not as convenient (have to come to a window to redeem, non-transferrable). Once scanning is improved, then in year two, it can be direct-to-lift.

### Next Steps

- Continue this RM/YM and Operational review work. The progress has been good, and the benefits clear, but there's additional work that should be done to help Diamond Peak implement these concepts and prosper further.
- Expand this work into other departments in IVGID.

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE IVGID BOARD OF TRUSTEES' REGULAR OCTOBER 30, 2019 MEETING – AGENDA ITEM D – PUBLIC COMMENT – THE BOARD'S REFUSAL TO AGENDIZE FOR POSSIBLE ACTION DIRECTION TO INTERIM GENERAL MANAGER ("GM") WINQUEST TO TAKE ACTION AGAINST DIAMOND PEAK VENUE MANAGER MIKE BANDELIN FOR NEGLIGENTLY APPROVING \$35,000 IN PUBLIC FUNDS PAID TO LOCAL RESIDENT ERIC SEVERANCE FOR AN ALLEGED YIELD MANAGEMENT STUDY/REPORT, AND SEPARATELY TO COMPEL MR. BANDELIN TO MAKE THE DISTRICT'S SKI CALIFORNIA<sup>1</sup> GOLD PASSES AVAILABLE FOR USE BY MEMBERS OF OUR COMMUNITY**

**Introduction:** At the IVGID Board's September 25, 2019 meeting I submitted a written statement I asked be included in the minutes of that meeting wherein I addressed an unbudgeted and unwarranted \$35,000 expenditure in favor of local resident Eric Severance for a less than professional yield management revenue enhancement study/report<sup>2</sup>. That written statement revealed communications between Diamond Peak venue manager Mike Bandelin, and Mr. Severance, whereby the scope of work for the two contracts the District entered into with Mr. Severance *were created by Mr. Severance* rather than our professional staff<sup>3</sup> (see pages 207 and 226 of the 10/30/2019 Board packet) which is paid quite a bit of money to be responsibly driving the public's Diamond Peak bus. And when it came time for payment, Mr. Bandelin blindly approved payment based upon invoicing which provided no detail for the exact work Mr. Severance allegedly performed in consideration of payment. And when Mr. Severance's work product was delivered, it was the most incomplete and unprofessional one can imagine<sup>2</sup>. And who approved payment all of Mr. Severance's invoicing? Mr. Bandelin.

We have a problem with much of our "so called" professional staff because they're not the most qualified nor competent personnel out there. Yet they are the most overpaid and over benefitted. And Mr. Bandelin is a prime exhibit. Although he appears to be a qualified ski area operations person, when it comes to managing a ski area like Diamond Peak, including all that entails, he is way, way over his head. Which explains why he would ever buy into a project such as Mr. Severance's yield management revenue enhancement study, and then pay what he did for the so called "fruits" of that study.

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<sup>1</sup> Formerly known as the California Ski Industries Ass'n (see <https://skicalifornia.org/about-ski-california/>).

<sup>2</sup> That written statement appears at pages 183-242 of the packet of materials prepared by staff in anticipation of this October 30, 2019 meeting ["the 10/30/2019 Board packet" ([https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_10-30-2019.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_10-30-2019.pdf))].

<sup>3</sup> This akin to selecting the wolf to guard the chicken coop, don't you think?

When I learned what Mr. Bandelin had approved and the work product of Mr. Severance's two contracts with the District, I alerted the Board to what had happened and asked it agendize some kind of response to Mr. Bandelin's less than professional actions<sup>4</sup>. And because it refused, I am now submitting this written statement. This written statement's purposes are fourfold.

First, to formally put the IVGID Board and staff on express notice of Mr. Bandelin's acts/failure to act in response to the subject agreements.

Second, to direct Mr. Winquest to demote Mr. Bandelin to an operations person, and to begin the search for the most qualified ski area venue manager we can attract.

Third, to implement internal controls to ensure that contracts like the subject one are never entered into nor paid unless approved by the Board and payment is approved by a professional contracts administrator.

And finally, since Mr. Bandelin controls use of the public's two Gold Passes, and refuses to make them available to we members of the public who have paid for them, I am asking that the Board adopt a process for the public's use of those passes.

**My October 17, 2019 E-Mail Request to the Board:** ¶5.5 of the two agreements between the District and Mr. Severance<sup>5</sup> address "dispute resolution" and states as follows:

"Any dispute arising under this contract will be sent to mediation...The mediation shall be conducted through the American Arbitration Association (AAA) and (shall) be governed by the AAA's Mediation Procedures...If mediation shall be unsuccessful, either (IVGID) or (Mr. Severance) may then initiate judicial proceedings by filing suit."

Staff should be directed to initiate mediation with the AAA under its Mediation Procedures.

**NRS 205.380(1):** makes it unlawful [NRS 205.380(1)(a)-(b)] for "a person who knowingly and designedly by any false pretense obtains from any other person any...money...including (that for)...the labor of another person not his or her employee, with the intent to cheat or defraud the other person, is a cheat, and, unless otherwise prescribed by law, shall be punished."

Although Mr. Severance is a cheat because he obtained at least \$20,000 from IVGID based upon his representation he researched and prepared a "Discounting (re: our discount pricing strategy)" report<sup>6</sup> when it was largely prepared by *Unleased Software*<sup>7</sup> (i.e., he simply plagiarized

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<sup>4</sup> My October 17, 2019 e-mail to the Board and Mr. Winquest wherein I made that request is attached as Exhibit "A" to this written statement.

<sup>5</sup> See pages 212-213 and 232-233 of the 10/30/2019 Board packet.

<sup>6</sup> See pages 241-242 of the 10/30/2019 Board packet.

these materials), and he has warranted via ¶5.2 of the two subject agreements that at least one of the reports for which he has received compensation<sup>6</sup> has “become and remain(s) the property of” IVGID (which cannot be the property of IVGID given *Unleashed Software’s* web page is copyrighted<sup>8</sup>), the finger of blame needs to be pointed at our professional staff because it aided and abetted Mr. Severance in being improperly compensated.

**NRS 195.020:** declares that “every person concerned in the commission of a felony, gross misdemeanor or misdemeanor, whether the person directly commits the act constituting the offense, or aids or abets in its commission, and...every person who, directly or indirectly, counsels, encourages, hires, commands, induces or otherwise procures another to commit a felony, gross misdemeanor or misdemeanor is a principal, and shall be proceeded against and punished as such. The fact that the person aided, abetted, counseled, encouraged, hired, commanded, induced or procured, could not or did not entertain a criminal intent shall not be a defense to any person aiding, abetting, counseling, encouraging, hiring, commanding, inducing or procuring him or her.”

**NRS 357.040(1):** declares that “except as otherwise provided in NRS 357.050<sup>9</sup>, a person who... does any of the following listed acts is liable to the State or a political subdivision, whichever is affected, for the amounts set forth in subsection 2...(a) knowingly present(ing) or caus(ing) to be presented a false or fraudulent claim for payment...(b) knowingly mak(ing) or us(ing)...a false record or statement that is material to a false or fraudulent claim.”

Because NRS 357.070(1) states that “the Attorney General shall investigate diligently any alleged liability pursuant to this chapter and may bring a civil action pursuant to this chapter against the person liable,” and Mr. Severance has knowingly presented false or fraudulent claims for payment using false statements (i.e., his invoices) that are material to his false or fraudulent claims<sup>10</sup>, staff should be directed to make complaint with the OAG and ask he “bring a civil action pursuant to this chapter against the person liable.”

**Mr. Bandelin Has Failed to Adhere to the Two Contracts IVGID Entered Into With Mr. Severance Insofar as Lack of Documentation is Concerned: ¶4.4.3 of both agreements with Mr.**

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<sup>7</sup> See *Unleashed Software’s* “Discount Pricing Strategy Explained” web page (<http://www.unleashedsoftware.com/blog/discount-pricing-strategy-explained>). Screenshots of this page are collectively attached as Exhibit “B” to this written statement.

<sup>8</sup> See Exhibit “B” to the written statement addressing the Board’s refusal to agendize for possible action recovery of the \$35,000 he has obtained under false pretense which has been contemporaneously produced and requested be attached to the minutes of this meeting.

<sup>9</sup> Which is not applicable to the present set of facts.

<sup>10</sup> Copies of those invoices are collectively attached as Exhibit “C” to this written statement.



Severance<sup>11</sup> suggest that all invoicing be backed up by supporting documentation. In particular they state that,

“If any items in any invoices submitted by (Mr. Severance for payment... including the lack of supporting documentation...are disputed...(IVGID) shall promptly notify (Mr. Severance) of the dispute and request clarification and/or remedial action.”

Take a look at all four (4) of Mr. Severance’s invoices<sup>12</sup>. None include supporting documentation, yet you approved all four (4) for payment. You very easily could have asked Mr. Severance for supporting documentation, but you didn’t. Thank you Mr. Bandelin for looking out for the public’s interests.

¶4.3 of both agreements with Mr. Severance<sup>11</sup> instruct that the latter’s “invoices will be...based upon total services completed at the time of billing.” We now know that Mr. Severance’s “total services” under the subject agreements were not completed until October 24, 2019 when Ms. Herron informed Mr. Wright and me that “updated” work product had been received. This means Mr. Bandelin prematurely paid Mr. Bandelin. Thank you again Mr. Bandelin for looking out for the public’s interests.

**Notwithstanding the Two Contracts at Issue Were Supposed to Deal With Implementation of Yield Management Strategies at Diamond Peak, Neither Do:** Mr. Severance’s initial scope of work<sup>13</sup> clearly explained it would be a “Study of Yield Management and Pricing (for Use by Diamond Peak).” According to Exhibit “F,” “phase 2 was a continuation of...yield management...started in phase 1.” But as I stated on page 185 of my September 25, 2019 written statement, neither work product study produced by Mr. Severance deals with true yield management. Basically because this is not a concept which works for a product or service unless it is time sensitive, or is limited. No product nor service offered at Diamond Peak falls into either category.

But Mr. Bandelin should have known this as a professional ski area manager. Because he didn’t, thank you again Mr. Bandelin for looking out for the public’s interests.

**Moreover, Mr. Bandelin Knew That the Purpose of the Two Contracts at Issue Were Really to Act as an Artifice For Former GM Pinkerton to Donate Public Monies to a Long Standing Member of Our Community Who Had Fallen Upon Financial Hardship:** That’s what interim GM Winquest admitted to resident Cliff Dobler. And if the Board places Mr. Bandelin under oath, I am confident it will learn the same thing from him. If I am correct, thank you again Mr. Bandelin for looking out for the public’s interests.

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<sup>11</sup> See pages 211 and 231 of the 10/30/2019 Board packet.

<sup>12</sup> See pages 218-219 and 238-239 of the 10/30/2019 Board packet.

<sup>13</sup> See page 207 of the 10/30/2019 Board packet.

**But There's More! Mr. Bandelin is Control of Two (2) Ski California Gold Passes Local Residential Parcel/Dwelling Unit Owners Have Paid For, Yet He Refuses to Allow Them to Do So:** Notwithstanding Diamond Peak is located in Nevada, IVGID pays a fee<sup>14</sup> to be a member of "Ski California." Mr. Bandelin doesn't tell the Board or the public that as a Ski California member, IVGID receives two (2) Gold Passes<sup>15</sup>. Each Gold Pass entitles the holder to ski any one of thirty-two (32) California and Nevada ski areas *for free*, including Diamond Peak<sup>16</sup>. Mr. Bandelin also doesn't tell the Board or the public that Ski California sells one hundred or more of these passes for fund raising purposes. So who gets to use these passes? Let me tell the Board who *doesn't*; local parcel owners who have paid the RFF.

I and others have asked Mr. Bandelin to let us use these Gold Passes since we've paid for them. But Mr. Bandelin refuses. Instead they available for our public employees' and their friends, relatives and collaborators' use. This is terribly wrong.

For this reason I ask that the Board agendize this issue for a future meeting to adopt a policy which regulates how Diamond Peak metes out the use of these passes.

**Conclusion:** For a public employee who is being paid over \$13,000/month of public funds, every month of the year, the public is entitled to demand far more than the professionalism exhibited by Mr. Bandelin in this particular instance. As I asked of the Board on October 17, 2019 (see Exhibit "A"), it should adopt internal controls to insure that episodes like this one never occur again by demoting Mr. Bandelin to an operations manager, and hiring competent venue managers and a professional contracts administrator.

In addition, given ski season will soon be upon us, I ask that the Board agendize the issue of IVGID's Gold Pass usage for a future meeting to adopt a policy which regulates how Diamond Peak metes out the use of its two (2) passes.

And you wonder why your RFF/Beach Facility Fee ("BFF") remain as high as they are because they financially support the mis-use I reference? Now I've provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

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<sup>14</sup> Believed to be in excess of \$3,500 annually, which is paid from the subsidy provided by the Recreation Facility Fee ("RFF"). In addition to this fee, local parcel/residential dwelling unit owners pay a second time every time the potentially hundreds of these Gold Passes are redeemed at Diamond Peak, and the public is deprived of the lift ticket fee which would otherwise be assessed.

<sup>15</sup> See <https://skicalifornia.org/gold-pass/>.

<sup>16</sup> See <https://skicalifornia.org/best-california-ski-resorts/>.

**EXHIBIT "A"**

## Severance Yield Management Study - It's Not Just Eric Severance - Request to Agendize Board Action Directed to Mike Bandelin and Diamond Peak Matters

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Horan Phil <horan\_trustee@ivgid.org>, Callicrate Tim <tim\_callicrate2@ivgid.org>, Morris Peter <Peter\_Morris@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>, "Susan\_Herron@ivgid.org" <Susan\_Herron@ivgid.org>  
**Subject:** Severance Yield Management Study - It's Not Just Eric Severance - Request to Agendize Board Action Directed to Mike Bandelin and Diamond Peak Matters  
**Date:** Oct 17, 2019 12:38 PM  
**Attachments:** [severance.yield.management.study.invoicing.pdf](#)

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Dear Chairperson Wong, Other Honorable Members of the IVGID Board and Interim GM Winquest:

Yesterday I asked at least one IVGID Board member or Mr. Winquest to agendize possible action against Mr. Severance to recover the \$35K he obtained to produce a worthless yield management revenue enhancement report insofar as Diamond Peak operations are concerned because he obtained part or all of said \$35K by false pretenses and as a result of false and fraudulent claims for payment (see below).

Today I ask at least one IVGID Board member to agendize action against Mike Bandelin because as the public's alleged watchdog, he has failed miserably (he is the one who authorized these payments to Mr. Severance).

The episode involving Mr. Severance reveals another systemic problem the Board has allowed our staff to create and perpetuate. Rather than employing the most qualified personnel for the job as the public's steward, staff promote from within regardless of qualifications to perpetuate allegiance to themselves, their colleagues and their favored collaborators. Then when we have an episode as the one I've described involving Mr. Severance, staff are totally ill equipped to deal with it. And that's what has happened here.

Again, let's review the facts pertaining to this matter:

1. Although Mr. Bandelin is a competent operations guy insofar as Diamond Peak is concerned, he is totally ill equipped to act as its venue manager. We all know this. When he reports to the Board, typically he reads from a script created by a staff colleague (probably Mr. Fix-It Gerry Eick, or former Asset Manager Brad Johnson). Then let's not forget when he urged entrance into a 3 year agreement with the DPSE&F which cost the public \$1M or more, and he did not disclose that his girl friend and the person he allegedly negotiated with was a paid DPSE&F instructor.
2. According to transparent Nevada, last year Mr. Bandelin was paid in excess of \$117.5K in compensation, and \$157,700 in compensation and benefits (go to <https://transparentnevada.com/salaries/2018/incline-village-general-improvement-district/mike-lee-bandelin/>). That's OVER \$13K per month every month of the year whether/not the arguable six months of ski season (November-April). For a public employee. Of a minor ski field in the Lake Tahoe Basin. Am I the only one who finds this level of compensation and benefits to be excessive?
3. Although Diamond Peak has generated record revenues the last several years, let's call a spade-a-spade. These results have NOT been as a result of any marketing expertise by ANYONE at IVGID, let alone Mr. Bandelin. Rather, they have been as a result of two major factors having essentially nothing to do with Mr. Bandelin. First, mother nature insofar as snow fall is concerned. And second, Diamond Peak's season pass and daily lift ticket rates which are grossly LESS than the competition (making Diamond Peak's market niche, the snowrider who cares more about the cost to ski, than the quality of product delivered). I and others in our community have been suggesting increased pricing for season passes and daily lift tickets which we predicted would not adversely impact sales or skier visits (and we were right). Slight price increases and reliance upon dynamic pricing have contributed markedly to Diamond Peak's bottom line.
4. Thus ANY venue manager willing to keep the cost of season passes and daily lift tickets so far below market compared to the competition, regardless of his/her expertise, could have and would have generated similar results.
5. In case any Board member has not examined any of Mr. Severance's four invoices requesting payment pursuant to his yield management consulting contracts with IVGID, they are attached.

6. Note that no invoice details the dates Mr. Severance allegedly performed work, a description of that work, and the time expended on that work. Instead it simply declares the gross amount of hours allegedly expended multiplied by the hourly rate, with the request "pay me." I submit that if any of you had contracted with a professional (such as an attorney or accountant) for services, whereby you agreed to pay an hourly rate, and you were sent an invoice with the lack of detail included in Mr. Severance's invoices, there is no way any of you would had made payment without securing an additional level of detail. You only need look at the invoicing provided by other IVGID consultants (attorneys Beko and Gusinasso, SE Group, Design Works, etc.) to confirm what I am talking about.

7. Yet Mr. Bandelin did nothing other than blindly tell our comptroller it was "OK to pay." And not once no less. But four times.

8. Don't you think someone in Mr. Bandelin's position would have told Mr. Severance he had to provide far more detail because there likely would be members of the community looking over his shoulder for possible wrongdoing? Apparently Mr. Bandelin didn't care that much about \$35K of public funds.

9. And when Mr. Bandelin received Mr. Severance's work product (his lame and unprofessional yield management and discounted pricing reports), Mr. Bandelin did not balk one iota at payment. Instead, he blindly confirmed it was "OK to pay."

10. In fact, once Mr. Bandlin received Mr. Severance's first "draft report," and could see for himself how lame and unprofessional it was, especially given the fact we have a \$1M annual marketing department/budget, there never would nor should have been a second contract. Any competent ski area general manager would have put his foot down and said "are you kidding me?" Don't believe me? Why don't you ask SNC Ski Area Management instructor Tim Cohee?

11. If the Board needs any more proof, why don't members ask Mr. Bandelin to detail the strategies he actually implemented at Diamond Peak last season that were as a direct result of recommendations made by Mr. Severance in either of his reports? Or ask him the same question insofar as the upcoming ski season is concerned. Assuming Mr. Bandlin comes up with any (I'm guessing he will not), compare his answers to the \$35K spent and you tell me if the public received any value for the money which was expended.

12. The last thing the Board should stand for is a "rubber stamp" venue manager. If Mr. Bandelin or any other venue manager exists for no reason other than to blindly "OK" requests for payment from unqualified vendors like Mr. Severance, we don't need them. Especially when staff are paying their colleagues (since the IVGID Board refuses to take charge over this important function as the NRS instructs) over \$13K per month.

13. The action I request is the adoption of internal controls to insure that episodes like this never occur again (perhaps requiring Board approval for any payment to a vendor exceeding \$X.00? Or the hiring of an experienced contracts administrator to monitor situations like these that employees like Mr. Bandelin are not capable or equipped to monitor?). Additionally, it's pretty apparent Mr. Bandelin should be demoted to an operations rather than retained as Diamond Peak venue manager. If the Board deems it necessary to retain a Diamond Peak venue manager, it should start the process of searching for and hiring such a professional. The status quo is unacceptable. And if you don't believe me, once mother nature chooses to no longer look kindly upon the Lake Tahoe Basin, insofar as snow is concerned, you watch how Diamond Peak's numbers suffer notwithstanding the level of management Mr. Bandelin delivers.

14. By the way, if the Board thinks this problem exists at Diamond Peak and none of the District's other venues, it is sadly mistaken. Thus the Board should agendize to conduct a study all of our other venues to ensure controls exist to secure the most competent people. With Gerry Eick's imminent departure, I can only fear how he is going to be replaced (my fear being we will promote from within rather than seek out the most qualified individual).

15. I have another request to agendize an important matter of public concern, and it too involves Mr. Bandelin. As some of you may know, the public spends several thousands of dollars annually to be a member of what used to be called the California Ski Industries Ass'n. As a dues paying member, IVGID receives two gold passes. Each pass allows the holder to ski/snowboard essentially every other ski area in California and Nevada for no charge.

So who is using the two gold passes purchased with public funds? What are the rules for use of this public asset by members of the public? I have asked Mr. Bandelin to go to the Board so a policy can be established, and he has refused. Instead he hides this dirty little secret, and parses out use of these gold passes to his friends, colleagues and favored collaborators.

This has to stop. And the Board needs to agendize a policy to put a stop to this behavior.

And while the Board or Mr. Winquest agendizing this request, why don't you have Mr. Bandelin provide an accounting which details use of these gold passes over the last three years (the period of time Mr. Bandelin has been Diamond Peak venue manager)? In fact, **please consider this a public records request Mr. Winquest and Ms. Herron.**

As the Board knows, it cannot take any action unless a matter is first agendized and publicly noticed for possible action. For this reason, I thank the Board in advance for considering this request to agendize and notice the actions requested at its next scheduled Board meeting on October 30, 2019.

And Ms. Herron, please include a copy of this e-mail and attachment in the next Board packet so the public can see what I have seen insofar as this issue is concerned.

Thank you for your cooperation. Aaron Katz

-----Original Message-----

From: "s4s@ix.netcom.com"

Sent: Oct 16, 2019 2:17 PM

To: Wong Kendra Trustee

Cc: Horan Phil , Callicrate Tim , Morris Peter , Dent Matthew , "ISW@ivgid.org" , "Susan\_Herron@ivgid.org"

Subject: Severance Yield Management Study - Further Follow Up

Dear Chairperson Wong, Other Honorable Members of the IVGID Board and Interim GM Winquest:

On October 14, 2019 I copied all members of the Board and Mr. Inquest insofar as facts developing concerning Eric Severance and his \$35K yield management consulting contracts with IVGID (see below).

>  
Because of new facts which have come to light, I now ask that at least one Board member or Mr. Winquest agendize action against Mr. Severance to recover said \$35K because he has obtained public funds by false pretenses, and he has submitted false and fraudulent claims for payment.

The new facts which have come to light are that Mr. Severance's latest "discounted pricing" report, for which the public paid \$20K, has been plagiarized from the copyrighted Unleashed Software web site. And that's the purpose of this request.

Let's review the history of this matter:

1. The Board NEVER budgeted to spend any monies, in fiscal year 2018-19 on a yield management consultancy study. Ms. Herron has confirmed this fact to me.
2. The Board never independently voted to appropriate any sums for such a study, whether to Mr. Severance, or otherwise.
3. Instead, former GM Pinkerton entered into two written contracts with Mr. Severance for this study. Although Mr. Pinkerton and Ms. Herron claim Mr. Pinkerton had Board approval to unilaterally enter into both contracts because they involved the expenditure of less than \$50K, as I and others have informed the Board, HE DID NOT. The extent of his unilateral authority was pre-conditioned upon the Board having first appropriated the monies for this purpose either in the budget or independently. And here there was no appropriation.
4. If Mr. Pinkerton was correct, then in essence why have a Board? Since the overwhelming majority of District expenditures are for less than \$50K, in essence Mr. Pinkerton is asserting he can spend whatever he wants on whatever he wants as long as the total amount spent at the end of the year does not exceed the total amount budgeted by the Board for a particular function (i.e., Utilities, Community Services, the Beaches or the General Fund). Is that what you Board members thought you were voting on when you approved the budget?
5. Mr. Pinkerton never published a RFQ to secured the most qualified individual(s) for this scope of work. He never published a RFP as an alternative means of securing the same. In other words, the fix was in for Mr. Severance right from the start.
6. Mr. Pinkerton never determined the scope of work for either of these two contracts. Instead he relied upon Mr. Severance to make up his own scope of work (i.e., the equivalent of hiring the wolf to guard the chicken coop).
7. Pursuant to the second contract, Mr. Severance has produced a one plus page "report." Since some on the Board may not have seen the report, it is attached to this e-mail.
8. Putting aside the fact that this report lacks professionalism and has nothing to do with yield management revenue enhancement, as it was supposed to, it turns out Mr. Severance plagiarized most of it off the <http://www.unleashedsoftware.com> web site (go look for yourselves). And given the plagiarized materials are copyrighted, IVGID does not own the contents of the subject report contrary to Mr. Severance's warranty in the body of the contract itself. In other words, the District has not purchased anything.
9. Given Mr. Severance's work product has been fraudulently obtained, and represents the work product of others, his invoicing for payment represents a false NRS 357.020 claim.

10. Thus the requested agendized action is to pursue recovery, with the assistance of the State AG pursuant to NRS 357.050.

11. It is also to pursue recovery under the alternative dispute resolution provisions of the two contracts themselves.

12. It is also to label Mr. Severance what he has demonstrated to be, and to permanently BAR him from ever contracting with IVGID whereby public moneys are paid to him/on his behalf.

13. The public has been cheated out of at least \$35K, and it wants its money back.

14. I remind that this is not the first episode involving Mr. Severance which was improper. 5 years ago Mr. Severance conspired with Bruce Simonian, Dee Carey and recruiter Phil McKinney to hide from the public that Mr. Severance was not qualified to apply for the position of IVGID GM because he did not hold the requisite four year degree from a college or university.

15. Word has it Mr. Severance has attempted to extract more public moneys through a similar contractual scheme with current interim GM Windquest which Mr. Winquest has allegedly rejected. Is this true Mr. Winquest?

As the Board knows, it cannot take any action unless a matter is first agendized and publicly noticed for possible action. For this reason, I thank the Board in advance for considering this request to agendize and notice the action requested.

And Ms. Herron. Please include a copy of this e-mail and attachment in the next Board packet so the public can see what I have seen insofar as this issue is concerned. Respectfully, Aaron Katz

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE IVGID BOARD OF TRUSTEES' REGULAR OCTOBER 30, 2019 MEETING – AGENDA ITEM D – PUBLIC COMMENT – THE BOARD'S REFUSAL TO AGENDIZE FOR POSSIBLE ACTION DIRECTION TO STAFF WHICH COMPELS THEM TO COMPLY WITH REVISIONS TO NEVADA'S PUBLIC RECORDS ACT ("NPRA"), BECAUSE IF THEY CONTINUE TO ACT OTHERWISE THE DISTRICT IS GOING TO BE FINANCIALLY PENALIZED WITH CIVIL PENALTIES**

**Introduction:** Effective October 1, 2019 the NPRA was modified to provide that "if a court determines that a governmental entity willfully failed to comply with the provisions of this chapter concerning a request to inspect...a public book or record, *the court must impose on the governmental entity a civil penalty...*in addition to any relief awarded pursuant to NRS 239.011" (i.e., the attorney's fees and costs Mark Smith is going to be awarded as a result of staff's/attorney Guinasso's concealment of public records litigation). Moreover, although those penalties start out at \$1,000 for the first violation within a ten year period, they very quickly escalate to \$5,000 for the second within a ten year period, and \$10,000 for a third and every subsequent violation within a ten year period<sup>1</sup>!

On/before October 17, 2019 your professional staff committed at least five (5) NPRA violations under the change in law subjecting the District to civil penalties in addition to other relief. On October 17, 2019 I put Ms. Herron, the District's Public Records Officer ("PRO"), and interim General Manager ("GM"), Indra Winquest, on notice of those violations requesting they be reversed, to ensure they not be repeated. On October 18, 2019 I put the Board on notice of the same and asked one or more members, or Mr. Winquest, notice this subject matter for this evening's meeting so possible action be taken to in part eliminate the District's future assertion of ignorance/non-willfulness.

Then again on October 18 and 22, 2019 your professional staff committed at least another two (2) and possibly four (4) NPRA violations subjecting the District to further civil penalties in addition to other relief. And on October 23, 2019 I put Ms. Herron and interim GM Winquest on notice of those violations requesting they too be reversed, as well as the Board again askint that one or more members, or Mr. Winquest, notice this subject matter for this evening's meeting so possible action can be taken to in part eliminate the District's future assertion of ignorance/non-willfulness.

Given the Board has refused to agendize this matter for possible action, the purpose of this written statement is at least fourfold. First, to formally put the IVGID Board and staff on express notice of the change in law.

Second, to ensure that the District can NEVER hereafter claim innocence nor ignorance of changes to the NPRA. In other words, future violations will by definition be willful.

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<sup>1</sup> Did our crack attorney Guinasso inform the Board of these changes?



Third, to memorialize the fact that I requested the Board to compel staff to start complying with the NPRA because now there are real financial consequences.

And fourth, to memorialize the fact that I have placed the IVGID Board on notice of Ms. Herron's seven (7) to nine (9) NPRA violations in the hope the Board and Mr. Winquest will intervene to change staff's behavior, yet the Board apparently cares less because it has done nothing.

**Susan Herron's Five (5) or More NPRA Violations Brought to Her/Interim GM Winquest's Attention on October 17, 2019:** On October 4, 2019 I made a NPRA request on the PRO to examine all correspondence between the Nevada Department of Taxation and IVGID pertaining to IVGID's transfer of IVGID workers' compensation self-insurance retention reserves to IVGID's Utility, Community Services and/Beach Funds from May 1, 2017 through October 4, 2019.

On October 17, 2019 the PRO, rather than the actual custodian of the requested records, belatedly responded that "staff is working on (my) request and (she) anticipate(s) a response no later than October 25, 2019."

On October 17, 2019 I responded to the PRO putting her on notice of at least five (5) NPRA violations, asking staff remedy those remedies, and how they now subjected the District to civil penalties effective October 1, 2019<sup>2</sup>.

As of this evening's meeting, I have heard nothing further from Ms. Herron or any other staff member responding to my request.

**My October 18, 2019 Request to IVGID Board Members and Interim GM Winquest That One or More Agendize This Subject For Possible Action at the Board's Upcoming October 30, 2019 Meeting:** Since *only* the IVGID "Board shall have the power...to manage, control and supervise *all* the business and affairs of the district" [see NRS 318.175(1)]; "all meetings of public bodies must be open and public" [NRS 241.020(1)]; before a meeting of the Board may take place, "written notice...must be given" [NRS 241.020(2)]; "the notice must include(, in part,) an agenda consisting of...a clear and complete statement of (all)...topics scheduled to be considered" [NRS 241(2)(d)(1)] as well as "a list describing the items on which action may be taken" [NRS 241(2)(d)(2)]; and, only "the Board Chair, in cooperation with the General Manager, is responsible for preparing the agenda for each meeting (with the proviso) the Chair *will* place on the Agenda any item requested by a fellow Trustee" [Board Policy 3.1.08<sup>3</sup>]; on October 18, 2019 I sent an e-mail to each Board member and interim GM Winquest asking that this subject be agendized and noticed for this evening's Board meeting<sup>4</sup>.

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<sup>2</sup> This string of e-mail correspondence is attached as Exhibit "A" to this written statement.

<sup>3</sup> See page 11 at <https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf>.

<sup>4</sup> This e-mail is attached as Exhibit "B" to this written statement.

**Susan Herron's Additional Two (2) or Four (4) More NPRA Violations Brought to Her/Interim GM Winquest's Attention on October 23, 2019:** On September 13, 2019 I made two additional sets of NPRA requests on the PRO to examine budgeted, appropriated and expended amounts associated with the District's lawsuit brought against Governance Sciences Group, Inc. ("GSGI"), and similar records associated with the District's defense to a public records concealment lawsuit brought by Mark Smith.

On September 24, 2019 the PRO, rather than the actual custodian of the requested records, belatedly responded in two separate e-mails that "staff is working on (my) request and (she) anticipate(s) completion on or before October 18, 2019."

On October 22, 2019 when October 18, 2019 had come and gone, I put Ms. Herron on notice that no one from the District had made the requested public records available for my examination, and asked "when...the requested records (would) be made available for my examination?"

Later that afternoon Ms. Herron responded "staff continues to work on (my) request and has re-estimated completion to October 31, 2019."

On October 23, 2019 I responded to the PRO putting her on notice of at least two (2) and possibly four (4) additional NPRA violations. Again I asking staff remedy those remedies<sup>5</sup>.

As of this evening's meeting, I have heard nothing further from Ms. Herron or any other staff member responding to either of these requests.

**Susan Herron's Additional Seven (7) or More NPRA Violations Brought to Her/Interim GM Winquest's/the Board's Attention on October 30, 2019:** On October 29, 2019 the PRO, rather than the actual custodian of the requested records, belatedly provided "two additional reports by Mr. Severance" that were initially requested more than six (6) months previously on May 3, 2019. This was after she informed me on June 27, 2019 that she had "nothing more to provide," and that her response allegedly responded to my May 3, 2019 request "in its entirety."

After examining the second October 24, 2019 updated report, I discovered that there were many additional records Ms. Herron had not made available for my examination. Thus on October 30, 2019 I responded to the PRO putting her on notice of at least seven (7) and possibly eight (8)

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<sup>5</sup> The string of e-mail correspondence with respect to the GSGI matter is attached as Exhibit "C" to this written statement. The string with respect to the Mark Smith litigation matter is attached as Exhibit "D" to this written statement.

additional NPRA violations<sup>6</sup>. This time I brought the matter to the Board's and Mr. Winqest's attention asking the Board:

1. Agendize a public hearing to get to the truth;
2. Command that the true custodians of the public records requested for my examination be compelled to appear and give testimony;
3. Command that Ms. Herron be compelled to appear and give testimony;
4. As venue manager for Diamond Peak and the person who approved payment of Mr. Severance's invoicing, command that Mike Bandelin be compelled to appear and give testimony;
5. As marketing manager, command that Paul Reymore be compelled to appear and give testimony;
6. As Ass't GM at the time, command that Mr. Winqest be compelled to appear and give testimony;
7. Command that Mr. Severance be compelled to appear and give testimony (if he refuses he should be banned from working for or being employed by IVGID for life); and,
8. Hire a special prosecutor (because the last persons we can trust to protect the public are Mr. Guinasso and his crew) to ask questions, get to the truth, and make recommendations to the Board.

I predict none of this will occur because at least three (3) members of the Board have little interest in ensuring that our staff comply with the NPRA, while disingenuously claiming "transparency."

**My October 23, 2019 Request to IVGID Board Members and Interim GM Winqest That One or More Again Agendize This Subject For Possible Action at the Board's Upcoming October 30, 2019 Meeting:** Copies of my October 23, 2019 e-mails to Ms. Herron (Exhibits "C" and "D") were sent by e-mail to each Board member and interim GM Winqest asking, in part, that this subject again be agendized and noticed for this evening's Board meeting.

**Because the Board and Mr. Winqest Have Refused to Agendize This Subject For Possible Action<sup>7</sup>, This Written Statement Which Memorializes the Facts Giving Rise is Submitted:** to

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<sup>6</sup> The string of e-mail correspondence with respect to the Severance matter is attached as Exhibit "E" to this written statement.

<sup>7</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Agenda\\_Regular\\_10-30-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Agenda_Regular_10-30-19.pdf).

demonstrate the District is neither ignorant nor will it act/fail to act in a non-willful manner insofar as future NPRA violations are concerned. Simply stated, the District is arrogant and defiant.

**My October 30, 2019 Request to IVGID Board Members and Interim GM Winquest That One or More Again Agendize This Subject For Possible Action at the Board's Next Meeting:** Copies of my October 30, 2019 e-mail (Exhibit "E") were sent by e-mail to each Board member and interim GM Winquest asking, in part, that this subject again be agendized and noticed for the Board's next meeting.

**Conclusion:** Prior NPRA violations have rarely been prosecuted given the onus and financial cost on the requester to be the public's watchdog. But now that there are civil penalties which must be imposed whenever a court finds that IVGID has willfully failed to adhere to the NPRA, it is my hope IVGID's staff's behavior will be modified. And specifically insofar as Ms. Herron's most recent NPRA violations are concerned, I hope that behavior will be modified as follows:

1. Only the governmental employee who has actual legal custody or control of public record(s) sought to be examined shall substantively respond on behalf of IVGID to NPRA requests;
2. The appropriate governmental employee who responds on behalf of IVGID to NPRA requests shall respond no later than five (5) business days after receipt of a NPRA request;
3. No response to a NPRA request which proposes examination and/or copying be delayed beyond five (5) business days after the request, shall be made unless the responding governmental employee states that the governmental employee who has actual legal custody or control of the public record(s) sought to be examined is unable to make the requested public book or record available for examination and/or copying within the statutory five (5) day time period;
4. No response to a NPRA request which proposes examination and/or copying be delayed beyond five (5) business days after the request, shall be made unless the responding governmental employee states that the governmental employee who has actual legal custody or control of the public record(s) sought to be examined will actually make the requested book or record available for examination and/or copying;
5. No response to a NPRA request which proposes examination and/or copying be delayed beyond five (5) business days after the request, shall be made unless the responding governmental employee states that the date and time proposed is the earliest date and time after which he/she reasonably believes the governmental employee who has actual legal custody or control of the public record(s) sought to be examined can be made available for examination and/or copying; and,
6. Where IVGID responds to a NPRA request that examination must be delayed beyond five (5) business days after the request, the requester is advised of a date and time after which the requested public records can be made available for inspection and/or copying, and the requested public records still cannot be made available by the advised date and time, the appropriate governmental employee who responds on behalf of IVGID must provide a written explanation of the reason why the requested

public book or record cannot be made available, and a date and time after which the governmental entity reasonably believes the public book or record will be available for inspection and/or copying.

**Should the Board Fail to Insist That Staff Hereafter Comply With the Literal Requirements of the NPRA, Let the Record Demonstrate That Said Failure Will Be Willful.**

**And You Wonder Why the Recreation (“RFF”) and/or Beach (“BFF”) Facility Fee(s) Which Financially Subsidizes the Costs Fighting NPRA Requests, and Now Civil Penalties Assessed For Staff’s Willful Concealment Are Out of Control? I’ve now provided more answers. Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!**

**EXHIBIT "A"**

## RE: Records Request - Communications Between IVGID and Dep't of Taxation re Issue of Transfer of Unnecessary Workers' Compensation Reserve Retention to IVGID Utility, Community Services and Beach Funds

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** "Herron,Susan"  
**Cc:** "ISW@ivgid.org" <ISW@ivgid.org>  
**Subject:** RE: Records Request - Communications Between IVGID and Dep't of Taxation re Issue of Transfer of Unnecessary Workers' Compensation Reserve Retention to IVGID Utility, Community Services and Beach Funds  
**Date:** Oct 17, 2019 11:24 AM

---

Thank you Ms. Herron -

But as you should know, your response does not comply with NRS 239.0107.

Effective October 1, 2019, NRS 239.0107(1) reads as follows:

"Not later than the end of the fifth business day after the date on which the person who has legal custody or control of a public book or record of a governmental entity receives a written or oral request from a person to inspect, copy or receive a copy of the public book or record, a governmental entity shall do one of the following, as applicable."

NRS 239.0107(1)(c) reads as follows:

"If the governmental entity is unable to make the public book or record available by the end of the fifth business day after the date on which the person who has legal custody or control of the public book or record received the request: (1) Provide to the person, in writing notice of the fact that it is unable to make the public book or record available by that date and the earliest date and time after which the governmental entity reasonably believes the public book or record will be available for the person to inspect or copy or after which a copy of the public book or record will be available to the person."

First, I do not believe you are not the person who has legal custody or control of the public records sought to be examined. Rather, because of section I(D) of the District's Public Records Policy (Resolution 1801), you are nothing more than the District's Public Records Officer ("PRO") whose duties are limited to "Policy Administration:" i.e., "oversee(ing) the execution and administration of" the District's Public Records Policy.

Because I do not believe you are not the person who has legal custody or control of the subject public records, you have no personal knowledge which allows you to respond one way or the other. This deficiency has been going on for far too long and now that there are civil penalties in place (discussed below), I ask it stop. The person who has actual legal custody or control of the public records sought to be examined is the one who is required to respond, and that is the person I insist respond as the Public Records Act ("NPR") requires.

Here I have every reason to believe that the person who has actual legal custody or control of the public records sought is Gerry Eick. Therefore he is the one who should be responding. By inserting you as an intermediary, you have been placed in a position which allows you to respond untruthfully without potential consequence by claiming you didn't know the truth. You only responded as the true person who has legal custody or control has instructed you to respond.

Second, neither you nor Mr. Eick has responded within five business days of my request as the NPR requires.

Third, neither you nor Mr. Eick has responded that you/he is unable to make the requested public records available within the statutory time required as the NPR requires.

Fourth, neither you nor Mr. Eick has informed me of the earliest date and time after which you/he reasonably believes the public records requested will actually be available for my inspection. Although you have provided "a date," I do not believe it is the "earliest" date.

Fifth, regardless of whether the date provided is the earliest date, instead of responding that the public records requested will actually be available for inspection by said date and time, you have responded that "staff is (merely) working on my request" and that you anticipate some type of response, rather than actually providing the requested public records for my inspection, no later than October 25, 2019.

In addition, there have been further modifications to the NPR. In particular, a new section 1 which reads as follows:

"If a court determines that a governmental entity willfully failed to comply with the provisions of this chapter concerning a request to inspect...a public book or record, the court must impose on the governmental entity a civil penalty...in addition to any relief awarded pursuant to NRS 239.011."

Thus the aforementioned violations now represent grounds for civil penalties. I bring this subject up NOT to pursue civil penalties but rather, to ensure future compliance with the NPRA.

Therefore, I ask that the above violations be expeditiously remedied.

Finally, I am providing interim GM Winquest with a copy of this e-mail string because I want to see him take charge of appropriate NPRA responses in the hope violations such as the ones I have identified, as augmented by others which may taken place, are eliminated.

Thank you for your cooperation, expeditious remedy of the above-referenced violations, and adherence to the NPRA. Aaron Katz

-----Original Message-----

>From: "Herron, Susan"

>Sent: Oct 17, 2019 9:11 AM

>To: "s4s@ix.netcom.com"

>Subject: RE: Records Request - Communications Between IVGID and Dep't of Taxation re Issue of Transfer of Unnecessary Workers' Compensation Reserve Retention to IVGID Utility, Community Services and Beach Funds

>

>Dear Mr. Katz,

>

>Staff is working on your request and I anticipate a response no later than October 25, 2019.

>

>Susan A. Herron, CMC

>Executive Assistant/District Clerk/Public Records Officer

>Incline Village General Improvement District

>893 Southwood Boulevard

>Incline Village Nevada 89451

>P: 775-832-1207

>F: 775-832-1122

>sah@ivgid.org

>http://yourtahoepalace.com

>

>-----Original Message-----

>From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]

>Sent: Friday, October 4, 2019 4:40 PM

>To: Herron, Susan

>Subject: Records Request - Communications Between IVGID and Dep't of Taxation re Issue of Transfer of Unnecessary Workers' Compensation Reserve Retention to IVGID Utility, Community Services and Beach Funds

>

>Hello Ms. Herron -

>

>Another records request.

>

>I would like to examine all communications between anyone at the Nevada Department of Taxation ("DOT") and anyone at IVGID, including e-mails, concerning the subject of possible or actual transfers IVGID workers' compensation self insurance retention reserves, to IVGID's Utility, Community Services and/or Beach Funds, from May 1, 2017 through and including the present. I also ask to examine any notes made by anyone at IVGID memorializing oral conversations between anyone at DOT and Gerry Eick concerning the subject of IVGID workers' compensation self insurance retention reserve transfers, from May 20, 2019 and the present. Those records and documents should include, but not be limited to, the following:

>

>1. Any requests from Gerry Eick for guidance insofar as transferring sums from IVGID's workers' compensation internal services fund to its Utility, Community Services and/or Beach Fund(s); 2. Any advice given from the DOT to anyone at IVGID pertaining to the transferring of sums from IVGID's workers' compensation internal services fund to its Utility, Community Services and/or Beach Fund(s); 3. All such records on this subject matter postdating May 20, 2019; 4. All writings from Kelly Langley/Jeffrey Mitchell in any manner describing/summarizing post May 20, 2019 events taking place relative to the subject matter of these workers' compensation internal services fund transfers, directed to the Executive Director and the Committee on Local Government Finance.

>

>If any of these records are in electronic/.pdf format, I am happy to examine them in such format.



10/18/2019

RE: Records Request - Communications Between IVGID and Dep't of Taxation re Issue of Transfer of Unnecessary Workers' Compens...

>

>Thank you for your cooperation. Aaron Katz

**EXHIBIT "B"**

## Susan Herron's Violation of the Public Records Act ("NPRA") Has Now Subjected the District to Newly Enacted Civil Penalties - Request the Matter be Agendized For Possible Corrective Action

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Callicrate Tim <tim\_callicrate2@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Morris Peter <morris\_trustee@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>, Herron Susan <Susan\_Herron@ivgid.org>  
**Subject:** Susan Herron's Violation of the Public Records Act ("NPRA") Has Now Subjected the District to Newly Enacted Civil Penalties - Request the Matter be Agendized For Possible Corrective Action  
**Date:** Oct 18, 2019 9:18 AM

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To Chairperson Wong, Other Honorable Members of the IVGID Board and Interim General Manager ("GM") Winquest:

Effective October 1, 2019, the NPRA was modified to provide that "if a court determines that a governmental entity willfully failed to comply with the provisions of this chapter concerning a request to inspect...a public book or record, *the court must impose on the governmental entity a civil penalty...*in addition to any relief awarded pursuant to NRS 239.011" (i.e., the attorney's fees and costs Mark Smith is going to be awarded as a result of staff's/attorney Guinasso's concealment of public records). Although those penalties start out at \$1,000 for the first violation within a ten year period, they very quickly escalate to \$5,000 for the second violation within a ten year period, and \$10,000 for a third and every subsequent violation within a ten year period[1]!

On/before October 17, 2019 Ms. Herron, the District's Public Records Officer, committed at least five (5) NPRA violations under the change in law. These violations have now subjected the District to civil penalties in addition to other relief.

The purpose of this e-mail is several fold. First, to put the IVGID Board and staff on express notice of the change in law.

Second, to ensure that the District can NEVER claim innocence nor ignorance in the future. In other words, future violations will by definition be willful.

Third, to ensure the Board forces staff to start complying with the NPRA because now there are real consequences.

Fourth, to put the IVGID Board on notice of Ms. Herron's five (5) NPRA violations in the hope the Board and Mr. Winquest intervene to change staff's behavior.

Fifth, to request that at least one member of the Board or Mr. Winquest to agendize this matter for the Board's next meeting on October 30, 2019 so it can discuss the matter and take concrete steps to ensure future NPRA violations do not take place.

My October 4, 2019 NPRA request, Ms. Herron's belated October 17, 2019 response, and my October 17, 2019 follow up are replicated below so you can see for yourselves.

And Ms. Herron, will you please place a copy of this e-mail string in the next Board packet so the public can see what I see.

Thank you for your hopeful intervention and positive action.

Respectively, Aaron Katz

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[1] Did crack attorney Guinasso inform the Board of these changes?

-----Forwarded Message-----

From: "s4s@ix.netcom.com"  
 Sent: Oct 17, 2019 11:24 AM  
 To: "Herron,Susan"  
 Cc: "ISW@ivgid.org"

Subject: RE: Records Request - Communications Between IVGID and Dep't of Taxation re Issue of Transfer of Unnecessary Workers' Compensation Reserve Retention to IVGID Utility, Community Services and Beach Funds - Follow Up

**EXHIBIT "C"**

## Records Request - Litigation and Settlement Costs Incurred in Litigation Against GSGI - Follow Up

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Herron Susan  
**Cc:** Wong Kendra Trustee <wong\_trustee@ivgid.org>, Callicrate Tim <tim\_callicrate2@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Morris Peter <morris\_trustee@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>  
**Subject:** Records Request - Litigation and Settlement Costs Incurred in Litigation Against GSGI - Follow Up  
**Date:** Oct 23, 2019 9:45 AM

---

Thank you for yesterday's response (below) to my October 22, 2019 follow up (below) to my September 13, 2019 public records request (below).

You will recall that on October 18, 2019 I put you on notice of changes to Nevada's Public Records Act, and your commission of five (5) separate violations. Yesterday's response now represents a sixth (6th) and seventh (7th) violation.

Effective October 1, 2019, NRS 239.0107(1)(c) was amended to read as follows:

"If the public book or record...is not available to the person by the...date and time...the governmental entity (has told the person the requested public book or record)...will be available (for examination)...the governmental entity shall provide to the person in writing, an explanation of the reason the public book or record is not available and a date and time after which the governmental entity reasonably believes the public book or record will be available for the person to inspect or copy or after which a copy of the public book or record will be available to the person."

Yesterday's response below provides no explanation of the reason why the records requested were not available for my inspection by October 18, 2019. Moreover, it does not state that the records requested will in fact be available for my inspection on October 31, 2019. All you state is that staff's work on my request will be completed by that date.

I am asking that you provide an explanation, in writing, of the reason the public books or records I asked to examine were not available for my inspection on October 18, 2019, and, a statement in writing clarifying that said requested public books or records will actually be available for me to inspect or copy on October 31, 2019.

I am also providing copies of your latest October 22, 2019 response and this e-mail to the IVGID Board and interim GM Winquest as a follow up to my October 18, 2019 that this matter be agendized for Board intervention, now that there have been at least seven (7) NPRA violations, to change staff's behavior by taking concrete steps to ensure future NPRA violations do not take place.

And Ms. Herron, will you please place a copy of this e-mail string in the next Board packet so the public can see what I see?

Thank you for your hopeful intervention and positive action.

Respectively, Aaron Katz

-----Original Message-----

From: "Herron, Susan"

Sent: Oct 22, 2019 4:33 PM

To: "s4s@ix.netcom.com"

Subject: Re: Records Request - Litigation and Settlement Costs Incurred in Litigation Against GSGI

Dear Mr. Katz,

Staff continues to work on your request and has re-estimated completion to October 31, 2019.

Thank you for your patience.

Susan

-----Forwarded Message-----

From: Aaron L Katz

Sent: Oct 22, 2019 3:12 PM

To: "Herron, Susan"

Subject: Re: Records Request - Litigation and Settlement Costs Incurred in Litigation Against GSGI

Hello Ms. Herron -

Please see my records request below, and your belated response of September 24, 2019.

Today is four days beyond the date you led me to believe the requested records would be made available for my examination.

When will the requested records be made available for my examination?

Thank you for your cooperation.

Aaron Katz

On 9/24/2019 9:00 AM, Herron, Susan wrote:

Dear Mr. Katz,

Staff is working on your request and I anticipate completion on or before October 18, 2019.

Susan

**From:** [s4s@ix.netcom.com](mailto:s4s@ix.netcom.com) [<mailto:s4s@ix.netcom.com>]

**Sent:** Friday, September 13, 2019 2:45 PM

**To:** Herron, Susan <[Susan\\_Herron@ivgid.org](mailto:Susan_Herron@ivgid.org)>

**Subject:** Records Request - Litigation and Settlement Costs Incurred in Litigation Against GSGI

Hello Ms. Herron -

Another records request -

I would like to examine the following records pertaining to prosecution of the GSGI litigation:

1. All legal services agreements between the Guinasso law firm and IVGID for prosecution of that litigation;
2. All purchase orders created by IVGID evidencing the legal fees and costs to be incurred by IVGID pursuant to the agreements referenced in paragraph 1 above;
3. All invoicing originating from the Guinasso law firm for legal services rendered pursuant to the agreements referenced in paragraph 1 above;
4. All payments made by IVGID in response to the invoicing referenced in paragraph 3 above;
5. To the extent not otherwise disclosed in any of the records referenced above, the chart of account number(s) ["COA"] assigned by IVGID staff for each payment referenced in paragraph 4 above;
6. The \$10,000 donation payment made by IVGID to "We the People" pursuant to the settlement agreement with GSGI;
7. The COA assigned by IVGID staff to the payment referenced in paragraph 6 above;
8. The portion(s) of the 2016-18 budgets where the payments referenced in paragraph 4 above were budgeted; and,
9. The portion(s) of the 2017-18 budget where the payment referenced in paragraph 6 above was budgeted.



Thank you for your cooperation. Aaron Katz

**EXHIBIT "D"**



## Records Request - Legal Defense/Defense Costs Related to Defense of the Mark Smith Public Records Lawsuit - Follow Up

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** "Herron,Susan"  
**Cc:** Wong Kendra Trustee <wong\_trustee@ivgid.org>, Callicrate Tim <tim\_callicrate2@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Morris Peter <morris\_trustee@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>  
**Subject:** Records Request - Legal Defense/Defense Costs Related to Defense of the Mark Smith Public Records Lawsuit - Follow Up  
**Date:** Oct 23, 2019 9:45 AM

Thank you for yesterday's response (below) to my October 22, 2019 follow up (below) to my September 13, 2019 public records request (below).

You will recall that on October 18, 2019 I put you on notice of changes to Nevada's Public Records Act, and your commission of five (5) separate violations. Yesterday's response now represents a sixth (6th) and seventh (7th) violation.

Effective October 1, 2019, NRS 239.0107(1)(c) was amended to read as follows:

"If the public book or record...is not available to the person by the...date and time...the governmental entity (has told the person the requested public book or record)...will be available (for examination)...the governmental entity shall provide to the person in writing, an explanation of the reason the public book or record is not available and a date and time after which the governmental entity reasonably believes the public book or record will be available for the person to inspect or copy or after which a copy of the public book or record will be available to the person."

Yesterday's response below provides no explanation of the reason why the records requested were not available for my inspection by October 18, 2019. Moreover, it does not state that the records requested will in fact be available for my inspection on October 31, 2019. All you state is that staff's work on my request will be completed by that date.

I am asking that you provide an explanation, in writing, of the reason the public books or records I asked to examine were not available for my inspection on October 18, 2019, and, a statement in writing clarifying that said requested public books or records will actually be available for me to inspect or copy on October 31, 2019.

I am also providing copies of your latest October 22, 2019 response and this e-mail to the IVGID Board and interim GM Winquest as a follow up to my October 18, 2019 that this matter be agendized for Board intervention, now that there have been at least seven (7) NPRA violations, to change staff's behavior by taking concrete steps to ensure future NPRA violations do not take place.

And Ms. Herron, will you please place a copy of this e-mail string in the next Board packet so the public can see what I see?

Thank you for your hopeful intervention and positive action.

Respectively, Aaron Katz

-----Original Message-----

**From:** "Herron, Susan"  
**Sent:** Oct 22, 2019 4:34 PM  
**To:** "s4s@ix.netcom.com"  
**Subject:** RE: Records Request - Legal Defense/Defense Costs Related to Defense of the Mark Smith Public Records Lawsuit

Dear Mr. Katz,

Staff continues to work on your request and has re-estimated completion to October 31, 2019.

Thank you for your patience.

Susan

**From:** Herron, Susan

**Sent:** Tuesday, September 24, 2019 9:01 AM

**To:** 's4s@ix.netcom.com' <s4s@ix.netcom.com>

**Subject:** RE: Records Request - Legal Defense/Defense Costs Related to Defense of the Mark Smith Public Records Lawsuit

Dear Mr. Katz,

Staff is working on your request and I anticipate completion on or before October 18, 2019.

Susan

**From:** [s4s@ix.netcom.com](mailto:s4s@ix.netcom.com) [<mailto:s4s@ix.netcom.com>]

**Sent:** Friday, September 13, 2019 2:45 PM

**To:** Herron, Susan <[Susan\\_Herron@ivgid.org](mailto:Susan_Herron@ivgid.org)>

**Subject:** Records Request - Legal Defense/Defense Costs Related to Defense of the Mark Smith Public Records Lawsuit

Hello Ms. Herron -

Another records request -

I would like to examine the following records pertaining to defense of the Mark Smith Public Records concealment litigation:

1. All legal services agreements between the Beko law firm and IVGID, Kendra Wong and Jason Guinasso for legal defense of that litigation;
2. All purchase orders created by IVGID evidencing the legal fees and costs to be incurred by IVGID pursuant to the agreements referenced in paragraph 1 above;
3. All writings originating from the Beko lawfirm and directed to IVGID informing IVGID of the potential conflict of interest in the Beko lawfirm representing IVGID, Wong and Guinasso, and seeking IVGID's waiver of that potential conflict of interest;
4. All writings executed by IVGID waiving the potential conflict of interest referenced in paragraph 3 above;
5. All invoicing originating from the Beko law firm for legal services rendered pursuant to the agreements referenced in paragraph 1 above;
6. All payments made by IVGID in response to the invoicing referenced in paragraph 5 above;
7. To the extent not otherwise disclosed in any of the records referenced above, the chart of account number(s) ["COA"] assigned by IVGID staff for each payment referenced in paragraph 6 above; and,
8. The portion(s) of the 2018-20 budgets where the payments referenced in paragraph 6 above were budgeted.

Thank you for your cooperation. Aaron Katz

**EXHIBIT "E"**

## Re: Fw: Public Records Request - Additional Information - Severance Contract - Follow Up Now That I've Read Mr. Severance's October 24, 2019 Updated Yield Management and Pricing Study and Report

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Callicrate Tim <tim\_callicrate2@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Morris Peter <morris\_trustee@ivgid.org>, "ISW@ivgid.org" <ISW@ivgid.org>, Herron Susan <Susan\_Herron@ivgid.org>  
**Subject:** Re: Fw: Public Records Request - Additional Information - Severance Contract - Follow Up Now That I've Read Mr. Severance's October 24, 2019 Updated Yield Management and Pricing Study and Report  
**Date:** Oct 30, 2019 1:02 PM

To Chairperson Wong, the Other Honorable Members of the IVGID Board, and Interim GM Indra Winqest -

It's time to determine what staff members are responsible for violating Nevada's Public Records Act, and concealing public records, if we are to believe Mr. Severance,

Moreover, this episode involving Mr. Severance is a classic example of one or more liars having to invent more lies after lies to cover up previous lies. It just never ends.

And what is the evidence which supports these allegations?

The so called "updated" October 24, 2019 report received from Ms. Herron yesterday which was sent to the Board.

Again, let's review the facts.

1. On May 3, 2019 I made my initial public records request to examine, in part, Mr. "Severance's (yield management) study...for which payment was made" (see page 196 of the current 10/30/2019 Board packet).
2. The only stud(ies) which were made available for my examination, in response to my request, were the two documents previously provided to the Board which appear at pages 221-224 and 241-242 of the current Board packet.
3. In response to my questioning of Ms. Herron because I did not believe that I had been provided with all the public records I had requested, on June 27, 2019 Ms. Herron emphatically stated **"I have provided you (with all) the documents prepared by Mr. Severance as presented to IVGID staff; there is nothing more to provide"** (see page 198 of the current Board packet).
4. The October 24, 2019 updated report Ms. Herron provided for the first time yesterday which she stated was "provided to (me)...as a courtesy" [see below (since when is Ms. Herron's adherence to law a "courtesy?")] discloses that at least six (6) additional reports which were not made available for my examination were in fact "presented to IVGID staff." They consist of the following:
  - a) "A proprietary multi-tiered pricing model/matrix was created to use for the upcoming season(s)." Let me just say that there is NOTHING in any work product produced by Mr. Severance which was given to IVGID staff which is "proprietary" given paragraph 5.2 of both agreements which make clear that all "documents, plans, electronic files, studies or reports prepared under th(ese) agreement(s), for which (IVGID)...pays compensation...shall become and remain the property of" IVGID].
  - b) An unspecified number of "semi-dynamic, multi-tiered...revenue model(s which were) developed."
  - c) "A report to...improve utilization...was created."
  - d) "A report to address...Diamond Peak's seasons pass strategy...was created."
  - e) Some undisclosed number of "findings and recommendations reports that outline recommended improvements and changes in pricing, programs, HR issues, etc." Mr. Severance claims he "helped the Skier Services team develop."
  - f) Some undisclosed number of "models for pricing" Mr. Severance claims he "developed."
  - g) Some undisclosed number of other "models that were developed for Ski (Mr. Severance asserts)...can (be) leverage(d)...use(d)...and appl(ied)...in F&B district wide."

**NONE** of these reports, models and matrices was made available for my examination notwithstanding all were presented to IVGID staff.

Either:

1. The true custodians of these public records lied to Ms. Herron insofar as their non-existence is concerned which enabled her to perpetuate the lie to the public;
2. Ms. Herron was negligent to the nth degree in failing to professional ferret out the existence of all requested public records so she could make them available for my examination or truthfully state they do not exist;
3. Ms. Herron knew or is charged with knowledge of knowing of those records' actual existence and she chose to lie to the public; and/or
4. Mr. Severance is the liar.

I am asking the Board afford Ms. Herron due process before it addresses these allegations. That means,

1. Agendize a public hearing to get to the truth;
2. Command that the true custodians of the public records requested for my examination be compelled to appear and give testimony;
3. Command that Ms. Herron be compelled to appear and give testimony;
4. As venue manager for Diamond Peak and the person who approved payment of Mr. Severance's invoicing, command that Mike Bandelin be compelled to appear and give testimony;
5. As marketing manager, command that Paul Reymore be compelled to appear and give testimony;
6. As Ass't GM at the time, command that Mr. Winquest be compelled to appear and give testimony;
7. Command that Mr. Severance be compelled to appear and give testimony (if he refuses he should be banned from working for or being employed by IVGID for life); and,
8. Hire a special prosecutor (because the last persons we can trust to protect the public are Mr. Guinasso and his crew) to ask questions, get to the truth, and make recommendations to the Board.

If the Board refuses to do as I suggest, then the record will be clear that members as well as Mr. Winquest are NRS 195 conspirators/aiders and abettors.

And Ms. Herron, please place a copy of this e-mail string in the next Board packet so the public can see what I see.

Respectfully, Aaron Katz

-----Original Message-----

From: "s4s@ix.netcom.com"

Sent: Oct 29, 2019 1:26 PM

To: Herron Susan

Cc: Wright Frank , Wong Kendra Trustee , Callicrate Tim , Horan Phil , Dent Matthew , Morris Peter , "ISW@ivgid.org"

Subject: Fw: Public Records Request - Additional Information - Severance Contract

Thank you Ms. Herron.

But do you and your colleagues really think members of the public don't see what's really going on here?

Again, let's review the facts.

1. On May 3, 2019 I made my initial request to examine the yield management stud(ies) the subject of Mr. Severance's contract(s) with the District (see page 196 of the current 10/30/2019 Board packet).
2. On May 28, 2019 you provided me with what you represented to be Mr. Severance's study (see page 195 of the current Board packet).

3. When it was evident from what you provided that you had not provided me with Mr. Severance's final study but rather, only some notes re: a "draft study," on June 16, 2019 I e-mailed back to you "to make sure you (had) previously provided me with the (complete) study itself." In my e-mail I observed "that these materials appear(ed) to be far less than a final study, and d(id) not appear to (have) be(en) presented in a professional manner. Which...le(d) me to believe I ha(d) not been provided with the final study itself."

4. For these reasons I expressly requested that "if there (was) something more I would like to examine it" (see page 199 of the current Board packet).

5. And how did you respond on June 27, 2019? **"I have provided you (with all) the documents prepared by Mr. Severance as presented to IVGID staff; there is nothing more to provide"** (see page 198 of the current Board packet).

6. At the Board's September 25, 2019 meeting I presented a written statement for inclusion in the current Board packet (see pages 183-242 of the current Board packet). This statement attached copies of all written materials you had provided in response to my various records requests, and nowhere were there the records you have provided today.

7. My written statement only became public last Wednesday afternoon, October 23, 2019, when you made the current Board packet available to trustees and members of the public who had asked to receive the same. And it immediately created a fire storm in the community. One where interim GM Winquest initiated contact with Cliff Dobler and my wife Judy asking (according to Cliff) that he "go easy" on Mr. Severance because the contracts were basically a thinly veiled artifice to donate public monies to a long time member of our community who was going through hard financial times, and not publish anything about this episode on OVV, because Mr. Severance had already suffered enough (Mr. Winquest has not yet substantively spoken to Judy, however, the two have been playing telephone tag and according to Cliff, this is the subject matter Mr. Winquest told him he intended to speak with Judy about).

8. Now at almost noontime, **NEARLY SIX MONTHS AFTER MY INITIAL REQUEST TO EXAMINE**, you provide Frank and me with these documents (they're attached to this e-mail) and expect us to believe that contrary to your express representations, these had in fact been delivered to IVGID staff **a year or more ago?**

I am sending a copy of this e-mail to the Board. I am asking each member to wake up and smell the coffee. Here you have evidence that either Ms. Herron, Mr. Winquest, the recipients of the studies actually prepared by Mr. Severance (Mr. Bandelin and Mr. Reymore, at the least), probably Mr. Eick (because he just seems to have his hands in the middle of all the dirt staff churn up in this community), or any or all of them, are guilty of the highest degree of wrongdoing one can conceive from public employees. And of course let's not forget Mr. Severance himself. If these revised studies were not prepared more than a year ago when they are dated, then he is very much up to his neck in the conspiracy suggested herein involving the embezzlement of public monies.

And let's not forget. Had I not exposed staff and Mr. Severance for who they really are, no one would have ever learned of the attached revised studies, because then there would have been no need for them.

This episode highlights why I object to Ms. Herron being a spokesperson for the true custodian of public records the subject of public records requests. The way in which public records requests are responded to, invite staff to lie through their teeth because there is no consequence. They can look to Ms. Herron or any future Public Records Officer ("PRO") to claim to be an innocent regurgitator of staff lies. It also shields Ms. Herron from criminal liability because she can always claim she had no direct knowledge, one way or the other, of the concealment of public records, but simply relied upon other staff to actually comply with or conceal public records responding to public records requests.

It's time for heads to roll Board members.

1. The public needs to know who are the actual custodians of these public records.
2. Once this information is revealed, the public needs to have these public employees come forward at a public hearing, be placed under oath, and respond to questions intended to get to the truth of these matters.
3. And while we're at it, we need Mr. Severance to come forward in a public forum and respond similarly under oath.
4. The Board needs to adopt a revised public records policy which prevents Ms. Herron or some other PRO in the future from substantively responding to public records requests when he/she is not the custodian of the records requested to be examined.

5. We need the Board to take action against Ms. Herron because this response is at least the eighth and possibly tenth such NPRA violation she has committed in the last two weeks! It is the custodian of public records rather than that custodian's "wing man" colleague who has the obligation to make public records which are requested to be examined, actually available for that examination. Unless Ms. Herron responds otherwise, she never has been and currently isn't the custodian of the subject public records.

On October 16, 2019 I asked that this matter be agendized for possible Board action, Ms. Wong and Mr. Winquest **DENIED** my request. Now that we can all see the staff cover-up which is going on right before our eyes, I again make the request. Any single Board member can ask that the matter be agendized at the next Board meeting.

Don't see any evidence of staff fraud or wrongdoing Ms. Wong? If not I submit **YOU'RE BLIND**.

Respectfully, Aaron Katz

-----Forwarded Message-----

From: "Herron, Susan"

Sent: Oct 29, 2019 11:52 AM

To: Frank Wright , "s4s@ix.netcom.com"

Cc: Group - IVGID Trustees , "Winquest, Indra S."

Subject: Public Records Request - Additional Information - Severance Contract

Dear Mr. Wright and Mr. Katz,

Attached are two additional reports by Mr. Severance, our consultant, that I received today from Staff. The Phase 1 report was updated on October 21, 2019 and the Phase 2 report was updated on October 24, 2019. I am providing these as a supplemental to the other documents provided to you via your public records requests and doing so as a courtesy.

I am also copying the Board of Trustees and Interim General Manager as well as Mr. Severance so that all parties are informed of this transmittal.

**Susan A. Herron, CMC**

Executive Assistant/District Clerk/Public Records Officer

Incline Village General Improvement District

893 Southwood Boulevard

Incline Village Nevada 89451

P: 775-832-1207

F: 775-832-1122

[sah@ivgid.org](mailto:sah@ivgid.org)

<http://yourtahoeplace.com>

**WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 30, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM D – PUBLIC COMMENT – ANOTHER PARCEL WITH MULTIPLE DWELLING UNITS WHOSE OWNER(S) CURRENTLY PAY, AND FOR SOME NUMBER OF YEARS HAVE BEEN PAYING, A SINGLE BEACH (“BFF”) AND/OR RECREATION (“RFF”) FACILITY FEE(S). WHEN IS STAFF GOING TO DO ITS JOB OF ASSESSING PARCELS WITH OBVIOUS MULTIPLE DWELLING UNITS MULTIPLE BFFs AND/OR RFFs?**

**Introduction:** Although I have stated before and reaffirm that I do not believe it is proper to assess RFFs/BFFs against "dwelling units" rather than "parcels,"<sup>1</sup> this is exactly what IVGID does. As the IVGID Board ("the Board") knows, each year, at staff's urging, the Board adopts a Report for the Collection of the RFF/BFF on the County tax roll ("the NRS 318.201 Report") which assesses each residential *dwelling unit* (as opposed to parcel) a RFF and where appropriate, a BFF. If you want the most recent evidence of this assertion, please go to pages 250-253 and 257-262 of the packet of materials prepared by staff in anticipation of the Board's regular May 22, 2019 meeting<sup>2</sup> ("the 5/22/2019 Board packet"), and examine ¶II(A) at page 259 which states as follows:

"The following annual charges are for the availability of use of the recreational facilities above described, and such charges...shall be collected by the Washoe County Treasurer...(a) \$705 annual base Recreation Facility Fee **for each dwelling unit**, whether such unit stands alone or is part of a multiple unit residential structure and whether or not such unit is separately assessed by the County Assessor; and, an additional \$125 annual Beach Facility Fee pertaining to the use of the beaches or boat launching area."

What is a "dwelling unit?" According to IVGID Recreation Roll Policy No. 16.1.1.2.4<sup>3</sup>:

"any building *or portion thereof*, which contains living facilities with provisions for sleeping, eating, cooking, and sanitation."

<sup>1</sup> Because of NRS 318.201(1) ["Any board which has adopted rates pursuant to this chapter may...elect to have such charges for the forthcoming fiscal year collected on the tax roll...In such event, it shall cause a written report to be prepared...which shall contain a description of *each parcel of real property* receiving such services and facilities and the amount of the charge *for each parcel* for such year"] and NRS 318.201(9) ["When the board has made a final decision on a service charge or fee to be collected on the county tax roll, the secretary shall prepare and file a final report, which shall contain a description of *each parcel* receiving the services and the amount of the charge"].

<sup>2</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf).

<sup>3</sup> See page 36 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID\\_Board\\_Policies.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Board_Policies.pdf).



As I and others have complained many times before (some of the more recent times being July 24, 2018<sup>4</sup>, March 13, 2018<sup>5</sup>, February 7, 2018<sup>6</sup>, December 13, 2017<sup>7</sup> and September 3, 2013<sup>8</sup>), our IVGID staff *ISN'T* adhering to the Board's "policy" of assessing each "dwelling unit" which is a separate or portion of a single building which is comprised of multiple "dwelling units" separate BFFs and/or RFFs. And that's the purpose of this written statement.

**How This Dereliction of Duty on IVGID Staff's Part Costs Local Property Owners:** Each year when the Board adopts its NRS 318.201 Report in support of new RFFs/BFFs, it first determines at ¶11<sup>9</sup> "the amount of moneys (allegedly) required for the (forthcoming) fiscal year...for the proper servicing of...bonds and...the administration, operation, maintenance and improvement of (identified)...real properties, equipment and facilities." Once this number is determined, staff divides it by the number of residential dwelling units/parcels its staff have chosen to assess<sup>10</sup>. And the mathematical result becomes each individually assessed parcel's/dwelling unit's RFF and BFF. Therefore for 2019-20 the Board divided a RFF of "about \$5,783,115" by 8,203 "dwelling units"/parcels<sup>11</sup> and came up with a RFF of \$705/residential dwelling unit. Similarly, the Board divided a BFF of "968,500" by 7,748 "dwelling units"/parcels with beach access<sup>11</sup> and came up with a BFF of \$125/qualified residential dwelling unit/parcel.

It doesn't take a mathematician to understand that if "the amount of moneys required" were divided by *more* dwelling units, the RFF/BFF for each residential "dwelling unit"/parcel *would be less*.

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<sup>4</sup> See pages 406-407 of the packet of materials submitted by staff in anticipation of the Board's August 27, 2018 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_8-27-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_8-27-18.pdf) ("the 8/27/2018 Board Packet")].

<sup>5</sup> See pages 296-308 of the packet of materials prepared by staff in anticipation of the Board's March 28, 2018 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_3-28-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-28-18.pdf) ("the 3/28/2018 Board packet")].

<sup>6</sup> See pages 26-36 of the packet of materials prepared by staff in anticipation of the Board's March 13, 2018 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Special\\_3-13-2018.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Special_3-13-2018.pdf) ("the 3/13/2018 Board Packet")].

<sup>7</sup> See pages 388-398 of the packet of materials prepared by staff in anticipation of the Board's January 24, 2018 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_1-24-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-24-18.pdf) ("the 1/24/2018 Board Packet")].

<sup>8</sup> See pages 30-114 of the packet of materials prepared by staff in anticipation of the Board's October 9, 2013 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_10-9-13.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_10-9-13.pdf) ("the 10/9/2013 Board Packet")].

<sup>9</sup> See page 260 of the 5/22/2019 Board packet.

<sup>10</sup> For 2019-20, 8,203 insofar as the RFF is concerned, and 7,748 insofar as the BFF is concerned<sup>9</sup>.

<sup>11</sup> See page 255 of the 5/22/2019 Board packet.

**Staff's Steadfast Refusal to Ensure That ALL Assessable "Dwelling Units" Are Paying Their Fair Share of Facility Fees:** In the past I and others have identified and called to the Board's and staff's attention some 1,000 or more residential "dwelling units" *which are not being assessed the BFF and/or RFF*. Yet staff have done *NOTHING* to uniformly assess all dwelling units, and past Boards have refused to require staff to adhere to Board Policy<sup>12</sup>. And now I provide evidence of another such residential dwelling unit which has not and currently is not being assessed its fair share!

**971 Little Burro Court, Incline Village:** Recently a secondary unit within this property was advertised for sale on the local Multiple Listing Service<sup>13</sup> ("MLS"). What is the configuration of this property? Let me read from the owners' agent's (Christine Ferris of Century 21 McGregor Realty) public listing<sup>14</sup>:

"The lower level of the home has a separate entrance & small second kitchen...A great home to enjoy...*offering multiple private spaces.*"

Now let me describe the County Assessor's description of the property<sup>15</sup>:

"4BD/3BA, 2,674 square feet, 2 story, card 1 of 1."

The Assessor's description *omits* that "the lower level of the home has a separate entrance & small second kitchen a 1 bedroom second story apartment of 815 square feet of and in all likelihood a second kitchen (which)...*offer(s) multiple private spaces.*" In other words, it omits that this property consists of two, separate living facilities each of which offers provisions for sleeping, eating, cooking, and sanitation. In other words, **TWO "DWELLING UNITS."**

**Yet Only a Single RFF and a Single BFF Are Being Assessed:** It is simple to determine whether a particular parcel is being assessed the BFF and/or RFF and if so, *the number of BFFs and/or RFFs*. One need simply go to the County Treasurer's web site, type in the street address or APN (in this case 128-031-05) and a copy of the parcel's property tax bill information will appear. This is exactly what I did and a copy of that bill/information is attached as Exhibit "C" to this written statement.

Note where I have placed an asterisk next to the "tax detail" for this parcel, and IVGID's RFF/ BFF. There you can clearly see that rather than two RFFs/BFFs, the owners of this parcel (Loyal D & Dawn J Davis as beneficiaries of The Anderson Aragonne Hill Trust of Mill Valley, CA.) is being assessed

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<sup>12</sup> Something staff over and over assert is their job ("the Board creates policy. It's staffs' job to implement it").

<sup>13</sup> MLS #1006003.

<sup>14</sup> Go to <https://christineferris.c21.com/property/971-little-burro-ct-incline-village-nv-89451-C2181425589>. A copy of this listing is attached as Exhibit "A" to this written statement.

<sup>15</sup> See the County Assessor's Property Assessment Data for 971 Little Burro Court, a screenshot copy of which is attached as Exhibit "B" to this written statement.

but *one* RFF and *one* BFF. In other words, *the rest of us who are paying our fair share of the RFF/BFF are paying more than we need to pay!* And why? Because our allegedly “professional staff” *are not doing their jobs!*

**Which Means the Board’s Failure to Assess All Residential Parcels With Multiple Dwelling Units Multiple RFFs/BFFs Renders the RFF/BFF Unconstitutional:** Why? Listen to Article 4, §21 of the Nevada Constitution<sup>16</sup>:

*“In all cases...where a general law can be made applicable, all laws shall be general and of uniform operation throughout the State.”*

If the IVGID Board will not uniformly assess the RFF/BFF against *all* dwelling units within IVGID’s boundaries, then its refusal renders its BFF/RFF Resolution(s) unconstitutional.

**Like I Said, This is Just Another Example of Literally Hundreds of Other Unassessed Multiple Residential Dwelling Units I and Others Have Brought to the Attention of the Board and IVGID Staff.** And it's the fifth one since December 13, 2017<sup>7</sup>! *When is the Board going to do something?*

**Jurisdiction of the IVGID Board:** At the Board’s meeting of May 23, 2018 meeting staff gave false information insofar as the District’s jurisdiction to assess multiple RFFs/BFFs against parcels housing multiple dwelling units<sup>17</sup>. For instance, Finance Director Eick testified that:

*“in terms of this issue of going out and investigating whether somebody’s got a hot plate in an outlaw room or whatever, frankly, if we had the jurisdiction, if we had the capacity to do it, that would be fine. But the reality is the only unit of government that has that capacity to make that determination, that finding, is the (Washoe) county.”<sup>18</sup>*

**NRS 318.203 :** But NRS 318.203 clearly gives that jurisdiction: “if a(ny)...person has a reasonable belief that a dwelling unit exists that is not currently being charged for services provided by a general improvement district...(he/she) may submit an affidavit to the board of trustees of the district, setting forth the facts upon which the ...person bases his or her belief.” Once the “board of trustees receives (such)...affidavit (it)...may set a date for a hearing to determine whether the unit referenced in the affidavit is being used as a dwelling unit...If, after the hearing, the board determines that the unit...is being used as a dwelling unit, the board may adopt a resolution by the affirmative votes of not less

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<sup>16</sup> See <https://www.leg.state.nv.us/Const/NvConst.html#Art4Sec21>.

<sup>17</sup> Staff livestreams all Board meetings (see <https://livestream.com/accounts/3411104>) and the livestream of the Board’s May 23, 2018 where this false information was given appears at <https://livestream.com/IVGID/events/8218800/videos/175332434> (“the 5/23/2018 livestream”).

<sup>18</sup> See 3:42:02-3:43:06 of the 5/23/2019 livestream.

than two-thirds (⅔) of the total membership of the board to charge the owner pursuant to NRS 318.197<sup>19</sup> for the services provided by the district to the dwelling unit.”

Moreover, each year when the Board adopts new RFFs/BFFs, it represents that “said sum(s) ha(ve) been (fairly) apportioned among the several lots...and dwelling units within the District.”<sup>20</sup> How can they be fairly apportioned unless all parcels with multiple dwelling units are fairly apportioned?

Therefore staff’s representation re: jurisdiction was and is false.

**Staff’s Pooh-Pooing of the Number of Parcels Affected:** At the Board’s meeting of May 23, 2018, staff gave further false information insofar as the number of potential buildings housing multiple residential dwelling units. For instance former GM Pinkerton testified that:

“There’s absolutely no large buildings with multiple (residential dwelling) units that don’t pay multiple Rec Fees. If you have 100 units with 100 kitchens and bathing facilities you pay 100 Rec Fees. It’s that simple... There’s only one apartment building...of any size in town that has 75 units. All the rest of the multi-(residential dwelling) unit buildings in this town are condominiums and so they have individual parcel numbers so actually they’re quite easy to count.”<sup>21</sup>

**The Cal Neva Lodge:** Yet at the Board’s April 24, 2013 meeting<sup>22</sup> I provided evidence that APN 123-031-01, consists of: one hundred seventy-eight (178) separate hotel rooms<sup>23</sup> and restaurant within *portions* of a multiple residential dwelling structure “contain(ing) living facilities with provisions for sleeping, eating, cooking, and sanitation;” ten (10) separate detached 688 square foot single family residences (“SFRs”); two (2) separate detached 694 square foot SFRs; another separate 1,040 square

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<sup>19</sup> According to pages 94-107 of the 5/24/2017 Board packet<sup>1</sup> the RFF/BFF are “standby service charges” purportedly authorized by NRS 318.197(1) [see <http://www.leg.state.nv.us/NRS/NRS-318.html#NRS318Sec197>].

<sup>20</sup> See ¶¶4(c) and 5 of Resolution 1871 adopted at the Board’s May 22, 2019 meeting (page 252 of the 5/22/2019 Board packet) which declares: “The Trustees find that the owners of the parcels set forth herein in a fair and reasonable way,” and “said charges have been apportioned in relation to...reasonable distinctions among said rates.”

<sup>21</sup> See 3:43:07-3:43:38 of the 5/23/2019 livestream.

<sup>22</sup> See pages 114-119 of the packet of materials submitted by staff in anticipation of the Board’s May 29, 2013 meeting [[http://www.ivgid.org/client\\_uploads/bot\\_regular\\_packet\\_05\\_29\\_13p2.pdf](http://www.ivgid.org/client_uploads/bot_regular_packet_05_29_13p2.pdf) (“the 5/29/2013 Board Packet”)].

<sup>23</sup> Independent of whether a hotel or motel room is a residential “dwelling unit,” there is no basis to exempt each such room as for years each was assessed in consideration of being granted beach access (see discussion below).

foot SFR; another separate 1,120 square foot SFR; and, a 2,044 square foot separate self-contained four (4) unit motel, each with a kitchenette. A minimum of thirteen (13) separate “dwelling units” with at least eighteen (18) separate facilities offering “provisions for sleeping, eating, cooking, and sanitation,” yet collectively being assessed a single RFF!

**The Biltmore Hotel:** And at the same meeting<sup>22</sup> I provided evidence that APN 123-052-04 consists of: one-hundred (100) separate hotel rooms<sup>23</sup> with access to a 7,276 square foot restaurant (APN 123-052-02) all within *portions* of a multiple residential structure; and, six (6) or more separate “cottages” [two (2) 1,320 square foot cottages housing a combined four (4) separate self-contained units; one (1) 1,320 square foot cottage housing a combined twelve (12) separate self-contained units; one (1) 2,640 square foot cottage housing a combined eight (8) separate self-contained units; and, two (2) 2,640 square foot cottages housing a combined twelve (12) separate self-contained units/each]. Including the hotel, a minimum of one hundred forty-eight (148) separate “dwelling units” offering “provisions for sleeping, eating, cooking, and sanitation,” yet collectively being assessed two (2) RFFs!

**The Lake Tahoe Hyatt Hotel:** And at the same meeting<sup>22</sup> I provided evidence that APN 127-010-09 consists of: four-hundred twenty-two (422) separate hotel rooms<sup>23</sup> and restaurants all within *portions* of a multiple residential structure. In addition, I provided evidence that APN 127-280-02 consists of: a restaurant and twelve (12) separate, detached, self-contained four (4) plex cottages [for a total of forty-eight (48) dwelling units]. Including the hotel, a minimum of four hundred seventy (470) separate “dwelling units” offering “provisions for sleeping, eating, cooking, and sanitation,” yet collectively being assessed two (2) RFFs!

**The Parkside Inn:** And at the same meeting<sup>22</sup> I provided evidence that APN 130-163-31 consists of: thirty-eight (38) separate self-contained motel rooms<sup>23</sup> within a multiple residential structure, each with a kitchenette; and, a separate 1,344 square foot SFR complete with facilities for cooking, storing and eating food. Including the motel, a minimum of thirty-nine (39) separate “dwelling units” offering “provisions for sleeping, eating, cooking, and sanitation,” yet collectively being assessed one (1) RFF!

**The Crystal Bay Motel:** And at the same meeting<sup>22</sup> I provided evidence that APN 123-042-01 consists of: eighteen (18) separate motel rooms<sup>23</sup> within a multiple residential structure; a 5,717 square foot office building; and, access to the several restaurants at the Biltmore Hotel across the street. A minimum of eighteen separate “dwelling units” and an office building offering “provisions for sleeping, eating, cooking, and sanitation,” yet collectively being assessed one (1) RFF!

**Sierra Nevada College (“SNC”):** And at the same meeting<sup>22</sup> I provided evidence that APN 127-040-10 consists of as many as eighty-eight (88) separate self-contained apartments within two multiple residential structures (aka a dormitories) used for student housing; each with a kitchenette for pre-paring and storing food, and many with microwave ovens for cooking food; and, all with access to a cafeteria in one of dormitories. Yet this single parcel was/is currently being assessed one (1) RFF/BFF!

**The Racquet Club:** And at the Board's September 3, 2013 meeting<sup>24</sup> I provided evidence that the lower portion of unit #97 at a condominium complex known as the Tahoe Racquet Club (989 Tahoe Blvd., Incline Village, NV.), APN 127-363-34, complete with an "efficiency kitchen," was being advertised for rent on craigslist by one of IVGID's "lodging partners" (Incline at Tahoe Realty). There are one hundred and one (101) townhouse condominiums in this complex, each of which consists of 1,343 square feet and is configured with 3 bedrooms/2 bathrooms. Many owners at the time, as did the one for this particular unit, had constructed a wall and locking door on the lower level entrance in front of the stairs leading to the unit's upper level, turning this single residential dwelling unit into two "locked off" dwelling units rented out as separate 1 bedroom/1 bathroom and/or 2 bedroom/1 bathroom dwelling units. And for purposes of this discussion, both units "contain (separate)...living facilities with provisions for sleeping, eating, cooking, and sanitation." Yet all such units in the complex were at the time/currently are being assessed one (1) RFF/BFF.

**Here We're Talking Some 800 or More Assessable Residential Dwelling Units in Incline Village/ Crystal Bay That Are Escaping RFF/BFF Assessment:**

**Thus Under IVGID Staff's Professional Stewardship, it Has Intentionally *Failed to Assess/ Collect Many, Many Millions of Dollars in Legitimate RFFs/BFFs:*** And remember this doesn't include the hundreds or more of residential dwelling units in our community like 971 Little Burro Court IVGID staff have refused to identify/assess!

**Staff's Failure to Assess Each Hotel/Motel Room Improved on a Parcel Whether or Not it Fits the Definition of a Residential Dwelling Unit is Reversible:** At the Board's July 24, 2018 meeting I submitted a written statement asking Why Isn't Staff Assessing "Each Room or Unit Intended for Occupancy by a Person(s)...as a Single Unit Within a Hotel or Motel" a BFF and/or RFF?<sup>25</sup> In that written statement I summarized and documented the following:

1. In anticipation of acquiring the beaches, on October 5, 1967, the IVGID Board adopted Resolution 419<sup>26</sup> which fixed rates, tolls and charges for the availability to access and use the beaches<sup>27</sup>. Given it was contemplated that the occupants of hotels and motel rooms within IVGID's

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<sup>24</sup> See pages 114-119 of the packet of materials submitted by staff in anticipation of the Board's May 29, 2013 meeting [[http://www.ivgid.org/client\\_uploads/bot\\_regular\\_packet\\_05\\_29\\_13p2.pdf](http://www.ivgid.org/client_uploads/bot_regular_packet_05_29_13p2.pdf) ("the 5/29/2013 Board Packet")].

<sup>25</sup> See pages 404-444 of the 8/27/2018 Board Packet".

<sup>26</sup> See ¶7 of Resolution No. 419 attached as Exhibit "A" to my July 24, 2018 written statement (see pages 409-411 of the 8/27/2018 Board packet).

<sup>27</sup> The rates and charges fixed therein were subsequently modified by Resolution No. 451 adopted April 16, 1968. The RFF for single family parcels was fixed at \$50, and the RFF for rooms or units within hotels and motels was fixed at 50% of that amount, or \$25. A copy of these portions of Resolution No.

boundaries at the time would expressly be given beach access, ¶17(e) of Resolutions 419 and 420 both expressly provided that “each room or unit intended for occupancy by a person or persons as a single unit within a hotel or motel” would be assessed a RFF (today’s combined RFF/BFF).

2. Following through with the reasons for assessing each unit in a hotel or motel, on May 20, 1968 the IVGID Board adopted Resolution 486 which approved the form and content of what would become the language in the deed to the beaches. And that language expressly recited that IVGID would hold title to the beaches “for the benefit of, property owners and their tenants (*specifically including occupants of motels and hotels*) within the Incline Village General Improvement District as (then) constituted, and, as the Board of Trustees of said District may determine, the guests of such property owners”<sup>28</sup> (i.e., the guests of the occupants of motels and hotels).

3. Thereafter, through and including fiscal year 1981-82, the owners of hotels and motels with beach privileges were assessed RFFs based upon *the number of rooms or units therein*. To prove this assertion I attached ¶13(f) of Resolution 1397 to my July 24, 2018 written statement<sup>29</sup> which was adopted by the Board on May 14, 1981. That resolution “appro(ved a) report for collection on (the) county tax roll of recreation standby and service charges” for fiscal year 1981-82 whereby “each room or unit intended for occupancy by a person or persons as a single unit within a hotel or motel” was assessed a separate RFF.

4. But starting with fiscal year 1982-83, that all changed. A separate RFF for each room or unit within a hotel or motel was quietly replaced with a single RFF “for each commercial *parcel* zoned TC or GC, which include(d) Hotel and Motel parcels.” To prove this assertion I attached ¶III(F) of Resolution 1424<sup>30</sup> which was adopted by the Board on April 15, 1982. That resolution “appro(ved a) report for collection on (the) county tax roll of recreation standby and service charges” for fiscal year 1982-83 whereby “each room or unit intended for occupancy by a person or persons as a single unit within a hotel or motel” was assessed one RFF/parcel.

5. I asked the question *WHY?* After all, the occupants of “each room or unit intended for occupancy...as a single unit within a hotel or motel,” *and their guests*, were still expressly entitled to beach access under the beach deed. And they were still entitled to the same recreation privileges as the owners of every other parcel within IVGID’s boundaries.

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451 is attached as Exhibit “B” to my July 24, 2018 written statement (see pages 412-414 of the 8/27/2018 Board packet).

<sup>28</sup> The first two pages of the recorded beach deed are attached as Exhibit “C” to my July 24, 2018 written statement (see pages 415-417 of the 8/27/2018 Board packet).

<sup>29</sup> ¶13(f) of that resolution was attached as Exhibit “D” to my July 24, 2018 written statement (see pages 418-420 of the 8/27/2018 Board packet).

<sup>30</sup> ¶III(F) of that resolution was attached as Exhibit “E” to my July 24, 2018 written statement (see pages 421-423 of the 8/27/2018 Board packet).

6. Although I never received an answer to my question, I think I now know the answer. Who was the new IVGID GM hired at the time? It appears to have been Rob Hunt<sup>31</sup>. And why is this fact relevant? Because it has been reported by prior Incline Village property owners that Mr. Hunt had a very “cozy” relationship with his Hyatt Lake Tahoe Hotel counterpart.

7. Whether or not he did, ***if IVGID had the power to assess each hotel or motel room improved on a parcel a separate RFF/BFF prior to fiscal year 1982-83, it has the power to do the same today!***

**Thus Staff’s Representation re: the Number of Multiple Dwelling Units Escaping Assessment of the BFF and/or RFF and the Authority Therefore Was and is False:**

**And Now That the Board Knows the Truth, Does it Really Require an Affidavit, Versus This Written Statement, to Set a Hearing to Determine Whether 971 Little Burro Court Should be Assessed Two RFFs and Two BFFs? And retroactively, no less, to October 16, 2007 if not before, given Loyal D & Dawn J Davis Have Owned This Property Since October 16, 2007<sup>32</sup>, if not earlier.**

**Conclusion:** Why does a member of the public have to *continue to do staff’s job* of ferreting out residential “dwelling units” not being assessed their fair share of the RFF/BFF? And why is there no consequence to staff for *not* doing their jobs, especially after relevant facts like these are brought to their attention? In staff’s quest for “under-utilized” revenue, isn’t this a simple and inexpensive (i.e., “low hanging fruit”) means of generating additional revenue?

Staff responds they have no means of determining what improvements are located within a residential dwelling unit short of physically examining the unit, and this explains why they refuse to take affirmative action. But when the evidence comes from the owner’s or as here his/her agent’s mouth, it’s a bit disingenuous to claim ignorance. And it’s disingenuous for the Board to refuse to agenda the issue of a NRS 318.203 hearing to allow the subject property owner the right to come forward and present evidence of the lack of multiple residential dwelling units.

Yet consider staff’s recent disingenuous assertion that the reason they sold public property with beach privileges (without express Board approval no less) that was acquired from Washoe County based upon the representation it would be retained for public “open space” purposes, is because they allegedly owe the public the fiduciary duty “to serve the important public purpose of recovering delinquent (facility) fees.”<sup>33</sup>

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<sup>31</sup> “On December 1, 1993, General Manager Rob Hunt resigned his position as an employee in good standing, after approximately nine years” of service (see ¶17 at [http://ethics.nv.gov/uploadedFiles/ethicsnvgov/content/Opinions/1993/Opinion\\_93-55.pdf](http://ethics.nv.gov/uploadedFiles/ethicsnvgov/content/Opinions/1993/Opinion_93-55.pdf)).

<sup>32</sup> See the asterisk I’ve placed on the Assessor’s read out for this parcel as the screenshot portion of Exhibit “B” to this written statement indicates.

<sup>33</sup> See page 513 of the 1/24/2018 Board packet.



Moreover, given the occupants of every hotel/motel room within IVGID's boundaries, *and their guests*, realize the very same availability to access and use the public's recreational facilities, as do the owners of the remaining parcels/residential dwelling units which are assessed the RFF/BFF, there is no valid explanation for not treating their owners all the same. After all, don't the occupants of any single family residence or unit in a multi-residential parcel realize the same benefits as the occupants hotel/motel rooms? The fact they are not similarly assessed suggests IVGID staff's arbitrary classifications are unconstitutional<sup>16</sup>.

Therefore, the time has come to:

1. Treat everyone in our community equally by assessing all rooms in hotels/motels and all dwelling units in residential parcels just like it assesses all units in multi-residential parcels;
2. Reduce everyone else's RFF/BFF accordingly; and,
3. Terminate the employ of every IVGID employee who has had any hand in the removal of hotel/motel rooms from the Rec Roll since 1981-82.

**And You Wonder Why Our RFF and BFF Are as High as They Are?** I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

**EXHIBIT "A"**

775.771.3687 (TEL:7757713687)

# 971 Little Burro Ct Incline Village, NV 89451

Single Family Detached

MLS #: 1006003

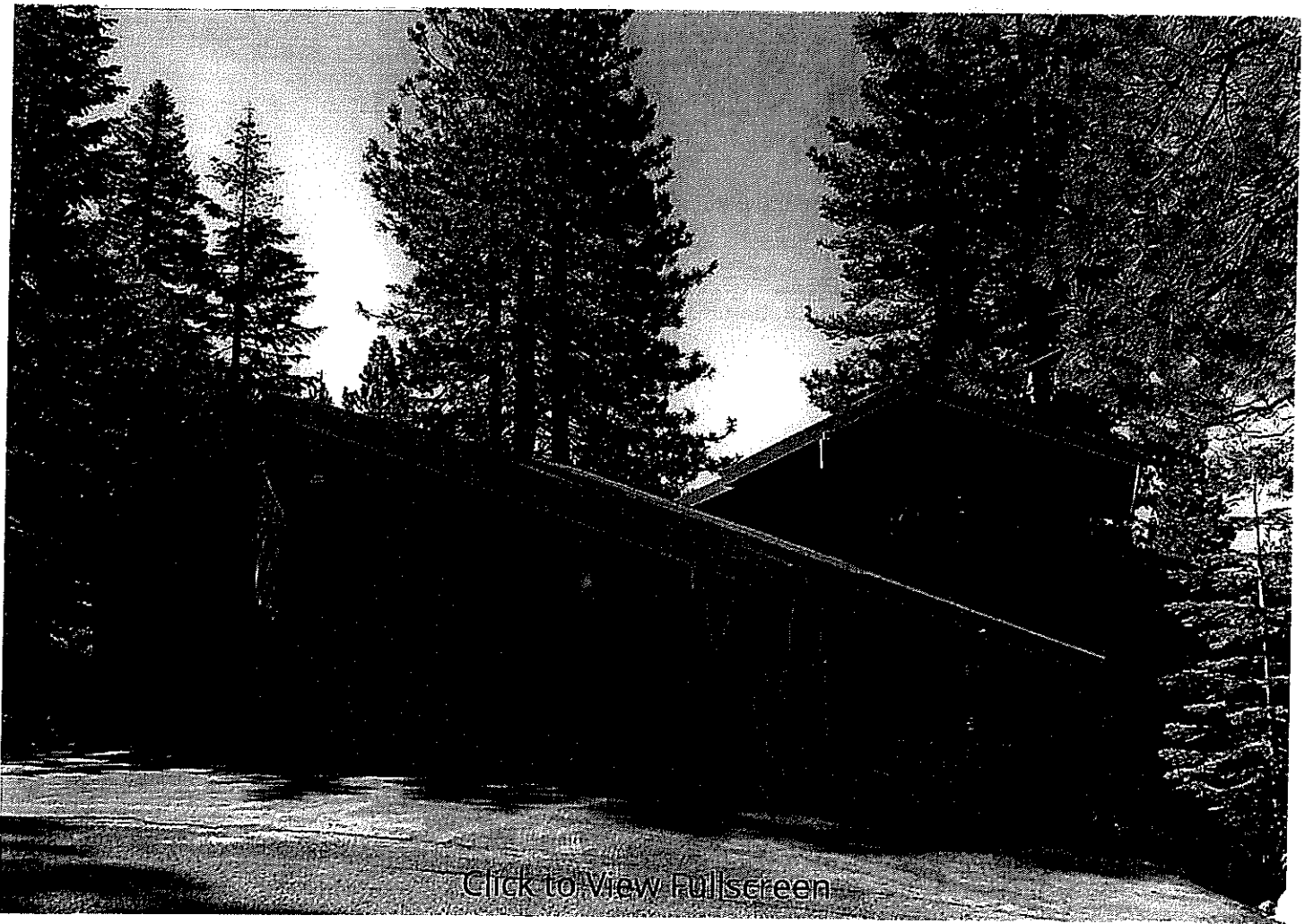
Listed By CENTURY 21 McGregor Realty

**\$1,289,000**

5 beds | 3 baths | 2 half baths | 3,061 sq ft

Est. Property Tax: **\$6,384**

Estimated monthly payments: \$6,167/mo.\*



[Click to View Fullscreen](#)

## Property Description

Peace and privacy are paramount in this beautiful end of cul-de-sac Eastern Slope setting. Surrounded on 3 sides by greenbelt, w/private land & creek to the east and FS lots in front & behind, this lovely home offers a

great alpine feel, w/mountain, tree & peek lake views. W/5 bedrooms, 3 full baths & two half baths, plus a loft, this home offers lots of areas for flexible use. Features include a main living level master bedroom, a grand two-story living room rock fireplace, and 2 expansive decks from which to entertain & appreciate the lovely setting. Relax & enjoy a peaceful picnic or swing in a hammock adjacent to the rear round creek. The lower level of the home has a separate entrance & small second kitchen, + family room & huge storage area. A separate office area offers half bath, workshop & additional storage. A great home to enjoy w/friends & family, offering multiple private spaces. Large 2-car garage w/room for all your Tahoe toys, + exterior RV/boat and extra parking. ...View More

## Features

- **Age:** 41-50 Years Old
- **Appliances:** Dishwasher, Dryer, Garbage Disposal, Microwave, Range / Oven, Refrigerator, Washer
- **Exterior Living Space:** Patio, Deck, Porch
- **Fireplace Count:** 2 Fireplaces
- **Fireplace Description:** Gas
- **Flooring:** Marble, Laminate
- **Garage Count:** 2 Car Garage
- **Garage Description:** Attached Garage
- **Heating - Fuel Type:** Gas
- **Heating Type:** Forced Air
- **Interior:** Wet Bar, Beam -Ceilings, Cathedral Ceilings
- **Roof:** Metal Roof
- **Sewer:** City
- **Special Program:** Century 21 Home Protection Plan Included
- **Style:** 2 Story
- **Water:** City Water

An Equal Opportunity Company (<https://corporate.century21.com/legal/fair-housing-statement>)

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\*Based on a 30-year fixed rate of 3.38% with 20% down. The estimated payment is offered for convenience and is not an offer of credit. Due to market fluctuations, interest rates are subject to change at any time and without notice. Interest rates are also subject to credit and property approval based on secondary market guidelines. The rates shown are based on average rates for our best qualified customers. Your individual rate may vary. Rates may differ for FHA, VA or jumbo loans.

**EXHIBIT "B"**

Parcel Map Map Index WRMS Flood Plain TAX

Back Alt+Left Arrow  
 Forward Alt+Right Arrow  
 Reload Ctrl+R  
 Save as... Ctrl+S  
 Print... Ctrl+P  
 Cast...  
 Translate to English  
 View page source Ctrl+U  
 Inspect Ctrl+Shift+I

05	Card 1 of 1	Bld #1 Sites	971 LITTLE BURRO CT	Property Name	
LITTLE BURRO CT	Bld # 1	Quality	R40 Good	Building Type	Single Family Residence
VILLAGE NV 89451		Stories	2 Story	2nd Occupancy	
ON ARAGONNE HILL TRUST	TRUST	Year Built	1977	WAY	1981
RUSTEE, DAWN J	TRUSTEE	Bedrooms	4	Square Feet	2674
B1		Full Baths	3	Finished Bcmt	0
LEY CA 94942		Half Baths	0	Unfin Bcmt	

Keyline Desc	INCLINE VILLAGE 3 LT 1 BLK 0		
Subdivision	INCLINE VILLAGE 3		
Lot 1	Block 0	Section 10	Township 16 Range 18
Record of Survey Map : Parcel Map# : Sub Map#			
Special Property Code			
2019 Tax District	5200	Prior APN	
2018 Tax District	5200	Tax Cap Status	VOQ - Low Cap Qualified Vacation Home
PERMITS	PSR 03/17/2008		

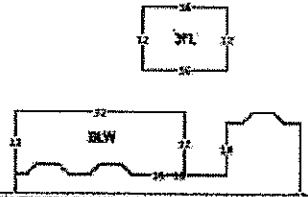
Features	14	Basement Type	DAYLIGHT
Fireplaces	1	Gar Conv Sq Feet	0
Heat Type	FORCED AIR	Total Garage Area	576
2nd Heat Type		Garage Type	ATTACHED
Exterior Walls	SIDING ON FRAME	Detached Garage	0
2nd Ext Walls		Basement Car Door	0
Roof Cover	COMPOSITION SHINGLE	Sub Floor	WOOD
% Complete	100	Frame	FRAME
Obso/Bldg Adj		Units/Bldg	1
Construction Modifier		Units/Parcel	1

feedback

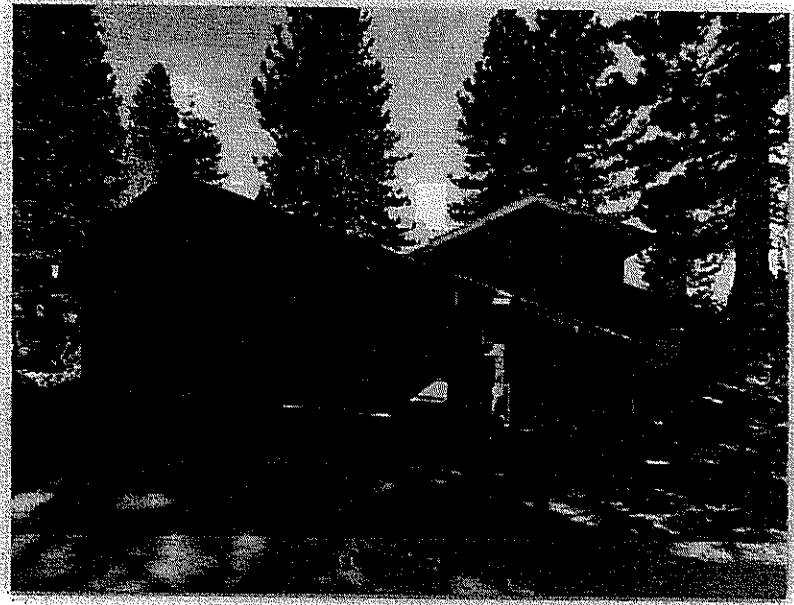
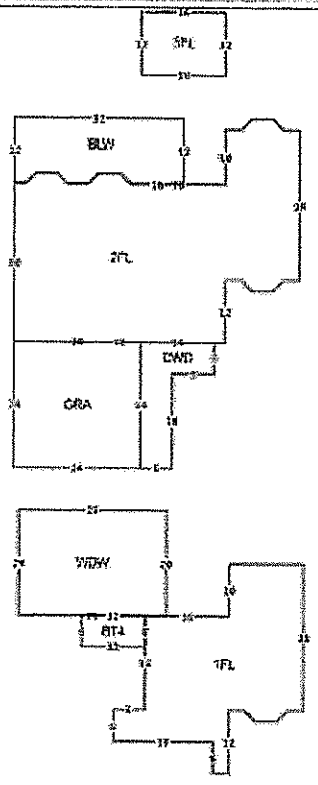
<b>Land Use</b>	200	<b>DOR Code</b>	200	<b>Sewer</b>	Municipal	<b>Neighborhood</b>	TAFD	TA Neighborhood Map	
<b>Size</b>	11,979 SqFT	<b>Size</b>	0.275 Acres	<b>Street</b>	Paved	<b>Zoning Code</b>	HDS		
				<b>Water</b>	Muni				

Grantor	Grantee	Doc #	Doc Type	Doc Date	DOR Code	Value/Sale Price	Sale Code	Note
ANDERSON ARAGONNE HILL TRUST DAVIS TRUSTEE, LOYAL D & DAWN J	ANDERSON ARAGONNE HILL TRUST DAVIS TRUSTEE, DAWN J	4838790	AFF	08-02-2018	200		03BEA	
DAVIS, LOYAL D & DAWN J	ANDERSON ARAGONNE HILL TRUST DAVIS TRUSTEE, LOYAL D & DAWN J	4787042	CORR	02-12-2018	200		03NTT	CORRECTING DOC #4787042
DAVIS, LOYAL D & DAWN J	DAVIS, LOYAL D & DAWN J	4781237	DEED	01-22-2018	200		03BGG	RED FILE - INCORRECT LEGAL
DYER, JANIS K	DAVIS, LOYAL D & DAWN J	3584800	DEED	10-16-2007	200	1,000,000	1G	
DYER, JANIS K	DYER, JANIS K	2841787	DEED	04-23-2003	200		03NTT	INTO TRUST

	Taxable Land	New Value	Taxable Imps	Tax Cap Value	Taxable Total	Land Assessed	Imps Assessed	ORSO	Total Assessed	Exemption Value
2019/20 FV	299,000		198,316	472,953	497,317	104,650	69,410	0	174,061	0



feedback



All parcel data on this page is for use by the Washoe County Assessor for assessment purposes only. Zoning information should be verified with the appropriate planning agency. Summary data may not be a complete representation of the parcel. All Parcels are reappraised each year. This is a true and accurate copy of the records of the Washoe County Assessor's Office as of 10-27-2019

feedback



**EXHIBIT "C"**

Washoe County Treasurer  
Tammi Davis

Washoe County Treasurer  
P.O. Box 30039 Reno, NV 89520-3039  
ph: (775) 328-2510 fax: (775) 328-2500  
Email: tax@washoecounty.us

Bill Detail

[Back to Account Detail](#)    [Change of Address](#)    [Print this Page](#)

Washoe County Parcel Information		
Parcel ID	Status	Last Update
12803105	Active	10/26/2019 2:08:12 AM
<b>Current Owner:</b> ANDERSON ARAGONNE HILL TRUST PO BOX 81 MILL VALLEY, CA 94942		<b>SITUS:</b> 971 LITTLE BURRO CT INCL NV
<b>Taxing District</b> 5200	<b>Geo CD:</b>	
Legal Description		
Block O Range 18 Township 16 SubdivisionName INCLINE VILLAGE 3 Section 10 Lot 1		

**Pay By Check**

Please make checks payable to:  
**WASHOE COUNTY TREASURER**

**Mailing Address:**  
P.O. Box 30039  
Reno, NV 89520-3039

**Overnight Address:**  
1001 E. Ninth St., Ste D140  
Reno, NV 89512-2845

Installments						
Period	Due Date	Tax Year	Tax	Penalty/Fee	Interest	Total Due
INST 1	8/19/2019	2019	\$0.00	\$0.00	\$0.00	\$0.00
INST 2	10/7/2019	2019	\$0.00	\$0.00	\$0.00	\$0.00
INST 3	1/6/2020	2019	\$1,637.71	\$0.00	\$0.00	\$1,637.71
INST 4	3/2/2020	2019	\$1,637.71	\$0.00	\$0.00	\$1,637.71
<b>Total Due:</b>			<b>\$3,275.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$3,275.42</b>

**Change of Address**

All requests for a mailing address change must be submitted in writing, including a signature (unless using the online form).

To submit your address change online [click here](#)

Address change requests may also be faxed to:  
(775) 328-3642

Address change requests may also be mailed to:  
Washoe County Assessor  
1001 E 9th Street  
Reno, NV 89512-2845

Tax Detail			
	Gross Tax	Credit	Net Tax
<u>Incline Recreati</u>	\$830.00	\$0.00	\$830.00
<u>Incline Village</u>	\$220.54	(\$94.91)	\$125.63
<u>North Lake Tahoe 2</u>	\$1,095.02	(\$199.80)	\$895.22
<u>State of Nevada</u>	\$295.90	\$0.00	\$295.90
<u>Washoe County</u>	\$2,422.40	\$0.00	\$2,422.40
<u>Washoe County Sc</u>	\$1,981.69	\$0.00	\$1,981.69
<u>LAKE TAHOE WATER BASIN</u>	\$0.13	\$0.00	\$0.13
<b>Total Tax</b>	<b>\$6,845.68</b>	<b>(\$294.71)</b>	<b>\$6,550.97</b>

Payment History				
Tax Year	Bill Number	Receipt Number	Amount Paid	Last Paid
2019	2019100686	B19.118963	\$1,637.71	10/4/2019
2019	2019100686	B19.31709	\$1,637.84	8/7/2019

The Washoe County Treasurer's Office makes every effort to produce and publish the most current and accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use, or its interpretation. If you have any questions, please contact us at (775) 328-2510 or tax@washoecounty.us

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE IVGID BOARD OF TRUSTEES' REGULAR OCTOBER 30, 2019 MEETING – AGENDA ITEM D – PUBLIC COMMENT – REPEATED EVIDENCE IVGID STAFF ALLOW GOLFNOW TO SELL IVGID GOLF COURSE ROUNDS OF GOLF TO THE GENERAL PUBLIC FOR *LESS* THAN THE “SO CALLED” PREFERRED PICTURE PASS HOLDER (“PPH”) RATE**

**Introduction:** Staff have repeatedly told we “so called” preferred PPHs that the user fees we are assessed to access and use IVGID owned recreational facilities and the services offered thereat in addition to our Recreation (“RFF”) and Beach (“BFF”) Facility Fees, will *never* be higher than the comparable user fees assessed to ordinary members of the general public. After all, according to staff it is the “so called” value that payment of the RFF/BFF represents. But this is *not* true. Repeatedly, I and others have discovered the exact opposite. And whenever we call the truth to the attention of the IVGID Board and staff, they come up with disingenuous excuses such as: it was an honest mistake; or an electronic glitch; or some misunderstanding; or, whatever. Yet it keeps happening over-and-over-and over again. Which demonstrates that there is little if any real value to the RFF/BFF. And now it has happened again! And that's the purpose of this written statement.

**Golf Now:** IVGID has entered into a number of contracts with re-sellers of user fees to IVGID owned recreational facilities. And insofar as golf is concerned, GolfNow.com is one of those re-sellers of golf “tee” times at both of our golf courses. In consideration of marketing user fees at IVGID owned golf courses, GolfNow is given *free* rounds of golf it can sell at any price.

**The PPH Cost of Rounds of Golf at IVGID’s Championship Course:** On September 28, 2019 I went to IVGID’s web site<sup>1</sup> to learn of PPH’s “so called” discounted user fee rates charged at its Championship Golf Course. What I learned is that from September 23, 2019 to closing on October 20, 2019, eighteen (18) hole rounds of golf were being dynamically (based upon the time of day and day of the week [i.e., mid-week versus weekends and holidays]) priced at anywhere from \$20-\$70 per round. I have attached a copy of this site as Exhibit “A” to this written statement, and I have placed an asterisk next to this pricing.

**The GolfNow Cost of a Round of Golf at IVGID’s Championship Course:** On that same day I went to GolfNow’s web site to learn of their pricing to the general public for an eighteen (18) hole round of golf at IVGID’s Championship Golf Course on Saturday, September 28, 2019. And what I discovered was a cost of \$41, for a 3:40 P.M. tee time<sup>2</sup>.

**PPHs Pay *More*:** If I examine IVGID’s PPH rate for a comparable day-of-the-week and time-of-day, I see that that the “so called” preferred rate is \$50. In other words, PPHs must pay \$9 (22%)

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<sup>1</sup> Go to <https://www.yourtahoeplace.com/golf-incline/rates-specials/ivgid-pass-rates#IVGIDchamp>.

<sup>2</sup> I have attached a copy of this page as Exhibit “B” to this written statement, and I have placed an asterisk next to this pricing.

*more!* True, the days-of-the-week and times-of-the-day when a member of the general public can purchase an eighteen (18) hole round of golf for less on the GolfNow web site are limited. However if you are retired and have the flexibility to play golf when prices are the lowest, you will opt to make your purchase through GolfNow. And more importantly, it does not matter that golf tee times are restricted for sale on GolfNow because of the representation made by staff to PPHs: that the user fees we are assessed to access and use IVGID owned recreational facilities and the services offered thereat in addition to the BFF and/or RFF will *never* be higher than the comparable user fees assessed to any ordinary member of the general public and never means *NEVER*.

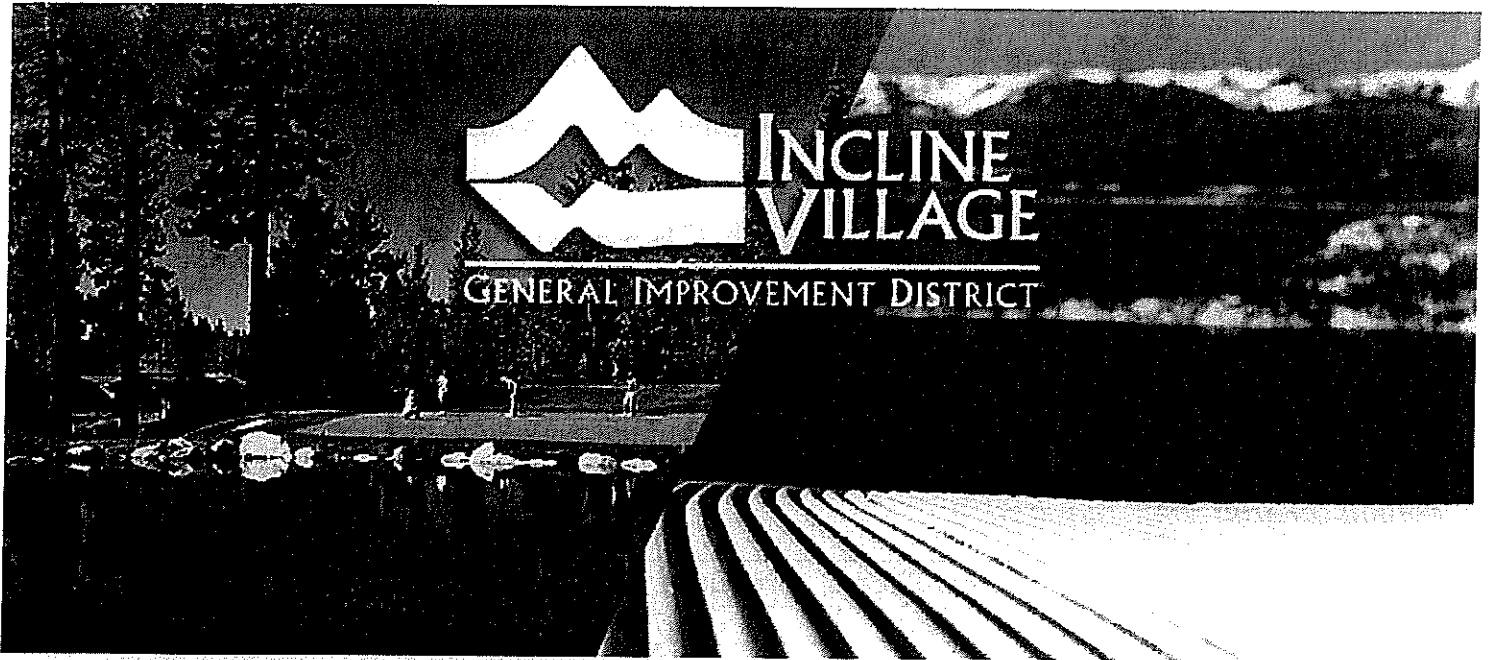
**What Value is There in Being a PPH if Your Schedule is Flexible So You Can Take Advantage of Re-seller Pricing Which is Lower Than “So Called” Preferable PPH Rates?** As demonstrated, *none!* Even if IVGID honored the GolfNow rate, remember, PPHs had to pay \$705-\$830 *more* to realize the “so called” discounted resident-only rate.

**Conclusion:** I’ve made the observation before that IVGID’s so called dynamic pricing is a joke! What dynamics are there in simply reducing the cost of a round of golf based upon days-of-the-week and hours-of-the-day? And IVGID staff’s representation to PPHs that they will *never* be charged user rates which are equal to or higher than those available to members of the general public, is an outright misrepresentation as the evidence I have offered proves. Episodes like these keep happening over, and over, and over again. And they happen for all of our recreational venues rather than just golf. Which to me and others I know makes IVGID’s assertion of “value” in consideration of payment of the BFF and/or RFF a joke. *How many more examples do I have to provide before the IVGID Board gets the picture and does something?*

**And You Wonder Why the RFF Which Financially Subsidizes the Losses Budgeted For at Public Recreational Facilities Which Are Available to be Used by Outsiders at a Lower Cost Than PPHs is Out of Control?** I've now provided more answers.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

**EXHIBIT "A"**



IVGID Picture Pass holders are eligible for discounted rates at the Incline Village Golf Courses, Diamond Peak Ski Resort, and our other recreation venues. Please visit the Incline Recreation Center in person, online or call 775-832-1310 if you have questions about your IVGID Picture Pass. Visit the IVGID Pass Holder Information page or contact the Parks & Recreation Department Counter for more information on IVGID Picture Passes and recreation privileges.

### IVGID Picture Pass Golf Rates:

Golfers must have an active IVGID Picture Pass at the time of play to qualify for these rates. Scroll down or click the links below to view rates.

- Championship Course
- Mountain Course 18 Holes
- Mountain Course 9 Holes
- Play Passes
- Driving Range

### Guest Golf Rates:

Golfers must be the guest of an active IVGID Picture Pass holder at the time of play to qualify for these rates. Scroll down or click the links below to view rates.

- Championship Course
- Mountain Course 18 Holes
- Mountain Course 9 Holes

### Book Tee Times

IVGID Picture Pass holders can book tee times online or by phone at the numbers below.

#### BOOK TEE TIME

Championship Course Tee Time Reservations	(775) 832-1146
Mountain Course Tee Time Reservations	(775) 832-1150

Pre-booking fees apply for tee times booked 15-90 days in advance. IVGID Picture Pass pre-booking fees are: Mountain Course \$5/player, Championship Course \$10/player.

If you are having problems logging in to book tee times online, please visit the Online Registration Instructions page.

## IVGID Picture Pass Holder Rates - Championship Course (closing Oct. 20)

### 2019 Championship Course Rates

*All Championship Course rates include a golf cart. 9 hole rates available after 5:30 p.m. Dress Code: no denim; collared shirts required*

Open - June 13	Mon-Thurs	Fri-Sun & holidays
7am-12pm (prime time)	\$60	\$70
12pm-2pm (midday)	\$50	\$60
2pm-4pm (twilight)	\$35	\$45
After 4pm (super twilight)	\$25	\$30
After 5:30pm - 9 holes	\$20	\$23

The Championship Course closes early on select Wednesdays for maintenance. The last tee time is 2:50pm on these dates: May 29, June 12

June 14 - Sept. 22	Mon-Thurs	Fri-Sun & holidays
7am-12pm (prime time)	\$85	\$90
12pm-2pm (midday)	\$70	\$80
2pm-4pm (twilight)	\$60	\$70
After 4pm (super twilight)	\$45	\$50
After 5:30pm - 9 holes	\$28	\$35

The Championship Course closes early on select Wednesdays for maintenance. The last tee time is 2:50pm on these dates: June 26, July 10, July 24, August 7, August 21, September 4, September 18

Sept. 23 - Closing	Mon-Thurs	Fri-Sun & holidays
7am-12pm (prime time)	\$60	\$70
12pm-2pm (midday)	\$50	\$60
2pm-4pm (twilight)	\$40	\$50
After 4pm (super twilight)	\$20	\$23
After 5:30pm - 9 holes	\$20	\$23

The Championship Course closes early on select Wednesdays for maintenance. The last tee time is 2:50pm on these dates: TBD

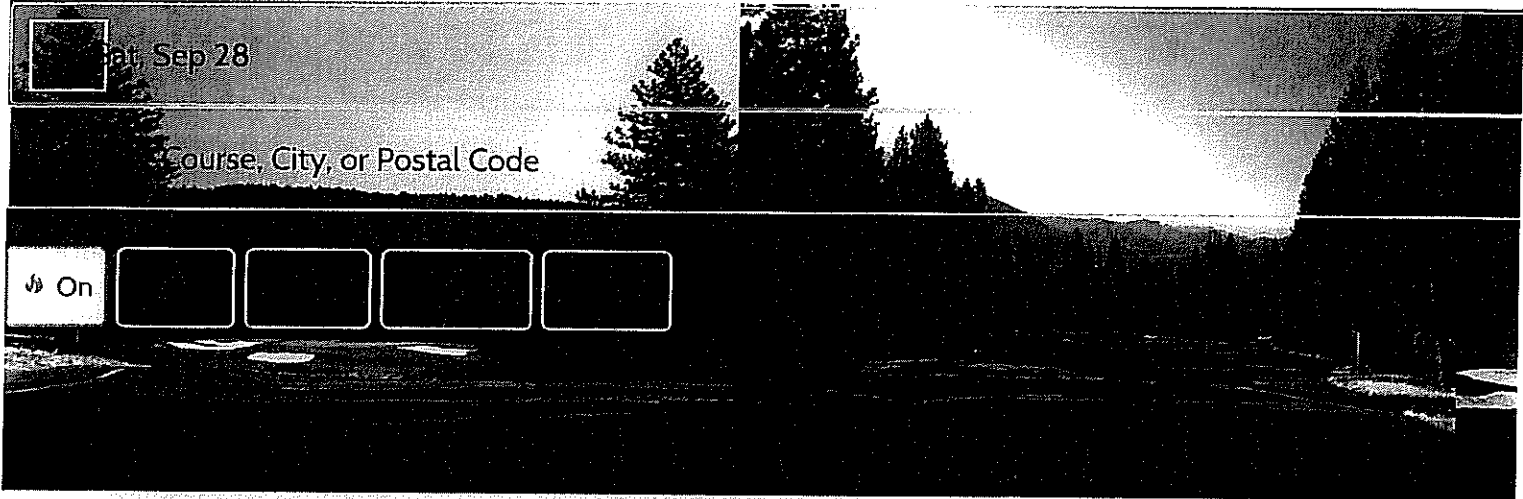


BOOK TEE TIME

## Guest Rates - Championship Course (closing Oct. 20)

**EXHIBIT "B"**





# Incline Village Golf Course - Championship

893 Southwood Blvd, Incline Village, Nevada, 89451

[Get Directions](#) / [Course Details](#) / [Write a review](#)

Come see why Robert Trent Jones, Sr. described Incline Village as "the ideal mountain layout with a challenge you won't want to miss and views you will never forget." The Championship Course offers tightly cut fairways, bordered by towering pines, [Read More...](#)

## Related Courses

[Incline Village Golf Course - Mountain](#)  
[955 Fairway Blvd, Incline Village, Nevada, 89451](#)  
★★★★★ 36 Golfer Reviews

## Course Overview

📏 Holes 18   🏌️ Par 72   📏 Length 7106 yards  
📏 Slope 133   📏 Rating 70.7

## Golfer Feedback

📈 96.3% ⓘ   ★★★★★ ⓘ   📄 [77 Reviews](#)

## Policies

Metal snikes allowed: No

### Cookie Policy

We and our partners use cookies on this site to improve our service, perform analytics, personalize advertising, measure advertising performance, and remember website preferences. By using the site, you

[Read More](#) [our Cookie Policy.](#)

Showing Tee Times for: on Sat, Sep 28

  
Filters 

Sat, Sep 28

Sat, Sep 28

Enter Course, City, or Postal Code

 On  Time  Price  Golfers  Holes

### Hot Deals at Incline Village Golf Course - Championship




3:40 PM  
**\$41**

  
[More Hot Deals](#)

Up to 177 pts



### Afternoon Tee Times from \$41.00

3:40 PM  
**\$41.00**  
Hot Deal  
 18 /  2 - 4 / 

## Hot Deals™

Our absolute lowest prices

Start Saving

## GOLFNOW Rewards

Every 100 points earns you a \$10 GOLFNOW Reward

[Cookie Policy](#)

[Learn More](#)



# GOLFPASS

Waived fees, monthly Hot Deals, more

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[Learn More](#)

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 30, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS C & I(1) – PROPOSED ACQUISITION OF FIFTY-EIGHT (58) MOUNTAIN COURSE GOLF CARTS ON A MEDIUM-TERM INSTALLMENT PURCHASE BASIS FOR USE IN FISCAL YEAR 2020-21

**Introduction:** Here staff seek two-thirds ( $\frac{2}{3}$ ) approval of the Board to acquire fifty-eight (58) golf carts for use at the Mountain Golf Course in fiscal year 2020-21 on a medium-term installment<sup>1</sup> purchase basis. This is after staff unsuccessfully sought approval to acquire the very same carts via the very same installment purchase basis at its May 1, 2019 meeting<sup>2</sup>. ***Why is staff coming back to the Board for a second bite at the apple when it already had that bite on May 1, 2019, and the matter was resolved against staff?*** This request should be summarily rejected for this reason alone.

Nevertheless, here staff represent that the sought for fifty-eight (58) EZ-Go gas powered carts<sup>3</sup> can be purchased on an installment basis by paying no money down, and \$121,605.12<sup>4</sup> [\$43.68/month<sup>5</sup>/cart times fifty-eight (58) carts or a total of \$2,533.44/month<sup>3</sup> for a forty-eight (48) month “lease” term<sup>4</sup>]. In comparison, staff represent these same carts can be purchased outright for \$204,627.16<sup>4</sup>. And for these reasons, staff represent that “buying (the carts outright) would be more expensive.”<sup>6</sup> But as the Board and the public will see, all three of these representations by staff are false. Which leads to the question *why would staff misstate the truth?* And that’s the purpose of this written statement.

**The Real Cost to Purchase is *Not* the \$204,627.16 Represented:** That’s right! Take a look at EZ-Go’s price quotation<sup>7</sup>. The \$204,627.16 price quote is *only* after making a \$92,800 down payment (i.e.,

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<sup>1</sup> Note how staff refers to this agenda item as an “installation” rather than installment purchase [see page 1 of that packet of materials prepared by staff in anticipation of this October 30, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_10-30-2019.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_10-30-2019.pdf)] (“the 10/30/2019 Board packet”).

<sup>2</sup> See agenda item H(3) at pages 218-239 of the packet of materials prepared by staff in anticipation of the Board’s May 1, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-1-2019.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-1-2019.pdf)] (“the 5/1/2019 Board packet”).

<sup>3</sup> See page 11 of the 10/30/2019 Board packet.

<sup>4</sup> See page 14 of the 10/30/2019 Board packet.

<sup>5</sup> See page 18 of the 10/30/2019 Board packet.

<sup>6</sup> See the Tahoe Daily Tribune’s “IVGID to discuss golf carts” staff report in its 9/25/2019 online edition at <https://www.tahoe-dailytribune.com/news/ivgid-to-discuss-golf-carts-financials-and-roles-of-board-members/>. The Board and the public should know this is really not a “staff report.” Rather it is a regurgitation of propaganda dispatched by IVGID’s public relations firm, Tri-Strategies, Inc.

<sup>7</sup> See page 17 of the 10/30/2019 Board packet.

a trade-in allowance of \$1,600/our existing carts). Thus when the trade-in allowance is added to the \$204,627.16 price quote, one quickly sees that the *real cost* to purchase these carts outright is **\$297,427.16** or 45.35% *more* than the price represented; i.e., \$5,128.05 instead of the \$3,528.05/cart represented<sup>7</sup>! *Now why would staff misstate the truth?*

**The Real Cost to “Lease” Without Exercising the Purchase Option is Not the \$121,605.12 Represented:** Putting aside the fact the District will *not* be entering into a straight “equipment lease” with an option to purchase (rather, what’s being presented for approval is an installment purchase agreement<sup>8</sup>), this installment purchase agreement is comprised of at least three financial components. First, an initial \$92,800 down payment evidenced by a trade-in allowance for our existing carts, calculated at \$1,600/cart<sup>7</sup>. Second, forty-eight (48) installment payments of \$43.68 per month/cart<sup>7</sup>, for a total of \$121,605.12<sup>4</sup> for all fifty-eight (58) carts. And third, a balloon purchase option payment due on month forty-nine (49) of \$2,000/cart<sup>9</sup>, for a total of \$116,000 for all fifty-eight (58) carts. If the purchase option is not exercised, as staff expects it will not<sup>10</sup>, the District will have paid **\$214,405.12** or 76.31% *more* than the “lease” payments represented. Moreover, it will own no carts to allegedly transfer “to the next provider”<sup>10</sup> of replacement lithium powered carts<sup>11</sup>. *Now why would staff misstate the truth?*

**Please Understand That in Order to “Own” Carts Which Can be Transferred “to the (Alleged) Next Provider”<sup>10</sup> of Replacement Lithium Battery Powered Carts<sup>11</sup>, the District Will Have to Pay EZ-Go an Additional \$116,000 For a Total of \$330,405.12, or a Whopping \$5,696.64 Per Cart!** Which would be another stupid thing to do given the District would be paying \$116,000 to realize a trade-in value “to the next provider”<sup>10</sup> of \$92,800 (assuming the same trade-in value offered for our existing carts<sup>12</sup>).

**Why Are We Contemplating the Purchase of New Mountain Course Golf Carts Since We Already Own a Fleet of Perfectly Usable Golf Carts, Staff Tells Us Their Real Intent is to Dispose of the Proposed Fifty-Eight (58) New Carts in a Scant Four (4) Years, and the Real Cost is \$330,405.12?**

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<sup>8</sup> See page 16 of the 10/30/2019 Board packet: That “on October 30, 2019...(IVGID)...will hold a public hearing...to act upon a Resolution Authorizing a Medium-Term *Installment Purchase Agreement*.” Referring to proposed Resolution 1875 itself<sup>10</sup>, “the Board of Trustees of the IVGID proposes to enter (into) an *Installment Purchase Agreement*.”

<sup>9</sup> See page 20 of the 10/30/2019 Board packet.

<sup>10</sup> See page 22 of the 10/30/2019 Board packet.

<sup>11</sup> According to staff, “long term, the District is committed to the elimination of gas powered carts considering their effects on the environment.”<sup>14</sup>

<sup>12</sup> Of course we don’t know what that trade-in value will be. It could be more because our carts at that time will only be four (4) years old instead of today’s six (6). However it could equally be less because staff doesn’t share that the trade-in value offered by Club Car for our current existing carts was \$11,600 less (\$1,400/cart).

Listen to staff: notwithstanding our current fleet of Mountain Course carts were “purchased outright in 2017,” they were purchased “with a planned (remaining) use of two or three years.”<sup>13</sup> This means that the plan, all along, was to use our current fleet of carts *through the 2020 season*. In other words, we already have a planned projected remaining useful life of at least another year.

Moreover, nowhere does staff tell the Board and the public there is anything non-functional with our current fleet of carts, or that they require major repairs. Instead, staff disingenuously speculate that “we are now at a point where repair of major components (to our existing fleet) *could* exceed the(ir) value.”<sup>13</sup>

Nor in our environment, do these carts get anywhere near the use comparable carts are used at golf courses operating twelve (12) months/year and selling many more rounds of golf. Stated differently, our existing carts are very low mileage.

Finally, and even more telling, staff contemplates that these new carts will not be used for more than forty-eight (48) months. Listen to proposed Resolution 1875: “It is probable (that) the residual payment...due in the forty-eighth [48 (month of the lease)]...*will (not) be made*” because instead, it “will be made by transferring ownership of the (proposed new carts)...to the next provider”<sup>10</sup> of replacement lithium powered carts<sup>12</sup>. But as I have demonstrated (see discussion above), the District will have no ownership to transfer unless we make “the residual payment...due” of \$116,000!

For all of these reasons, as long as we don’t have to spend \$330,405.12 over the next four (4) years on repairs to our existing fleet of carts, *aren’t we ahead of the game?* And what are the odds of having to spend anywhere near this sum on cart repairs? These carts are very hardy and are capable of withstanding far more abuse than the Mountain Course and our clientele are capable of dishing out.

**Stated Differently, How is it Staff Have Been Comfortable “Rolling the Dice” Over the Last Five (5) Years Insofar as Our Failing Effluent Pipeline, Yet All of a Sudden They Are Not Equally Comfortable “Rolling the Dice” Over the Next Four (4) Years Insofar as Our Current Fleet of Mountain Course Carts is Concerned?** Remember when Mr. Pomroy told the Board and the public on February 27, 2013, during his annual utility rate study presentation, that the construction project start date for phase II of the effluent export pipeline project was to be in the spring of 2015<sup>14</sup>? Well come the spring of 2020, it will have been five (5) years and still, Mr. Pomroy has done nothing insofar as this project is concerned. And this is after at least three multi-million dollar effluent export pipeline breaks<sup>15</sup>

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<sup>13</sup> See page 12 of the 10/30/2019 Board packet.

<sup>14</sup> See page 244 of the packet of materials prepared by staff in anticipation of the Board’s February 27, 2013 meeting (“the 2/27/2013 Board packet”). A copy of this page, with an asterisk next to the represented testimony, is attached as Exhibit “A” to this written statement.

<sup>15</sup> August of 2009, April 17, 2014, and September 26, 2019.

which caused significant damage to SR-28, and another three prophylactic projects costing millions of additional dollars intended to prevent further breaks<sup>16</sup>!

So I guess using staff's mindset, it's fine to "roll the dice" when it comes to really important projects, yet not so fine when it comes to relatively inconsequential projects.

**To Advance Staff's Real Agenda (See Discussion Below), They Deceitfully Represent That "Buying (the Carts Outright) Would be More Expensive:"**<sup>6</sup> than "leasing" them, notwithstanding the fact that what's before the Board today is a proposed installment *purchase* agreement<sup>9</sup>. The *real* cost to "lease" EZ-Go's gas powered carts with the intent of "transferring ownership of the (proposed new)...replacement lithium powered carts<sup>11</sup>...to the next provider,"<sup>10</sup> versus purchasing them outright, totals at least \$32,977.96 *more*<sup>17</sup>! *Leasing not only costs more, for the reasons stated above it is stupid!*

**To Those Who Believe it Makes More Sense to "Beat Up" New "Leased" Carts on the Mountain Course's Existing Cart Paths, Rather Than Purchasing Them Outright, Why Doesn't it Make Even More Sense to "Beat Up" Our Existing Fleet of Carts and Save Ourselves \$330,405.12?**

**Moreover, Should We Thrash "Leased" Carts When We Return Them in Four (4) Years, Does Anyone Really Believe EZ-Go Isn't Going to Require Us to Pay Even *More* Than the \$204,405.12 We've Already Paid<sup>18</sup>?** Take a close look at EZ-Go's bid<sup>8</sup>: "trade(-in) values may be adjusted due to final condition. All fleet cars must be in running condition with working charges. Damages beyond normal wear & tear will be the responsibility of" IVGID. Therefore although those who believe it makes more sense to "beat up" new "leased" carts may be thinking the answer to this question is nothing, I and others I know are thinking the contrary. And whatever that something "extra" turns out to be, makes the difference we must pay for not making an outright purchase of the subject carts even greater!

**Staff's Real Intent is to "Free Up" \$285,466.56 of Budgeted 2019-20 Expenditures So They Can Be Wastefully Overspent on *MORE-AND-MORE*:** As demonstrated above, under staff's proposal we will only spend \$2,533.44 [\$43.68/cart times fifty-eight (58) carts<sup>5</sup>] to acquire the subject carts, of the \$288,000 which has already been budgeted in the current fiscal year<sup>19</sup>. Forgetting about the fact that under staff's proposal we will spend an additional \$119,071.68 (\$121,605.12 minus \$2,533.44) over the next four (4) fiscal years with a \$116,000 residual balloon payment to own these carts, \$285,466.56 gets "freed up" in the current fiscal year to "make (these) resources available (to be

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<sup>16</sup> Awarded in August of 2015, August 22, 2017, and July 24, 2018.

<sup>17</sup> \$330,405.12 versus \$297,427.16.

<sup>18</sup> \$121,605.12 (the four years of monthly installment payments) plus \$92,800 (the trade-in allowance for our existing carts).

<sup>19</sup> See page 98 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2019-20\\_Operating\\_Budget.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2019-20_Operating_Budget.pdf) under "Mountain Golf."

spent) for a broader schedule of purchases"<sup>4</sup> (i.e., to be spent on other things). In other words, more cash flow in the current fiscal year.

**NEVER Do Cash Flow Savings as a Result of Financing Versus Outright Purchasing Result in Less Spending or Any Reduction in Our Recreation ("RFF") or Beach ("BFF") Facility Fees:** Given the subject proposal costs us \$32,977.96 *more*<sup>17</sup> in financing costs, yet results in absolutely no RFF/BFF reduction, why should any local parcel/residential dwelling unit owner be in favor?

**ALWAYS, Cash Flow Savings as a Result of Financing Versus Purchasing Outright Options Result in the Expenditure of Those "So Called" Savings on *Something Else*:** In other words, rather than a reduction in overall expenditures, even *more*!

**And Because Staff's Real Intent is to "Free Up" the Greatest Amount of 2019-20 Budgeted Expenditures So They Can Be Wastefully Overspent on MORE-AND-MORE, They've Discarded a Comparable Competing Manufacturer's LOWER Bid Which Now Ends Up Costing the Public Even MORE:** At the Board's September 25, 2019 meeting staff conducted a presentation "discuss(ing) four (4) recommendations and select(ing) a preferred course of action regarding...acqui(sition of the subject) fifty-eight (58)...carts for use in the 2020/2021 fiscal year."<sup>20</sup> At page 12 of the 9/25/2019 Board packet staff compared bids received from EZ-Go to Club Car, both on outright versus installment purchase bases<sup>21</sup>. Simply stated, staff very intentionally and unambiguously did not share the two bids on an "apples for apples" basis.

What we didn't know at the Board's September 25, 2019 meeting was the amount of interest to be assessed under the subject proposal as well as the amount of the balloon purchase option payment. These were and are important facts to know because as staff told us, "the lease proposal ...from Club Car (was) fully amortized over the forty-eight (48) months and carr(ied) a one dollar (\$1) purchase option," whereas the one "from EZ-Go w(as) for fair market value (resulting in)...less principal (being) paid during the forty-eight (48) month" term.

Now that we know the amount of interest built into EZ-Go's "lease," (\$32,977.96) as well as its balloon purchase option payment (\$116,000), we can now see that EZ-Go's so called "lease"/option price (assuming exercise of the option) is \$237,605.12, whereas Club Car's is \$218,794.56. In other words, instead of EZ-Go's proposal costing us \$97,189.44 *less* than Club Car's, it really costs us \$18,810.56 *more*<sup>22</sup>. And if we are able to get Club Car to match EZ-Go's trade-in allowance for our

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<sup>20</sup> See agenda item H(1) at pages 8-15 of the packet of materials prepared by staff in anticipation of the Board's September 25, 2019 meeting [[https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_09-25-2019.pdf](https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT_Packet_Regular_09-25-2019.pdf) ("the 9/25/2019 Board packet")].

<sup>21</sup> A copy of that page is attached as Exhibit "B" to this written statement.

<sup>22</sup> Part of the reason it is lower is because EZ-Go's bid assesses interest on the \$116,000 balloon purchase option payment, none of which is being paid until after the forty-eighth (48th) month has been tolled. Club Car's bid amortizes that payment and its interest over the forty-eight (48) month term.

existing carts, Club Car's bid would be a whopping \$30,410.56 *lower*. So why didn't staff share these particulars with the Board and the public right from the start and recommend Club Car?

**And Why Are We Being Asked to "Bail Out" Our Irresponsible Staff, Again, Because They Have Failed to Wisely Spend the Funds the Board Has Already Budgeted For Mountain Course Cart Path Repairs?** The current state of the Mountain Course's cart paths didn't get there all of a sudden, yesterday. They have been neglected and deteriorating over some number of years. How much has been budgeted for their repair, over how many years, and how much have staff actually expended on those repairs? Let's examine just the last five (5) years.

For fiscal year 2015-16 the Board budgeted \$50,000 to be spent on Mountain Course cart path repairs. \$45,565 was allegedly actually expended, and the balance (\$4,435) was carried forward for 2016-17 cart path repairs<sup>23</sup>. For fiscal year 2016-17 the Board budgeted another \$55,000 to be spent on Mountain Course cart path repairs. \$26,641 was allegedly actually expended, and the balance (\$28,359) together with the balance carry forward from 2015-16 (\$4,435) was carried forward to 2017-18 cart path repairs<sup>24</sup>. For fiscal year 2017-18 the Board only budgeted another \$11,000 to be spent on Mountain Course cart path repairs, and only \$3,831 was allegedly actually expended. The balance (\$7,168) together with the additional \$32,794 carried forward from 2015-17 budgeted cart path capital improvement projects ("CIP") was allegedly carried forward to 2018-19 cart path repairs<sup>25</sup>. And for fiscal year 2018-19 the Board budgeted another \$45,000 to be spent on Mountain Course cart path repairs<sup>26</sup>. Independent of the \$39,963 carried forward to 2018-19 from unspent 2015-18 cart path repairs, we see that \$45,000 was spent through May 10, 2019 on 2018-19 Mountain Course cart path repairs. Finally, let's go to the current fiscal year. Here we see the Board budgeted another \$40,000 for Mountain Course cart path repairs, and another \$17,500 for cart path

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<sup>23</sup> See staff's "Summary of CIP Activity by Project for the Fiscal Year Ending 6/30/2016" (page 10 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2016\\_09\\_07\\_08\\_15\\_37\\_6.30.16\\_CIP\\_Report\\_for\\_Website.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2016_09_07_08_15_37_6.30.16_CIP_Report_for_Website.pdf)). This page is attached as Exhibit "C" to this written statement.

<sup>24</sup> See staff's "Capital Improvement Project Report Budget to Actual Expenditures For (the Fiscal) Year Ending June 30, 2017" (see page 24 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2017\\_10\\_25\\_15\\_07\\_46\\_CIP\\_Report\\_as\\_of\\_June\\_30\\_2017.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2017_10_25_15_07_46_CIP_Report_as_of_June_30_2017.pdf)). This page is attached as Exhibit "D" to this written statement.

<sup>25</sup> See staff's "Capital Project Report For the Fiscal Year Ending June 30, 2018" (see page 12 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2018\\_10\\_04\\_11\\_40\\_03\\_CIP\\_Report\\_as\\_of\\_6.30.18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2018_10_04_11_40_03_CIP_Report_as_of_6.30.18.pdf)). This page is attached as Exhibit "E" to this written statement.

<sup>26</sup> See staff's "Capital Project Report" For the Fiscal Year Ending June 30, 2019 (see page 103 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2019-20\\_Operating\\_Budget.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2019-20_Operating_Budget.pdf)). This page is attached as Exhibit "F" to this written statement.



retaining wall repairs<sup>27</sup>. Sometimes it's easier to see numbers like these summarized in a table. So I've created the spreadsheet below to more clearly present the foregoing:

5 Year Mountain Course Cart Path Repairs Summary				
Fiscal Year	Budgeted	Actually Expended	Carry Forward	Balance Carry Forward
2015-16	\$ 55,000	\$ 45,565	\$ 4,435	\$ 4,435
2016-17	\$ 55,000	\$ 26,641	\$ 28,359	\$ 32,794
2017-18	\$ 11,000	\$ 3,831	\$ 7,169	\$ 39,963
2018-19	\$ 45,000	\$ 45,000	?	?
2019-20	\$ 57,500	?	?	?
Totals	\$ 223,500	?	?	?

**Please Don't Tell Me We Need to "Free Up" Nearly \$300,000 From an Unnecessary Mountain Course Cart Purchase to Pay For Vital and Neglected Cart Path Repairs:** That's a total of nearly \$225,000 budgeted in just the last five (5) fiscal years for Mountain Course cart path/related repairs! Please don't tell me that this sum hasn't been more than sufficient to properly maintain the Mountain Course's cart paths because if it hasn't, we have no business operating the equivalent of a municipal course *that loses more than \$1,000,000 annually*. And how have I come up with the \$1,000,000 figure?

Not that I believe the District's finances as reported by staff, but using their own numbers for purposes of this discussion, Exhibit "G" demonstrates that we've already budgeted to spend \$2,316,500 in the current fiscal year for Mountain Course CIPs. Even if we deduct the \$1,464,000 budgeted expressly for clubhouse repairs/renovations, we're still left with \$852,200 in other budgeted CIPs. And remember, this number does not include \$104,200 of carry forward Mountain Course CIPs<sup>26</sup> staff have not yet been completed notwithstanding local parcel/residential dwelling unit owners have paid for through past years' RFFs. Now let's add the additional \$328,120 in current fiscal year budgeted operational losses<sup>28</sup>. If one does the math, one will get a number anywhere from \$1,180,620-\$2,419,700. Pick whatever number you'd like but at the end of the day, it exceeds \$1 million by some good amount.

<sup>27</sup> See staff's "Five Year Capital Improvement Plan Summary – As of 5-22-2019" (see page 5 at [https://www.yourtahoepalace.com/uploads/pdf-ivgid/5\\_Year\\_Capital\\_Improvement\\_Plan\\_Summary\\_-\\_As\\_of\\_5.22.19.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/5_Year_Capital_Improvement_Plan_Summary_-_As_of_5.22.19.pdf)). This page is attached as Exhibit "G" to this written statement.

<sup>28</sup> See page 255 of the packet of materials prepared by staff in anticipation of the Board's May 22, 2019 meeting [[https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf) ("the 5/22/2019 Board packet")]. This page discloses that \$40 of each 8,203 assessed parcel/residential dwelling unit owners' RFF has been budgeted to subsidize budgeted Mountain Course operational losses. This page is attached as Exhibit "H" to this written statement.

Since staff haven't reported how much of the \$223,500 budgeted over the last four fiscal years for Mountain Course path cart/associated repairs has actually been expended, let's assume for purposes of argument *all* of it has. And now staff is telling the Board and the public this \$223,500 hasn't been enough. And this is on top of over \$1 million in budgeted losses/overspending for the current fiscal year? Ladies and gentlemen, we don't have a budgeting problem. We have a spending and transparent reporting one. And if this asset requires these kinds of financial subsidies, we should be having a discussion about more than the subject fifty-eight carts. Instead, it should be about what we do with the Mountain Course because continued operation makes no financial sense whatsoever.

**For All of These Reasons, the Last Thing We Need Do With Our Existing Mountain Course Carts is Spend Over \$300,000 on a New Fleet We Intend to Discard in Four (4) Years, So We Can Creatively "Free Up" \$285,466.56 to Make Cart Path Repairs Which Either Should Have Been Made Years Ago, or Should Never Be Made Because Continued Operation is a Financial Black Hole!** Remember, staff admit that to exercise its preferred installment purchase option alternative, only TWO of our Trustees need vote no<sup>29</sup>. I urge at least two of you to vote NO and send the resounding message to staff they'd better start saving local parcel/residential dwelling unit owners money, rather than acquiring more and more at their expense, where as here, the subject installment purchase agreement *is not required*.

**The Board Cannot Use Revenues Deposited Into a Special Revenue Fund For Capital Expenditures Such as the Subject Golf Carts:** NRS 354.570 instructs that a "special revenue fund (is)...used to account for specific revenue sources, *other than sources for major capital projects.*" GASB 33<sup>30</sup> instructs that in order to qualify for the use Special Revenue Fund accounting, a substantial portion of the fund's revenue must come from one or more of the following four classes of *non-exchange* transactions based on shared characteristics that affect the timing of recognition:

1. Derived *tax revenues*, which result from assessments imposed on exchange transactions (for example, income taxes, sales taxes, and other assessments on earnings or consumption);
2. Imposed *non-exchange* revenues, which result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (for example, property taxes and fines);
3. Government-mandated *non-exchange* transactions, which occur when a government at one level provides resources to a government at another level and requires the recipient to use the

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<sup>29</sup> See page 13 of the 10/30/2019 Board packet as well as NRS 350.087(1): "If the public interest requires a medium-term obligation or installment-purchase agreement, the governing body of any local government, by a resolution *adopted by two-thirds of its members*, may authorize a medium-term obligation or installment-purchase agreement."

<sup>30</sup> See [http://gasb.org/jsp/GASB/Document\\_C/GASBDocumentPage?cid=1176160029148&acceptedDisclaimer=true](http://gasb.org/jsp/GASB/Document_C/GASBDocumentPage?cid=1176160029148&acceptedDisclaimer=true).

resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform); and,

4. Voluntary *non-exchange* transactions, which result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (for example, certain grants and private donations).

An “exchange” transaction is one in which each party receives and gives up essentially equal value<sup>30</sup>. An “exchange-like” transaction is one in which the values exchanged, though related, may not be quite equal or in which the direct benefits may not be exclusively for the parties to the transaction<sup>30</sup>. In other words, the required reciprocal relationship exists although the values exchanged may not be equal. A “non-exchange transaction” is one in which one party (a government) gives (or receives) value without directly receiving (or giving) equal value in return<sup>30</sup>. Thus if the assessment and levy of the RFF represent an “imposed non-exchange transaction,” the payor receives no “special benefit” in consideration of payment.

Since IVGID’s Community Services Fund is a special revenue fund, the RFF represents involuntarily imposed *non-exchange* revenue against property, it totals a minimum of twenty percent (20%) of the total revenue flow assigned to this fund, and IVGID has reported the same to the Department of Taxation (“DOT”), IVGID has admitted the RFF represents revenue derived from either property taxes or assessments. And because by definition NRS 318.197(1) instructs that the RFF/BFF cannot be assessments [“the board may fix, and from time to time increase or decrease...recreational facilit(y)...rates, tolls or charges *other than special assessments*”], they are the product of non-exchange transactions and cannot be used for major capital projects like the subject golf carts.

**Deceitfully, Staff Have Set Up the District to Make its Future Purchase of Lithium Battery Powered Carts From EZ-Go:** As demonstrated above, in order to “own” carts which can be transferred “to the next provider”<sup>10</sup> of replacement lithium battery powered carts<sup>11</sup>, the District is required to pay EZ-Go an *additional* \$116,000 balloon purchase option payment. However upon closer inspection, maybe not. EZ-Go’s bid<sup>8</sup> states that: “upon delivery & acceptance of (IVGID’s existing)...fleet, EZ-Go (agrees to)...terminate Lease #\_\_\_\_\_.” In other words, in order to lock the District into the future acquisition of lithium battery powered carts from EZ-Go, the latter reserves the right to release IVGID from any then liability under the current proposed installment purchase agreement. Now what do you think is going to happen when it comes time for the District to make this payment if it enters into the subject installment purchase agreement? Unlike a competitor like Club Car, EZ-Go can simply waive the purchase option payment and make up for the deficient payment by rolling it over into a revised installment purchase agreement the cost and terms of which are unknown.

**Alternatives:** ¶VI of the staff memo in support of this agenda item proposes no alternatives to staff’s preferred lease/option purchase<sup>4</sup>. So let me advance two. First, vote no to the subject proposed installment purchase agreement. And second, vote no to the subject purchase altogether. If it’s prudent to “roll the dice” by doing nothing insofar as phase II of the effluent pipeline replacement project is concerned, we can certainly delay replacement of our existing Mountain Course cart fleet for another four (4) years when the alternative is the expenditure of over \$300,000 on a bandaid fix.

## **Procedural Deficiencies to Proposed Resolution 1875<sup>10</sup>:**

1. **“The IVGID (Board Has)...Determined That the Public Interest Requires (Entrance Into) a Medium-Term Installment Purchase Agreement:”** No such determination has been made. The livestream of the Public Hearing associated with this matter<sup>31</sup> will reveal the presentation of no facts whatsoever in support of this “determination.” Without some facts in support of this determination, the IVGID Board’s adoption of this resolution will be arbitrary, capricious, lacking substantial evidence, and an abuse of discretion.

2. **“The IVGID Board Has Determined That the Public Interest Requires (Entrance Into This Proposed)...Installment Purchase Agreement:”** For similar reasons, no such determination has been made. The livestream of the Public Hearing associated with this matter will reveal the presentation of no facts whatsoever in support of this “determination.” Without some facts in support of this determination, the IVGID Board’s adoption of this resolution will be arbitrary, capricious, lacking substantial evidence, and an abuse of discretion.

3. **“The IVGID (Board Has)...Determined That the Public Interest Requires (Entrance Into) a Medium-Term Installment Purchase Agreement...to Acquire This...Equipment For a Period of...5 Years:”** Besides the fact no such determination has been made, staff proposes there will be forty-eight (48) installment (4 years) payments under the agreement<sup>32</sup>.

4. **“The IVGID (Board) Proposes to Enter (Into) an Installment Purchase Agreement With a Principal Amount Not to Exceed \$204,627.16:”** This is not a true statement. The proposed purchase agreement is for \$297,427.16<sup>7</sup> rather than \$204,627.16 represented. The \$204,627.16 figure represents forty-eight proposed payments totaling \$121,605.12<sup>4</sup>, and a discretionary balloon purchase option payment of \$116,000<sup>9</sup> staff represents “is not expected to be exercised.”<sup>10</sup>

5. **“The Notice to the Public<sup>33</sup> Which States the Proposed “Amount (of the)...Agreement (Will) ...Not Exceed a Total of \$204,627.16:”** For similar reasons, this is not a true statement.

6. **“The Obligation Will be Repaid From Operating Revenues of the Community Services Special Revenue Fund.”** This is not a true statement. Operating revenues assigned by staff to IVGID’s Community Services Special Revenue Fund are insufficient to pay for operating expenses assigned to this fund. Budgeted revenues and expenses assigned to IVGID’s Community Services Special Revenue Fund for the current fiscal year (encompassing the first proposed installment payment on June 1, 2020<sup>5</sup>) appear at Schedules B-12 and B-13, pages 17 and 18, of DOT Form 4404LGF<sup>34</sup>. Budgeted

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<sup>31</sup> Go to <https://livestream.com/accounts/34111104>.

<sup>32</sup> See pages 11 and 14 of the 10/30/2019 Board packet.

<sup>33</sup> See page 16 of the 10/30/2019 Board packet.

<sup>34</sup> These pages are attached as Exhibit “I” to this written statement.

revenues total \$22,598,780<sup>35</sup>. Because Schedule B-12 reflects additional revenue of \$561,800<sup>35</sup> from "Transfers In (Schedule T)" from IVGID's General Fund<sup>36</sup>, for purposes of argument budgeted revenues total a combined \$23,160,580. Budgeted expenditures total \$27,197,671<sup>37</sup>. In other words, expenditures have been budgeted to exceed revenues by \$4,037,091 and that does not come from operating revenues. Instead, it comes from a reduction in the beginning fund balance of \$13,183,167<sup>35</sup> to an ending fund balance of \$9,146,076<sup>37</sup>. Moreover, this fund balance does not come from past years' operating revenues. Instead it comes from "smoothing;" staff's re-purposing of over assessed RFFs (see discussion below) by design intended to create the equivalent of a slush fund for future un-identified, un-budgeted, and un-appropriated expenditures made by un-elected staff. And moreover still, budgeted expenditures<sup>34</sup> do not include *any* installments payable to the proposed installment purchase agreement which means the budgeted deficiency is even greater.

But in actuality, an additional \$5,783,115 of this deficiency<sup>35</sup> does not come from operating revenues. Instead, it comes from the RFF. As the DOT has been advised in the past, because the District has chosen to assign RFF revenue to a special revenue fund, by definition it cannot and does not come from an exchange transaction whereby the RFF is voluntarily paid in consideration for some good or service supplied by IVGID. Therefore it too does not represent "operating revenues."

Therefore the subject obligation will not be repaid from operating revenues as the proposed resolution represents.

7. **"The Obligation Will be Repaid (From)...Monthly Installments...With a Residual Payment Due in the Forty-Eighth (48<sup>th</sup>) Month:"** This is not a true statement. According to the Board packet, the alleged \$116,000 "residual payment due" will be paid in month forty-nine<sup>9</sup>.

8. **"The Purpose For Which the Funds Are to be Used is the Acquisition of...Fifty-Eight (58) Gas-Powered Golf Carts:"** This is not a true statement. As staff have admitted, the purpose for which the funds are to be used are to "make (the \$288,000 which has already been budgeted to acquire the subject carts)...available (to be spent) for a broader schedule of purchases."<sup>4</sup> In other words, a new round of other unbudgeted expenditures.

9. **The Notice to the Public Which States the Purpose of the Funds is "to Enable...IVGID to Acquire...Golf Carts for the Mountain Golf Course:"** For similar reasons, this is not a true statement.

10. **"This Form of Acquiring the Use of This Equipment is Considered the Best Net Outflow of Resources to the Operations, of the Community Services Special Revenue Fund:"** No such determination has been made. The livestream of the Public Hearing associated with this matter will

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<sup>35</sup> I have placed an asterisk on Schedule B-12 to reflect this entry.

<sup>36</sup> Note that at least \$300,000 of these transfers are the product of unlawful transfers (previously brought to the DOT's attention) from the former workers' compensation retention reserve fund.

<sup>37</sup> I have placed an asterisk on Schedule B-13 to reflect this entry.

reveal the presentation of no facts whatsoever in support of this “consideration.” Without some facts in support of this consideration, the IVGID Board’s adoption of this resolution based upon this consideration will be arbitrary, capricious, lacking substantial evidence, and an abuse of discretion.

**In Accordance With NAC 350.120(2), Should a Resolution Authorizing Entrance Into a Medium-Term Installment Purchase Agreement be Forwarded to the Department of Taxation, Request is Made That This Written Statement Together With Exhibits as Well as All Other “Comments Made by...Member(s) of the Public at the Meeting” be Forwarded As Well:**

**Conclusion:** I am against giving IVGID staff more of our RFF/BFF monies to waste on their pet projects which don’t end up saving any money, and don’t end up reducing the RFF/BFF. Although making the proposed purchase wastes nearly \$300,000 of RFF dollars and for this reason should not be expended, should a majority of the Board vote to make that purchase, I urge staff’s creative installment purchase option alternative *NOT* be employed. Either pay for these carts with cash, or choose to not make the purchase altogether because the District has more important needs.

**And You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Waste/Wrongdoing Are as High as They Are? I’ve now provided more answers.**

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

**EXHIBIT "A"**

### Capital Revenues and Expenses

The capital expense is the current five year capital plan that is being developed as part of the budget process. The five year expenses and revenues are presented in the following table. The capital revenue is the summation of monthly capital fees collected in the utility rates, connection fees, and interest income and increases by approximately 9.1% per year averaged over 5 years. The capital expense is the capital improvement projects net of grants and debt proceeds. The five year impact is to balance revenues and expenses. Beginning in year three we expect to begin re-building the uncommitted reserve fund.

5-Year Plan	2013-14	2014-15	2015-16	2016-17	2017-18	5-Yr Sum
Capital Revenue	3,918,000	4,588,000	4,786,000	4,992,000	5,207,000	\$23,491,000
Capital Expense	(4,547,000)	(5,058,000)	(3,996,000)	(4,762,000)	(4,843,000)	(\$23,206,000)
					<b>Subtotal</b>	<b>\$285,000</b>

There are several important points to remember in the estimate of capital expenses. The capital expenses assume that we spend 100% of all capital budgets. The Effluent Export Project has also been adjusted with the assumption that we will not receive Section 595 funding which increases our capital costs. The large rate increases will occur in capital and primarily in sewer in 2013 and 2014.

With the 2012-13 budget year, Public Works began accumulating \$2,000,000 per year in savings for the construction of the Effluent Export Project. We expect to have accumulated a total of \$6,000,000 by the construction project start date in spring 2015 while also continuing to collect \$2 million annually for this critical project.

The reserve balance is a critical fund to be managed in Public Works. At this time, there are several large variables mentioned above that can significantly swing the reserve balance. The amount of the bonding will be adjusted to assure the reserve fund remains at a prudent balance while also considering the costs of borrowing, the economic conditions in Nevada and the susceptibility of the funds. The uncommitted reserve fund, separate from the accumulated savings for the Export Project, is currently scheduled to be less than the Policy target for the next five years. The current goal is to keep the uncommitted reserve fund above \$2.5 million.



**EXHIBIT "B"**

as well as cost, Staff recommends replacement of the current fleet of fifty-eight (58) carts.

Lithium battery powered carts have been rapidly accepted into the market, as well as best practice within the industry. They offer lower charging costs (half the time to charge compared to acid based batteries), lighter weight (279 pounds), longer unlimited warranty (5 years), zero battery maintenance, better impact on our local environment, and more charging cycles (2000-4000 versus 400-1000 for acid based batteries); all of these factors make them feasible for the Mountain Course. The nature of the charging process (no emissions) for lithium batteries eliminates the need for substantial alteration or rebuild of the current Mountain Course cart storage facility for ventilation purposes however it does require wiring for the individual charges.

Staff has conferred with the State of Nevada Department of Taxation over the manner in which to proceed with a transaction when a purchase was in the budget when adopted in May 2019. We can consider leasing as long as the State's guidance is followed before any payments are made.

#### IV. BID RESULTS

The District advertised, via two local newspapers, a Notice to Bidders. Two bids were received on September 3, 2019. The results were:

	<u>EZ-Go</u>	<u>Club Car</u>
Lithium Powered Carts Purchase	\$282,067.60	\$304,500.00
Lithium Powered Carts 48 Mo. Lease **	\$135,664.32	\$323,584.32
Lithium Powered Carts Lease / Year	\$ 33,916.08	\$ 80,896.08
Gas Powered Carts Purchase	\$204,627.16	\$205,900.00
Gas Powered Carts 48 Mo. Lease**	\$121,605.12	\$218,794.56 *
Gas Powered Carts Lease / Year	\$ 30,401.28	\$ 54,698.64

\*\* The proposals for lease from each vendor are based on different assumptions at the end of four years. The lease proposals from EZ-Go were for fair market value leases, which means they call for less principal paid during the forty-eight (48) months by allowing a residual value purchase option. The lease proposals from Club Car fully amortized over the forty-eight (48) months and carry a one dollar (\$1) purchase option.

**EXHIBIT "C"**

Summary of CIP Activity by Project for the Fiscal Year Ending 6/30/2016

Project Description	CIP #	Carry Forward 2014-15	Capital Budget 2015-16	Less Carryover to 2016-17	Total Expected 2015-16	Total Expenditures 2015-16	Variance
<i>Golf</i>							
<b>Championship Golf</b>							
Forward Tees - Championship Golf Course	3140GC1501	-	-	-	-	501	(501)
Championship Golf Course Remodel Bathrooms, #6 Tee and #14 Green	3141BD1502	15,000	10,000	25,000	-	7,183	(7,183)
Irrigation Improvements	3141GC1103	30,000	11,000	15,000	26,000	26,706	(706)
Championship Course Greens, Tees and Bunkers	3141GC1202	113,000	67,000	120,000	60,000	39,562	20,438
Pavement Maintenance of Parking Lots - Champ. Course & Chateau	3141LI1201	-	40,000	39,070	930	8,315	(7,385)
Pavement Maintenance of Cart Paths	3141LI1202	8,905	50,000	21,980	36,925	59,776	(22,851)
2001 Aerothatch Seeder #479	3142AT708	-	16,500	16,500	-	-	-
1999 Carryall Club Car #447	3142NL404	-	10,000	-	10,000	9,907	93
1999 Carryall Club Car #448	3142NL405	-	10,000	-	10,000	9,907	93
1999 Carryall Club Car #449	3142NL406	-	10,000	-	10,000	9,907	93
1999 Carryall Club Car #450	3142NL407	-	10,000	-	10,000	9,907	93
1999 Carryall Club Car #451	3142NL408	-	10,000	-	10,000	9,907	93
1999 Carryall Club Car #452	3142NL409	-	10,000	-	10,000	9,907	93
2002 Bar Cart #527	3142NL480	-	34,000	-	34,000	30,097	3,903
2002 Bar Cart #528	3142NL481	-	34,000	-	34,000	27,597	6,403
2001 Toro Greensmaster 1600 #505	3142SV509	-	9,200	-	9,200	6,418	2,782
2001 Toro Greensmaster 1600 #506	3142SV510	-	9,200	-	9,200	-	9,200
2004 Toro Greensmaster 1600 #549	3142SV514	-	9,200	-	9,200	8,768	432
2005 Toro Greensmaster 1600 #574	3142SV516	-	9,200	-	9,200	8,768	432
Driving Range Improvements	3143GC1202	-	73,000	-	73,000	73,575	(575)
Food & Beverage Shared POS	3153CO1599	-	49,500	-	49,500	19,234	30,266
Champ Grille Kitchen Equipment	3153FF1204	-	52,000	52,000	-	-	-
The Grille Bar Equipment and Furniture	3153FF1205	-	7,500	7,500	-	-	-
2002 Toro Hydroject 3000 #514	3197AT710	-	29,950	29,950	-	-	-
2006 Toro 1250 Spray Rig #586	3197AT714	-	34,000	34,000	-	-	-
2006 John Deere 1500 Fairway Aerator #592	3197AT715	-	28,400	-	28,400	25,429	2,971
Greens Roller	3197SE1601	-	16,000	-	16,000	14,500	1,500
<b>Mountain Golf</b>							
Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	10,000	10,000	20,000	-	-	-
Mountain Course Greens, Tees, Bunkers and Bridges	3241GC1101	-	27,000	-	27,000	23,321	3,679
Irrigation Improvements	3241GC1404	-	36,000	10,000	26,000	23,118	2,882
Pavement Maintenance of Cart Paths - Mt. Golf Course	3242LI1205	-	50,000	19,000	31,000	45,565	(14,565)
2002 Bar Cart #529	3242NL482	-	34,000	-	34,000	24,914	9,086
2002 Toro 4000D Rough Mower #515	3242SV513	-	62,000	-	62,000	57,030	4,970
2005 JD 3235 Fairway Mower #570	3242SV515	-	66,000	-	66,000	61,062	4,938
Mountain Course Clubhouse and Maintenance Building Replacement	3299BD1403	10,724	-	-	10,724	-	10,724
<b>Total Golf Sub Fund</b>		<b>\$ 187,629</b>	<b>\$ 934,650</b>	<b>\$ 410,000</b>	<b>\$ 712,279</b>	<b>\$ 650,877</b>	<b>\$ 61,402</b>

**EXHIBIT “D”**

Project Title		Capital Improvement Project		Report Budget to Actual Expenditures		For Year Ending June 30, 2017			Status (refer to Glossary of terms)
Project #	Project #	2016-17 Capital Projects	Carry-Over Capital Projects	Augment-ation	2017-18 Carry-Over Projects	Expected Expenditures 2016-17	Actual Expenditures 2016-17	2016-17 Variance	
Championship Golf Course Remodel Bathrooms, #6 Tee and #14 Green	3141BD1502	85,000	25,000			110,000	102,853	7,147	Completed
Fuel Management Program	3141CO1701	30,000	-		(30,000)	-	-	-	Carried Over
Irrigation Improvements	3141GC1103	13,000	15,000		(5,000)	23,000	24,001	(1,001)	Carried Over
Pavement Maintenance of Parking Lots - Champ. Course & Chateau	3141U1201	10,000	39,070		(30,000)	19,070	17,000	2,070	Carried Over
Pavement Maintenance of Cart Paths	3141U1202	55,000	21,980		(30,500)	46,380	23,300	23,080	Ongoing
2005 Buffalo Turbin Debris Blower #571	3142AT713	9,100	-		-	9,100	7,060	2,040	Complete
2000 Carryall Club Car #459	3142NL410	10,000	-		-	10,000	10,380	(380)	Complete
2000 Carryall Club Car #460	3142NL411	10,000	-		-	10,000	10,380	(380)	Complete
2011 Toro Sand Pro 3020 #659	3142SV502	20,000	-		-	20,000	14,978	5,022	Complete
2011 Toro 3500D Mower #649	3142SV505	41,000	-		-	41,000	31,954	9,046	Complete
Driving Range Nets	3143GC1201	10,000	-		(4,000)	6,000	5,999	1	Carried Over
Replace Icemaker Championship Golf Course Cart Barn	3144FF1702	10,100	-		-	10,100	6,768	3,332	Complete
Champ Grille Kitchen Equipment	3153FF1204	8,300	52,000		(39,000)	21,300	19,040	2,260	Carried Over
2008 John Deere 1500 Fairway Aerator #620	3197AT720	30,000	-		-	30,000	26,520	3,480	Complete
2001 John Deere Pro Gator #484	3197NL451	32,000	-		-	32,000	30,901	1,099	Complete
GolfTrac Software System - budgeted as a lease item not a purchase	3197CO1704	-	-		-	-	21,987	(21,987)	Complete
F&B POS Stations - unbudgeted	3197CO1705	-	-		-	-	28,440	(28,440)	Complete
Terra Rake - unbudgeted	3197LE1703	-	-		-	-	5,046	(5,046)	Complete
Championship Golf Cart Fleet (Augmented)	3144LV1706	-	-	448,000	-	448,000	448,000	-	Complete
Championship Course Greens, Tees and Bunkers	3141GC1202	-	120,000		(87,000)	33,000	36,542	(3,542)	Carried over
The Grille Bar Equipment and Furniture	3153FF1205	-	7,500		-	7,500	7,500	-	Complete
2001 Aerothatch Seeder #479	3142AT708	-	16,500		-	16,500	14,896	1,604	Complete
2002 Toro Hydroject 3000 #514	3197AT710	-	29,950		(29,950)	-	-	-	Delayed
2006 Toro 1250 Spray Rig #586	3197AT714	-	34,000		-	34,000	34,465	(465)	Complete
Championship Golf Capital Projects		373,500	361,000						
Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	70,000	20,000		(79,250)	10,750	12,706	(1,956)	Carried over
Fuel Management Program	3241CO1701	30,000	-		(30,000)	-	-	-	Carried over
Mountain Course Greens, Tees, Bunkers and Bridges	3241GC1101	27,000	-		(15,000)	12,000	11,164	836	Carried over
Pavement Maintenance of Parking Lot - Mountain Golf Course	3242L1204	10,000	-		(10,000)	-	5,700	(5,700)	Carried over
Pavement Maintenance of Cart Paths - Mountain Golf Course	3242L1205	55,000	19,000		(32,800)	41,200	26,641	14,559	Ongoing
1999 Carryall Club Car #450	3242NL400	10,000	-		-	10,000	10,380	(380)	Complete
1999 Carryall Club Car #451	3242NL401	10,000	-		-	10,000	10,380	(380)	Complete
1999 Carryall Club Car #452	3242NL402	10,000	-		-	10,000	10,380	(380)	Complete
1999 Carryall Club Car #459	3242NL403	10,000	-		-	10,000	10,380	(380)	Complete
2008 Toro Sand-Pro #618	3242SV525	20,000	-		-	20,000	14,979	5,021	Complete
Repair Roof - Mountain Golf Club House	3299BD1702	12,620	-		(12,400)	220	192	28	Multi-Year
Mountain Course Clubhouse & Maintenance Building Replacement	3299BD1403	-	-		-	-	7,928	(7,928)	Postponed
Irrigation Improvements	3241GC1404	-	10,000		(5,000)	5,000	-	5,000	Carried over
Mountain Course Capital Projects		264,620	49,000						
All Golf		638,120	410,000	448,000	(440,000)	1,056,120	1,048,840		

**EXHIBIT "E"**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

FUND	DESCRIPTION	CAPITAL PROJECT REPORT For the fiscal year ending June 30, 2018					
		PROJECT #	TOTAL BUDGET	Expended 6/30/18	Status	Budgeted Carry Over	
Mountain Golf	ADA Access to On-course Restrooms	3241BD1402	\$ 95,000	\$ -	Carried Over	\$ 95,000	
	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	79,250	7,855	Carried Over	71,395	
	Fuel Management Program	3241CO1701	30,000	20,394	Completed	-	
	Mountain Course Greens, Tees, Bunkers and Bridges	3241GC1101	38,000	40,547	Ongoing	-	
	Irrigation Improvements	3241GC1404	5,000	4,882	Ongoing	-	
	Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LI1204	16,000	15,100	Ongoing	-	
	Pavement Maintenance of Cart Paths - Mountain Golf Course	3242LI1205	77,800	79,668	Ongoing	-	
	Mountain Golf Course Cart Path Retaining Walls	3241LI1704	★ 11,000	3,831	Ongoing	7,168 ★	
	Repair Roof - Mountain Golf Club House	3299BD1702	82,400	-	Carried Over	82,400	
	Mountain Golf Course Backflow Device Replacement	3299DI1703	17,500	17,372	Completed	-	
	Fuel System Refurbishment	3299BD1801	-	21,892	Added	-	
	Gas Golf Cart Fleet - (Budgeted for new lease, purchased existing fleet)	3244LV1810	-	48,731	Added	-	
	2007 Buffalo Turbin Debris Blower #601	3242LE1720	8,000	7,224	Completed	-	
	2011 Toro 3500D Mower #663	3242LE1727	34,000	32,350	Completed	-	
	2007 Toro Tri-Plex 3250D Mower #598	3242LE1730	56,000	57,280	Completed	-	
	2008 Toro Tri-Plex Mower #614	3242LE1732	47,500	45,829	Completed	-	
		<b>Total Mountain Golf</b>	<b>\$ 597,450</b>	<b>\$ 402,955</b>		<b>\$ 255,963</b>	
	Facilities	Chateau Project Greens	3350AE1802	\$ 9,000	\$ 9,459	Completed	\$ -
		Paint Interior of Chateau	3350BD1505	27,100	26,115	Completed	-
		Magnetic Fire Door Closures	3350BD1705	18,450	16,612	Completed	-
Catering Kitchen Equipment		3350FF1204	15,000	12,854	Completed	-	
Enclose Chateau Exterior Storage Area		3350FF1601	6,500	-	Delayed	6,500	
Chateau Lobby Furniture		3350FF1801	13,500	12,286	Completed	-	
Aspen Grove - Replace Siding		3351BD1502	22,500	15,157	Completed	-	
Aspen Grove Facility Improvements		3351BD1703	60,000	64,007	Completed	-	
Chateau - Catering Equipment Chairs		3352FF1003	-	1,470	Completed	-	
Replace Banquet Serviceware		3352FF1104	55,000	5,320	Completed	-	
Banquet Tables		3352FF1704	31,900	35,324	Completed	-	
	<b>Total Facilities</b>	<b>\$ 258,950</b>	<b>\$ 198,604</b>		<b>\$ 6,500</b>		



**EXHIBIT "F"**

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT		CAPITAL PROJECT REPORT	TOTAL BUDGET	Expended	BUDGET Carry Over
FUND	DESCRIPTION	PROJECT #	2018-2019	Est. 5/10/19	2019-2020
Mountain Golf	Mountain Course Greens, Tees and Bunkers	3241GC1101	\$ 23,000	\$ 23,000	\$ -
	Mountain Golf Course Cart Path Retaining Walls	3241L11704	19,668	19,600	-
	ADA Access to On-course Restrooms	3241BD1402	95,000	95,000	-
	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	71,395	71,395	-
	Pavement Maintenance of Parking Lot - Mountain Golf Course	3242L11204	6,000	6,000	-
	Pavement Maintenance of Cart Paths - Mountain Golf Course	3242L11205	45,000	★ 45,000	-
	Paint Exterior of Mountain Golf Clubhouse	3299BD1705	27,800	-	27,800
	Replace Carpet in Mountain Golf Clubhouse	3299BD1801	24,000	-	-
	Mountain Golf Roll Up Shop Doors	3299BD1803	12,000	12,000	-
	Repair Roof - Mountain Golf Club House	3299BD1702	82,400	6,000	76,400
	Mountain Clubhouse Fire Repairs - Unbudgeted	3299BD1902	-	120,000	-
	Mountain Golf Cart Barn Concrete Floor - Unbudgeted	3299BD1903	-	8,980	-
		<b>Total Mountain Golf</b>	<b>\$ 406,263</b>	<b>\$ 406,975</b>	<b>\$ 104,200</b> ★
Facilities	Replace Air Walls Chateau	3350BD1704	\$ 7,500	\$ -	\$ -
	Replace Carpet in Chateau Grill	3350BD1803	12,000	12,000	-
	Paint Both Food & Beverage Kitchens and Storage Areas	3350BD1806	12,000	12,000	-
	Enclose Chateau Exterior Storage Area	3350FF1601	6,500	-	6,500
	Aspen Grove - Replace Carpet	3351BD1501	11,500	11,500	-
		<b>Total Chateau and Aspen Grove</b>	<b>\$ 49,500</b>	<b>\$ 35,500</b>	<b>\$ 6,500</b>

As of May 10, 2019

**EXHIBIT "G"**



5 Year Capital Improvement Plan Summary - As of 5.22.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total	
Mountain Golf	3241BD1503	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	Principal Engineer	60,000	-	-	-	-	60,000	
	3241GC1101	Mountain Course Greens, Tees and Bunkers	Grounds Superintendent	43,000	18,000	-	-	-	61,000	
	3241GC1404	Irrigation Improvements	Grounds Superintendent	39,000	-	-	30,000	-	69,000	
			Golf Courses	-	-	-	-	-	-	
	3241GC1502	Wash Pad Improvements	Principal Engineer	-	-	70,000	-	-	70,000	
	3241GC1802	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	Senior Engineer	65,000	-	-	-	-	65,000	
			Senior Engineer	-	-	-	-	-	-	
	3241LI1704	Mountain Golf Course Cart Path Retaining Walls	Senior Engineer	17,500	37,500	12,500	12,500	10,000	90,000	
	3241LV1899	Mountain Course 58 Cart Fleet	Director of Golf	288,000	-	-	-	-	288,000	
	3241ME1804	Mountain Golf Fuel Storage Facility	Fleet Superintendent	200,000	-	-	-	-	200,000	
	3242LE1725	2005 Carryall Club Car #568	Fleet Superintendent	11,000	-	-	-	-	11,000	
	3242LE1726	2016 Bar Cart #726	Fleet Superintendent	-	29,000	-	-	-	29,000	
	3242LE1728	2015 Toro 4000D Rough Mower #709	Fleet Superintendent	-	-	-	61,000	-	61,000	
	3242LE1731	2017 Toro Sand Pro #745	Fleet Superintendent	-	-	-	-	22,000	22,000	
	3242LE1732	2016 Toro Tri-Plex Mower #614	Fleet Superintendent	-	-	-	43,400	-	43,400	
	3242LI1204	Pavement Maintenance of Parking Lot - Mountain Golf Course	Senior Engineer	22,500	6,000	12,500	12,500	25,000	78,500	
	3242LI1205	Pavement Maintenance of Cart Paths - Mountain Golf Course	Senior Engineer	40,000	45,000	45,000	45,000	45,000	220,000	
	3299BD1403	Mountain Course Clubhouse and Maintenance Building Renovation and ADA Upgrades	Engineering Manager	-	-	-	95,000	600,000	695,000	
	3299BD1702	Replace Roof - Mountain Golf Clubhouse	Buildings Superintendent	25,000	-	-	-	-	25,000	
	3299BD1705	Paint Exterior of Mountain Golf Clubhouse	Buildings Superintendent	41,500	-	-	-	-	41,500	
	3299BD1902	Mountain Clubhouse Improvements Project	Engineering Manager	1,464,000	-	-	-	-	1,464,000	
	<b>Total</b>				<b>2,316,500</b>	<b>135,500</b>	<b>140,000</b>	<b>299,400</b>	<b>702,000</b>	<b>3,593,400</b>
	Facilities	3350BD1103	Chateau - Replace Carpet	Buildings Superintendent	62,000	-	-	49,500	68,000	179,500
3350BD1302		Resurface Patio Deck - Chateau	Buildings Superintendent	-	36,000	-	-	-	36,000	
3350BD1505		Paint Interior of Chateau	Buildings Superintendent	-	-	-	-	40,500	40,500	
3350BD1506		Paint Exterior of Chateau	Buildings Superintendent	-	-	47,000	-	-	47,000	
3350BD1704		Replace Air Walls Chateau	Buildings Superintendent	-	31,360	-	-	-	31,360	
3350BD1804		Replace Hallway Tile at Chateau	Buildings Superintendent	65,000	-	-	-	-	65,000	
3350BD1805		Repair and Refinish Wood Walls Upstairs at Chateau	Buildings Superintendent	10,000	-	-	-	-	10,000	
3350BD1808		Chateau Community Room Ceiling and Beam Refurbishing	Buildings Superintendent	-	-	-	-	25,000	25,000	
3350FF1204		Catering Kitchen Equipment	Food and Beverage Director	18,900	-	-	-	-	18,900	
3350FF1601		Enclose Chateau Exterior Storage Area	Engineering Technician	-	85,000	-	-	-	85,000	
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	
3351BD2101		Dumpster enclosure - Village Green/Aspen Grove	Parks Superintendent	-	-	45,000	-	-	45,000	

**EXHIBIT "H"**

**Incline Village General Improvement District Facility Fee Reconciliation by Parcel**

<b>Budget for 2019-2020</b>		<b>Historical Recreation Fee Per Parcel</b>				
<b>Recreation Facility Fee charged to</b>			Operating	Capital Projects	Debt Service	Total Fee
<b>8,203 Parcels</b>						
Golf - Championship	\$ 21	<b>2019-20</b>	\$ 250	\$ 405	\$ 50	\$ 705
Golf - Mountain Facilities	40	2018-19	215	440	50	705
Diamond Peak Ski	(200)	2017-18	215	330	160	705
Youth & Family Programming	25	2016-17	250	320	160	730
Senior Programming	21	2015-16	266	308	156	730
Recreation Center	97	2014-15	211	303	216	730
Comm. Services Administration	127	2013-14	239	277	214	730
Parks	89	2012-13	258	199	273	730
Tennis	14	2011-12	199	242	274	715
<b>Per Parcel Operating Component</b>	<b>250</b>	2010-11	128	304	298	730
<b>Per Parcel Capital Exp. Component</b>	<b>405</b>					
<b>Per Parcel Debt Service Component</b>	<b>50</b>					
<b>Total Recreation Fee Per Parcel</b>	<b>\$ 705</b>					

<b>Budget for 2019-2020</b>		<b>Historical Beach Fee Per Parcel</b>				
<b>Beach Facility Fee charged to</b>			Operating	Capital Projects	Debt Service	Total Fee
<b>7,748 Parcels</b>						
Per Parcel Operating Component	\$ 85	<b>2019-20</b>	\$ 85	\$ 39	\$ 1	\$ 125
Per Parcel Capital Exp. Component	39	2018-19	85	39	1	125
Per Parcel Debt Service Component	1	2017-18	85	39	1	125
<b>Total Beach Fee Per Parcel</b>	<b>\$ 125</b>	2016-17	75	24	1	100
		2015-16	75	24	1	100
		2014-15	65	-	35	100
		2013-14	63	-	37	100
		2012-13	66	17	17	100
		2011-12	98	-	17	115
		2010-11	69	-	31	100

The combined Facility Fee for 2019-2020 would represent the tenth year held at the total of \$830.

**EXHIBIT "I"**

REVENUES	(1)	(2)	(3) (4) BUDGET YEAR ENDING 06/30/20	
	ACTUAL PRIOR YEAR ENDING 6/30/2018	ESTIMATED CURRENT YEAR ENDING 6/30/2019	TENTATIVE APPROVED	FINAL APPROVED
<b>Charges for Services</b>				
Championship Golf Course	3,765,419	4,130,000	4,516,321	4,516,321
Mountain Golf Course	630,214	700,000	678,573	678,573
Facilities (Chateau & Aspen Grove)	355,696	410,000	420,793	420,793
Ski	9,155,646	11,700,000	9,222,320	9,222,320
Community Programming	1,289,953	1,305,000	1,285,209	1,285,209
Parks	48,910	55,000	62,178	62,178
Tennis	145,187	159,000	156,100	156,100
Recreation Administration	(758,481)	(725,000)	(748,600)	(748,600)
Subtotal Charges for Services	14,632,554	17,734,000	15,592,894	15,592,894
<b>Facility Fee</b>				
Championship Golf Course	795,437	804,000	976,157	976,157
Mountain Golf Course	505,878	517,000	689,052	689,052
Facilities (Chateau & Aspen Grove)	458,325	467,000	524,992	524,992
Ski	220,978	238,000	(336,323)	(336,323)
Community Programming	1,293,131	1,305,000	1,574,976	1,574,976
Parks	957,571	968,000	992,563	992,563
Tennis	163,687	164,000	196,872	196,872
Recreation Administration	1,374,975	1,321,000	1,164,826	1,164,826
Subtotal Facility Fees	5,769,982	5,784,000	5,783,115	5,783,115
<b>Other miscellaneous</b>				
Operating Grants	17,000	17,000	17,000	17,000
Investment Income	69,303	69,000	50,000	50,000
Sale of Assets	85,562	-	-	-
Interfund services (green spaces)	74,014	77,000	98,210	98,210
Intergovernmental (IV high school fields)	20,220	18,000	23,400	23,400
Miscellaneous other & Cell Tower Leases	109,462	118,000	110,361	110,361
Capital Grants	-	-	486,000	623,800
Insurance proceeds	-	-	300,000	300,000
Subtotal Other Miscellaneous	375,561	299,000	1,084,971	1,222,771
Subtotal	20,778,097	23,817,000	22,460,980	22,598,780
<b>OTHER FINANCING SOURCES (specify)</b>				
Transfers in (Schedule T)	645,000	241,875	561,800	561,800
<b>BEGINNING FUND BALANCE</b>				
Prior Period Adjustments				
Residual Equity Transfers				
<b>TOTAL BEGINNING FUND BALANCE</b>	10,320,141	10,645,469	12,692,482	13,183,167
<b>TOTAL AVAILABLE RESOURCES</b>	31,743,238	34,704,344	35,715,262	36,343,747

Incline Village General Improvement District

Community Services Special Revenue Fund

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Schedule B-12



EXPENDITURES	(1)	(2)	(3) BUDGET YEAR ENDING 06/30/20	
	ACTUAL PRIOR YEAR ENDING 6/30/2018	ESTIMATED CURRENT YEAR ENDING 6/30/2019	TENTATIVE APPROVED	FINAL APPROVED
<b>Championship Golf Course</b>				
Salaries and Wages	1,450,745	1,495,000	1,592,508	1,592,508
Employee Benefits	378,678	425,000	512,154	512,154
Services and Supplies	2,226,279	2,301,600	2,587,477	2,598,977
Capital Outlay	-	-	613,782	653,200
<b>Subtotal Championship Golf Course</b>	<b>4,055,702</b>	<b>4,221,600</b>	<b>5,305,921</b>	<b>5,356,839</b>
<b>Mountain Golf Course</b>				
Salaries and Wages	327,821	380,000	372,113	372,113
Employee Benefits	88,958	110,000	115,629	115,629
Services and Supplies	555,392	510,800	540,035	540,135
Capital Outlay	-	-	1,541,238	2,420,700
<b>Subtotal Mountain Golf Course</b>	<b>972,171</b>	<b>1,000,800</b>	<b>2,569,015</b>	<b>3,448,577</b>
<b>Facilities (Chateau and Aspen Grove)</b>				
Salaries and Wages	80,096	85,000	89,488	89,488
Employee Benefits	38,460	43,000	47,157	47,157
Services and Supplies	330,241	394,600	412,290	412,390
Capital Outlay	-	-	180,400	180,400
<b>Subtotal Facilities</b>	<b>448,797</b>	<b>523,600</b>	<b>729,335</b>	<b>729,435</b>
<b>SKI</b>				
Salaries and Wages	2,767,963	3,043,000	2,970,495	2,970,495
Employee Benefits	847,817	950,000	985,297	985,297
Services and Supplies	3,408,547	3,762,000	3,662,826	3,609,576
Capital Outlay	-	-	2,482,168	2,770,850
<b>Subtotal Ski</b>	<b>7,024,327</b>	<b>7,755,000</b>	<b>10,100,784</b>	<b>10,336,218</b>
<b>Community Programming (Including Rec Center)</b>				
Salaries and Wages	1,093,852	1,112,000	1,164,024	1,164,024
Employee Benefits	319,199	335,000	368,533	368,533
Services and Supplies	819,054	862,300	948,366	942,566
Capital Outlay	-	-	413,700	468,650
<b>Subtotal Community Programming</b>	<b>2,232,105</b>	<b>2,309,300</b>	<b>2,894,623</b>	<b>2,943,773</b>
<b>Parks</b>				
Salaries and Wages	332,157	327,000	345,389	345,389
Employee Benefits	71,527	80,000	85,269	85,269
Services and Supplies	414,614	429,800	459,201	460,601
Capital Outlay	-	-	880,252	1,028,752
<b>Subtotal Parks</b>	<b>818,298</b>	<b>836,800</b>	<b>1,770,131</b>	<b>1,920,031</b>
<b>Tennis</b>				
Salaries and Wages	120,151	139,000	139,281	139,281
Employee Benefits	19,854	27,500	29,131	29,131
Services and Supplies	88,525	99,200	102,011	102,011
Capital Outlay	-	-	793,500	1,363,950
<b>Subtotal Tennis</b>	<b>228,530</b>	<b>265,700</b>	<b>1,063,923</b>	<b>1,634,373</b>
<b>Community Services Administration</b>				
Salaries and Wages	144,815	135,000	183,759	183,759
Employee Benefits	41,518	43,000	60,652	60,652
Services and Supplies	171,165	189,000	199,660	199,660
Capital Outlay	-	-	-	-
<b>Subtotal Comm. Serv. Administration</b>	<b>357,498</b>	<b>367,000</b>	<b>444,071</b>	<b>444,071</b>
<b>Debt Service - G.O. Revenue Supported Bond</b>				
Principal	-	-	355,188	355,188
Interest	-	-	29,166	29,166
<b>Subtotal Debt Service</b>	<b>-</b>	<b>-</b>	<b>384,354</b>	<b>384,354</b>
<b>Subtotal - Comm. Services Expenditures</b>	<b>16,137,428</b>	<b>17,279,600</b>	<b>25,262,157</b>	<b>27,197,671</b>
Transfers Out	4,860,341	4,241,577	-	-
<b>ENDING FUND BALANCE</b>	<b>10,645,469</b>	<b>13,183,167</b>	<b>10,453,105</b>	<b>9,148,076</b>
<b>TOTAL COMMITMENTS &amp; FUND BALANCE</b>	<b>31,743,238</b>	<b>34,704,344</b>	<b>35,715,262</b>	<b>36,343,747</b>

Incline Village General Improvement District

Community Services Special Revenue Fund

Note prior to July 1, 2019 Capital Outlay and Debt Service were reported under separate funds.

## Public Comment IVGID Board of Trustees Meeting 10/30/19

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Why were 2 purchase orders for vaguely worded contracts with no tangible deliverables totaling \$35,000 signed by former GM Pinkerton for Mr. Eric Severance to research and report on subjects in which Severance apparently has no recent expertise or experience?

According to the resume provided by Mr. Severance when he applied for the position of IVGID general manager just 6 years ago, he last worked in the ski industry more than 20 years ago. Mr. Severance's "linked in" account shows 20 years of consulting experience for a company called "Sevgroup". However no company with that name is registered on the Nevada Attorney General's site and oddly, there was no reference to that company/work in his resume.

Why would anyone pay him \$150 an hour to do "research" on yield management and discount pricing for Diamond Peak and why would anyone pay him a nickel for the roughly 5 pages of worthless reports on pp. 221-224 and pp. 241-242 of the 10/30/19 Board Packet?

And why would anyone authorize payment of Severance's invoices that provided absolutely no breakdown or documentation of hourly billing?

Unfortunately there are no good answers to these questions.

The first "draft" report (a little over 3 pages) is extremely simplistic and looks like a high school homework assignment. The second report (attached) of just over a page was plagiarized almost entirely from an online blog dated 12/5/17 (reprint attached). Until yesterday staff insisted these were the only reports produced as part of the 2 contracts.

And the 2 "updates" allegedly provided by Mr. Severance to staff on October 21 and October 24 and provided to members of the public only yesterday do nothing to alter the fact that these contracts were an abuse of the former GM's discretion to spend public funds. What makes matters worse is that now Mr. Severance says he produced additional reports never mentioned in the responses to requests for public records, even after Ms. Herron told us there were no other reports. Who is telling the truth?

This episode has uncovered serious problems that the Board and the interim general manager need to address.

First, staff needs to be reminded that they work for the public. Public employees, including the General Manager, have a duty to make the best use of public funds. IVGID is not a private business where you can choose to award contracts and authorize payment to anyone for any reason. In the private sector bad choices ultimately mean the business will fail. In the public sector, bad choices mean additional cost to the taxpayer, since our businesses are subsidized by our Rec Fees and consequently never "fail".

Perhaps staff had no way to anonymously report these violations of the public trust. An online form was discussed at the May Audit Committee meeting, since the email address (monitored by the District Clerk) that had been set up for the purpose did not provide anonymity. However, the form responses, as well as the email, need to be directed to the Board, not staff, since as we see in this case, a GM was involved. I hope staff understands that as public servants, they should never allow such misuse of public funds and are aware that the law guarantees protection for "whistle blowers".

## Public Comment IVGID Board of Trustees Meeting 10/30/19

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The second problem is a recurring one. IVGID needs a much better system for tracking public records and responding to public records requests. The new public records laws went into effect on October 1 and will result in costly fines if the District does not follow them.

In conclusion, I hope Mr. Winqest will perform a thorough investigation and take appropriate action. I ask that the Board make it a priority to provide staff with an anonymous method to report suspicious activities directly to them and work with Mr. Winqest and legal counsel to revamp our public records policies and procedures to be in compliance with the new law.

Judith Miller

## Discounting (re: our discount pricing strategy)

### Overview

Selective discounting is part of our Pricing Strategy (which is part of our Revenue Management/Yield Management strategy).

*[Remember the goal] Sell the right product, to the right customer, at the right time, for the right price – before it expires.*

A pricing strategy directly impacts the amount of profit ones makes. Our pricing strategy is designed to meet our sales objectives, enhance our brand perception, improve loyalty, and provides the best profit point (yield) for market demand.

### Pricing Strategies

Generally, a pricing strategy is developed after performing a marketing analysis. Product distribution, positioning and promotional decisions are made and demand is estimated. A pricing strategy is formulated taking into consideration factors of cost, competition and profit objectives. Our pricing strategies include a full price strategy, off peak pricing, competitive pricing, discount pricing - and a mix of these.

### Discount Pricing Strategy

- A product discount is a decrease in price for a good or service, for a specific purpose. We develop discount pricing strategies for reasons such as:
- Drive traffic and sales - to balance and smooth out Supply and Demand (i.e. incent traffic at lower demand periods). Seasonal discounts offer lower prices for off-peak periods, allowing one to increase overall sales - *Come on a weekday*
- Incent customers to commit (early)- *Book early and save*
- Volume – Group sales
- For marketing (exposure/awareness) – i.e. with partners who are willing to sell our product (often where it may not otherwise be known of), such as retail outlets (i.e. ski shops, that have the desired retail traffic demographic).
- Promotional discounts - are short-term and used to drive sales for specific objectives (events, brand awareness).

### Cautions with Discount Pricing

Consider product positioning before choosing a discount pricing strategy. Consumers can associate low price with low quality, even more true when the brand name is not familiar. Implementing a discount pricing strategy increases the chance that your product will be perceived as lower in quality. While you may gain customers, that make decisions on price alone, other customers may choose competitor products because of perceived quality. Low prices may drive sales for a limited time, but do not build customer loyalty. When a lower priced alternative comes along, you may lose your market share. Competitors can simply match your prices, or beat them. When prices have been driven down to absolute low prices, it is difficult to raise prices again, especially if your product is perceived as being lower in quality.

Proceed with discount pricing strategies cautiously. Occasional discounts and discounts that reward loyal customers are effective. Discounts used too often begin a downward pricing spiral that may eventually damage your ability to sell the product at full price. For example, if a retailer has periodic large discounts then it may condition your market to wait for these sales, lowering profit margins.

Reframes:

- Think of Peak pricing as a choice (i.e. when, where), an upgrade. I want to sit in the front, center section (i.e. a performance)... I want to ski on a Holiday weekend... I want to go direct to the lift, anytime (convenience). Customer will pay more if the product is properly tailored to their needs.
  
- Why do people say “you’re giving the place away”?
  - Change the conversation.
    - Is the power company “giving the place away” at night?
      - Of course not – they’re able to charge more at peak periods (to compensate for higher costs and extreme demand), discourage unnecessary peak use, and in turn, incent use in off peak periods)



([HTTPS://WWW.UNLEASHEDSOFTWARE.COM/BLOG/DISCOUNT-PRICING-STRATEGY-EXPLAINED](https://www.unleashedsoftware.com/blog/discount-pricing-strategy-explained))

**BUSINESS TIPS**

([HTTPS://WWW.UNLEASHEDSOFTWARE.COM/BLOG/CATEGORY/BUSINESS-TIPS](https://www.unleashedsoftware.com/blog/category/business-tips))

# Discount Pricing Strategy Explained

Written by  **Melanie**

 2 years ago

## CATEGORIES

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📅 **DECEMBER 5, 2017** ⌚ 3 min read

A pricing strategy is an important element of a lucrative business. More than any other element, a pricing strategy directly impacts the amount of profit you make. Choose a pricing strategy that helps you meet your sales objectives, enhances your brand perception and provides the best profit point for market demand. A discount pricing strategy is useful for driving traffic and sales short term, however used as a long-term strategy, discount pricing has some negative effects on market position and brand loyalty.

## Pricing Strategies

Generally, a business must develop a pricing strategy for a product after performing a marketing analysis. Product distribution, positioning and promotional decisions are made and demand is estimated. A pricing strategy is formulated taking into consideration factors of cost, competition and profit objectives. Possible pricing strategies include a full price strategy, competitive pricing, discount pricing or a mix of these. We will focus on discounting pricing strategies for this article.

## Discount Pricing Strategy

Businesses use discount pricing to sell low-priced products in high volumes. With this strategy, it is important to decrease costs and stay competitive. Large retailers are able to demand price discounts from suppliers and make a discount pricing strategy effective as they buy in bulk. It is usually impossible to compete with these retailers based solely on a discount pricing strategy.

Proceed with discount pricing strategies cautiously. Occasional discounts and discounts that reward loyal customers are effective. Discounts used too often begin a downward pricing spiral that may eventually damage your ability to sell the product at full price. For example, if a retailer has periodic large discounts then it may condition your market to wait for these sales, lowering profit margins (<https://www.unleashedsoftware.com/blog/margins-mark-ups-making-profit-without-mess>).

## Types of Discounts

## Quantity discounts

It is increasingly common to offer quantity discounts to customers who purchase in bulk and it generally rewards customer loyalty. These discounts can be cumulative, such as discounts given to customers who place multiple small orders or loyalty cards that give a free item after a certain number are purchased.

## Seasonal discounts

These are appropriate to reward customers who purchase during off-peak times and often serve to increase sales at the beginning of peak seasons.

## Promotional discounts

Promotional discounts are short-term and used to drive sales.

## Loss leaders

These are discounted items designed to bring customers into the store in the hope they'll also purchase more profitable products as well. Loss leaders should be recognised brands that are used frequently. Loss leader items should also change regularly to keep customers coming back.

## Advantages of Discount Pricing

Discounts to reward customers who purchase in bulk, repeat customers and employees build customer loyalty. Loss leaders are effective for retailers who need to increase traffic in the store. Promotional discounts, used sparingly, offer temporary advantages including maximising sales, revenue and profit. During a short-term discount period, more units are sold, allowing the company to decrease inventory stock and temporarily raise revenues.

## Disadvantages of Discount Pricing

Consider product positioning before choosing a discount pricing strategy. **Consumers can often associate low price with low quality**

(<https://www.unleashedsoftware.com/blog/pricing-quality-perception-profits-relationship>), even more true when the brand name is not familiar. Implementing a discount pricing strategy increases the chance that your product will be perceived as lower in quality. While you may gain customers, that make decisions on price alone, other customers may choose competitor



products because of perceived quality. Low prices may drive sales for a limited time, but do not build customer loyalty. When a lower priced alternative comes along, you may lose your market share. Competitors can simply match your prices, or beat them. When prices have been driven down to absolute low prices, it is difficult to raise prices again, especially if your product is perceived as being lower in quality.

## Was this post helpful?

Let us know if you liked the post. That's the only way we can improve.

**Yes**

**No**

Topics: discount pricing (<https://www.unleashedsoftware.com/blog/tag/discount-pricing>), pricing (<https://www.unleashedsoftware.com/blog/tag/pricing>), pricing strategy (<https://www.unleashedsoftware.com/blog/tag/pricing-strategy>), profit margins (<https://www.unleashedsoftware.com/blog/tag/profit-margins>)

## PRODUCT

[Purchases \(/product/purchases\)](/product/purchases)

[Inventory \(/product/inventory\)](/product/inventory)

[Production \(/product/production\)](/product/production)

[Sales \(/product/sales\)](/product/sales)

[Pricing \(/pricing\)](/pricing)

[B2B eCommerce \(/b2b-ecommerce-platform\)](/b2b-ecommerce-platform)

[Sales Mobile App \(/product/mobile-app\)](/product/mobile-app)

[App Marketplace \(/app-marketplace\)](/app-marketplace)

[Integrate with us \(/partners/integration\)](/partners/integration)

## INDUSTRIES

[Customers \(/customers\)](#)

[Manufacturing \(/industry/manufacturing-inventory-management\)](#)

[Brewery \(/industry/brewery-inventory-management\)](#)

[Food Manufacturing \(/industry/food-manufacturing-inventory\)](#)

[Distribution \(/industry/distribution-inventory-management\)](#)

[Wholesale \(/industry/wholesale-inventory-management\)](#)

[Retail \(/industry/retail-inventory-management\)](#)

[Coffee Roasters \(/industry/coffee-roasters-inventory-management\)](#)

[Health and Supplements \(/industry/health-and-supplements-inventory-management\)](#)

[Lighting \(/industry/lighting-inventory-management\)](#)

## SUPPORT

[Learning Academy \(/academy\)](#)

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[Partners \(/partners\)](#)

[Community \(https://support.unleashedsoftware.com\)](https://support.unleashedsoftware.com)

[Inventory Blog \(/blog\)](#)

[Maintenance \(/maintenance\)](#)

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## Public Comment IVGID Board of Trustees Meeting 10/30/2019 Item I. 6

Following are some sections of the handbook that I feel need discussion/modification:

Page	Topic	
p.93 Role of All Trustees	The proposed change referring to "sensitive" information needs some clarification. The public has the right to know about any matter that is not confidential. Perhaps statement "confidential information" should be on a separate bullet point.	
p. 93 Detailed Roles of each officer	Each of these offices has specific duties listed in NRS 318. A reference should be made to the statute for each office.	
p. 93 Detailed role of Chair	Serve as spokesperson... This item should also reference the "Advocacy Roles" on p. 102 which requires all trustees to only advocate a particular position if the Board has voted on the issue.	
p. 100	Agenda notebooks. Perhaps these should be renamed Board packets, since that is the term currently used.	
p. 100 Agenda tips	The proposed change has to do with no longer including correspondence in the Board packet. This has been staff's decision. The Board never agendaized or voted on this change.	
P. 101 Meeting tips	"Encourage the public to participate". We have seen how participation/interest wanes since once initial public comments have ended, since all of the ensuing discussions only involve the trustees. This is the people's business and the public should be able to participate/comment at each agenda item on which a vote is taken.	
p. 107	Document retention. It should be noted that an updated document retention policy has been recommended.	

Thank you for taking the above into consideration when discussing this agenda item.

Judith Miller

10/30/2019

Comments to the IVGID Board of Trustees

RE: Popular Report for District Capital Improvement Projects

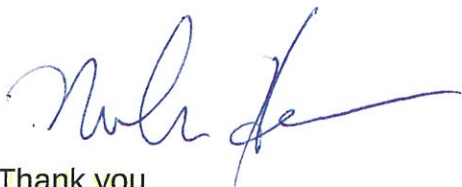
Thank you for the opportunity to comment.

The report for District Capital Improvement Projects is a key communication device to let residents understand what is happening within IVGID. I applaud the effort underway to define this report. This is something that is in place in every major business I have ever been a part of.

It is key that a report includes multi-year and multi-phase projects in a way understandable to the general public. One of the most important items is that multi-year project accumulated costs to date should be included. A current example is the Tennis Center. A little project with only schematic design has accumulated costs through 6/30/2019 of over \$80K. Adding this to the report should not be overwhelming since there are probably less than 10 to 20 multi-year projects.

It is also important that interim changes in authorization be included.

I realize you are just beginning your discussion but this reporting can resolve much of the misinformation that can be created without a full report being available. The most important aspect of this information is to allow a full discussion and disclosure of spending within IVGID. This further allows evaluation of performance on various projects.



Thank you

Mike Hess

521 Spencer Wy

Incline Village, NV 89451

# *Friends of Third Creek*

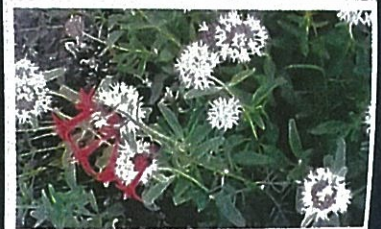
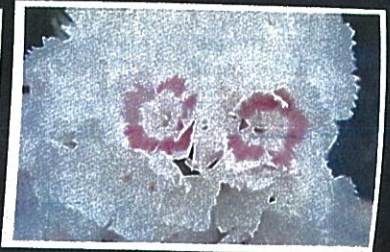




Photo taken in the Third Creek Watershed,  
North Area, Incline Lake. August of 2019  
by S. Dolan ©

Dear U.S. Forest Service  
Lake Tahoe Basin Mgt. Unit,  
Attn: Ashley Sibr

Please ban Over Snow Vehicle use over, on, or near  
Third Creek and its SEZ in the North Area of the Lake  
Tahoe Winter Rec and OSV Travel Management Project.

Thank you,

\_\_\_\_\_  
signature

\_\_\_\_\_  
zip code

Postal Use [

U.S. Forest Service  
Ashley Sibr  
35 College Drive  
So. Lake Tahoe, CA, 96150

IVGID Trustees board meeting

October 30, 2019

Chairwoman Wong, Trustees Dent, Calicrate, Horran, and Morris, Interim GM Winquest.

RE: U.S. Forest Service Incline Lake / Third Creek snowmobile proposal:

NDOW, TRPA, find this issue important enough to take action—I hope IVGID Trustees are willing to step up for our community and stop the Snowmobile proposal for the “North Area” Incline Lake section of the Lake Tahoe Basin Management Unit of the USDA-FS.

I have spoken with Ashley, the addressee on the card, and she has said that, [our] *efforts help the Forest Service to consider alternatives and open up a dialogue.*

- Snowlands.org has identified Incline Lake area as a **"Comments Needed"** section of this U.S. Forest Service proposal, and cautions that **"this may be the only opportunity to comment during this scoping period for the LTBMU Forest Services proposal."**
- We have Only 20 days from today to make a comment. INTERAGENCY or public.
- Our community and property is profoundly affected by this proposal:
  - Apollo way; Official Fire Department avalanche warnings 2017 Jan. 7<sup>th</sup> 2:35p.m
  - Our Incline Lake property is surrounded by this snowmobile proposal. This ignores our community's overwhelming desire for x-country and back-country skiing as well as snowshoeing. It will permanently affect parking, noise levels, pollutants and stench from exhausts, while adding gas, grease, and rubber into the SEZ. Residual tracks will make it impractical to utilize our investment for non-motorized recreation at our property at Incline Lake.
- My effort is for Third Creek watershed only, but other properties should be considered by the Trustees as well
  - Diamond Peak
  - Tyrolian Village
  - We spent, with the help of the Corp of Engineers, millions of dollars rehabilitating Third Creek—specifically the spawning area. So we should not ignore the up stream environmental support network considered vital for this effort.
- Reinforce the efforts of our interagency cooperation with NDOW-fisheries current work on Third Creek and TRPA's governance obligations.
- Adhere to the Trustee's pledge to protect the environment.
- Assist in the reintroduction of the "Endangered" Lahontan Cutthroat Trout

#### POST CARD

- A bouquet of flowers for our friends at the U.S. Forest Service Lake Tahoe Basin Management Unit to help open dialogue and remind them of the beauty of Third Creek. All postcard photos were taken in 2019 within the Third Creek watershed.
  - Please sign, we will provide a stamp and mail it.
  - You will receive no follow up, and will not be added to any list or further harassed in any way.
  - Simply sign it, and return it to one of us, and we will stamp and send it.
  - Please raise your hand if you would like to make a comment to the U.S.F.S.

**Please add this document to the Public Opinion notes for this meeting.  
Steve Dolan**



Lake Tahoe Basin Management Unit  
Snowmobile Plan Proposed Action needs modification  
for human-powered winter recreation opportunities.

Deadline for comments is November 19, 2019

Dear IVGID Board of Trustees

Our opportunities for quiet winter recreation are severely threatened right now in a proposal to change where snowmobiles are allowed to go in the Lake Tahoe Basin. We are requesting your support. That is the only way we won't lose the quiet places we love in winter.

The Lake Tahoe Basin Management Unit (LTBMU) of the United States Forest Service is now proposing to allow snowmobiles at every popular and accessible place for skiing, snowshoeing, and snow play in winter in the Lake Tahoe Basin. We don't mind sharing with others, but allowing snowmobiles in the places being proposed will push us out of the places we most cherish in the Lake Tahoe Basin where we want quiet winter recreation.

### The Situation

The United States Forest Service (USFS) is required to manage recreational uses on Federal lands. Until the 2013 court ruling requiring management of over-snow-vehicles (OSV's) Forest Service units had not updated plans for OSV management in 25 years.

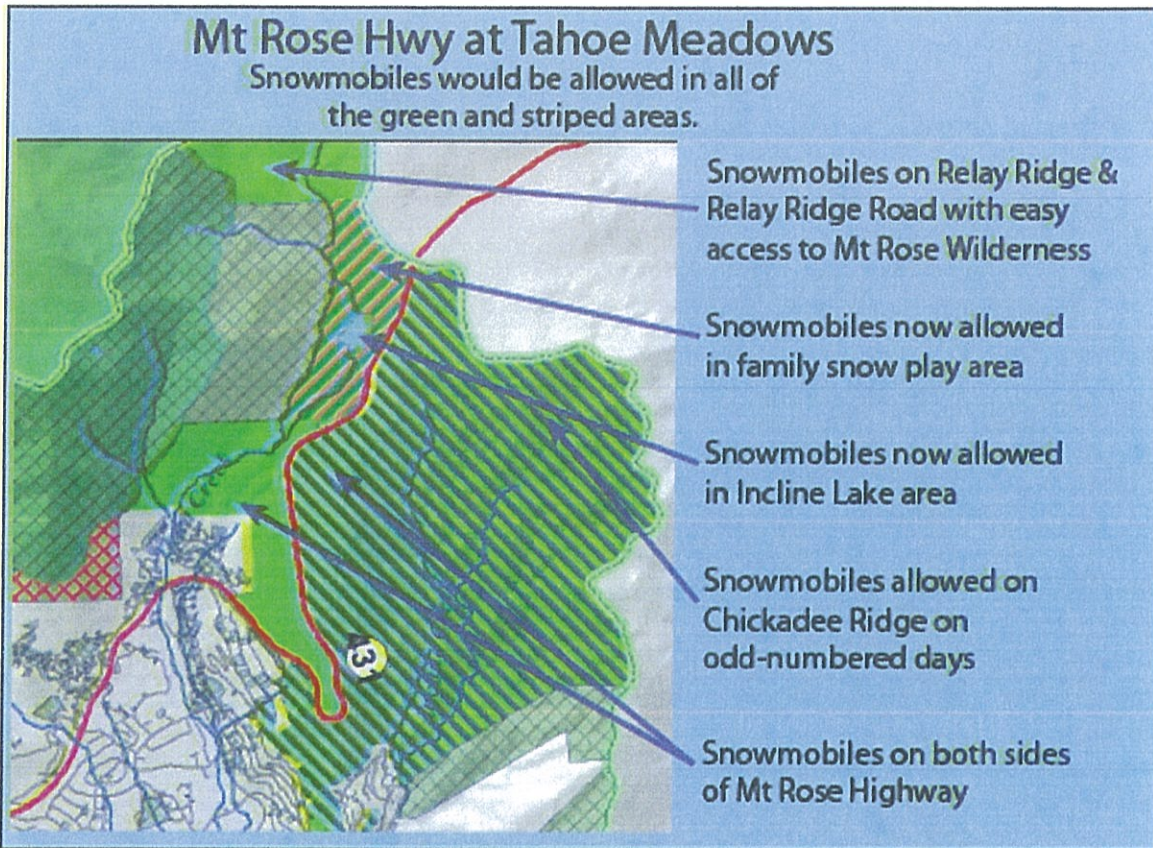
The Lake Tahoe Basin Management Unit has recently released their Proposed Action (PA) based on NEPA requirements, to manage OSV use.

### The Problem

The PA does not reflect the input of the non-motorized community. We have actively participated and communicated with the LTBMU for over a decade for more areas for non-motorized winter recreation. However, the Proposed Action has failed to address any of our requests, and in fact has proposed to allow OSV use in every area we have requested consideration.

We are opposed to allowing snowmobiles in the following areas:

- Chickadee Ridge and the surrounding area
- Relay Ridge and Relay Ridge Road
- The family snow-play area next to the Mt. Rose Hwy
- Incline Lake Area next to the Mt. Rose Hwy
- Martis Peak Road, starting at Hwy 267 near Brockway Summit
- The junction of Hwy 28 and 50 at Spooner
- Fallen Leaf Lake area between Camp Richardson and the Fallen Leaf Lake Road



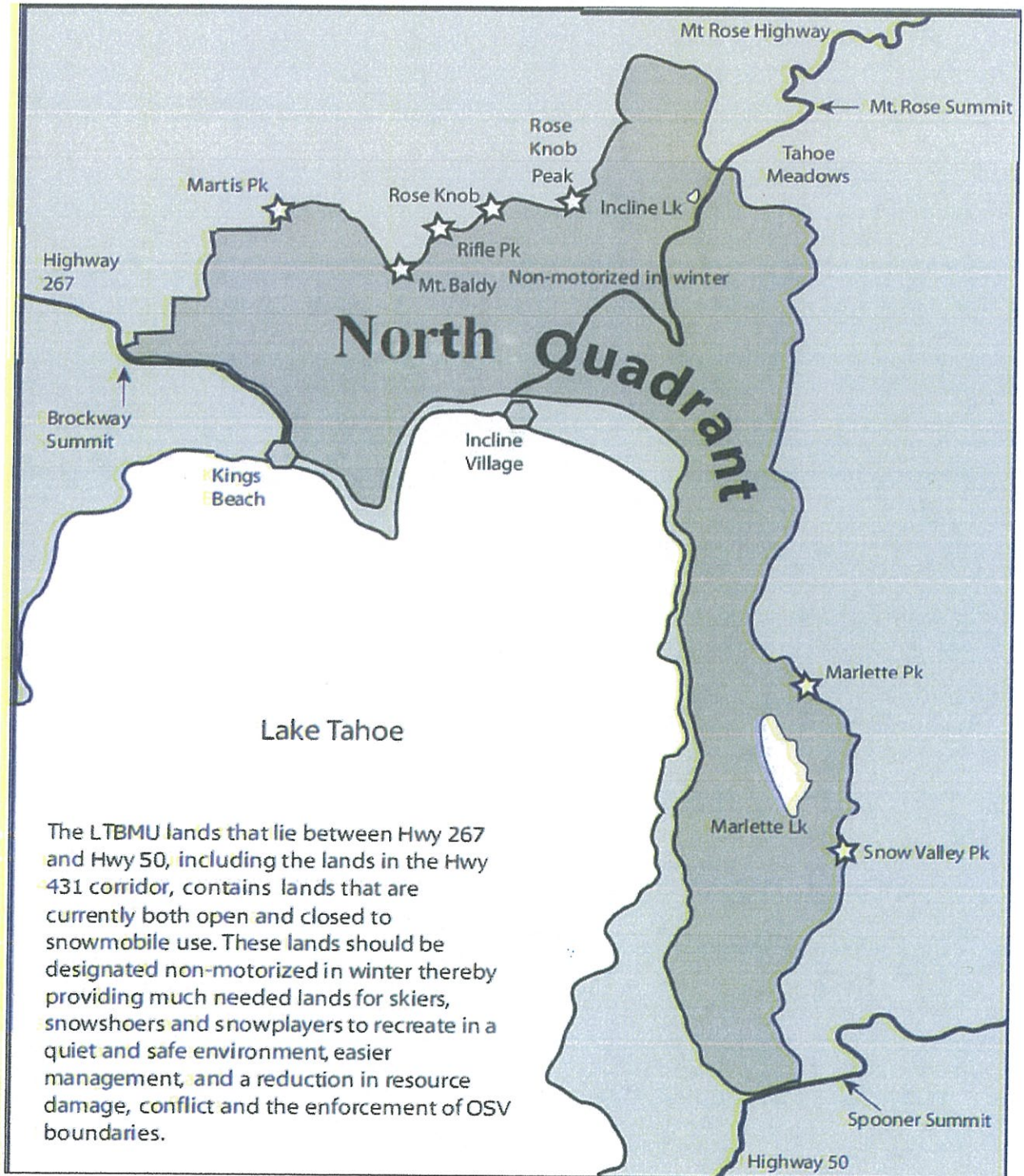
We are requesting that the Board of Trustees for the Incline Village General Improvement District write or email the Lake Tahoe Basin Management Unit of the United States Forest Service, the LTBMU. Tell them your constituents don't want snowmobiles where they ski and snowshoe and snow play at:

- Chickadee Ridge and the surrounding area
- Relay Ridge and Relay Ridge Road
- The family snow-play area next to the Mt. Rose Hwy
- Incline Lake Area next to the Mt. Rose Hwy
- Martis Peak Road, starting at Hwy 267 near Brockway Summit
- The junction of Hwy 28 and 50 at Spooner
- Fallen Leaf Lake area between Camp Richardson and the Fallen Leaf Lake Road

**The LTBMU Proposed Action leaves no quiet places to enjoy in winter, nor to participate in sustainable, human-powered winter recreation.**

### The Solution

Tell the Lake Tahoe Basin Management Unit (LTBMU) to designate the **North Quadrant** for non-motorized winter recreation and why. Snowmobiles should be allowed in the current areas open for OSV use South of Hwy 50 and West of Hwy 267.



The **SOLUTION** is to look at the Lake Tahoe Basin in 4 regions. These 4 areas minimize conflicts between users.

#### Four areas of the LTBMU for Conflict Minimization

**North Quadrant:** Non-motorized: The lands between Hwy 50, Spooner, and Hwy 267, Brockway, including the Mt. Rose Hwy corridor, Hwy 431, are non-motorized in winter.

This area is known as the North Quadrant. Allows for xc ski grooming. This area has over 40,000 non-motorized winter visitor trips annually.

**East Quadrant:** Motorized: The area south of Hwy 50 and North of Kingsbury Grade, Hwy 207. Includes small areas of non-motorized designation. Allows for OSV grooming. This area has over 40,000 motorized winter visitor trips annually.

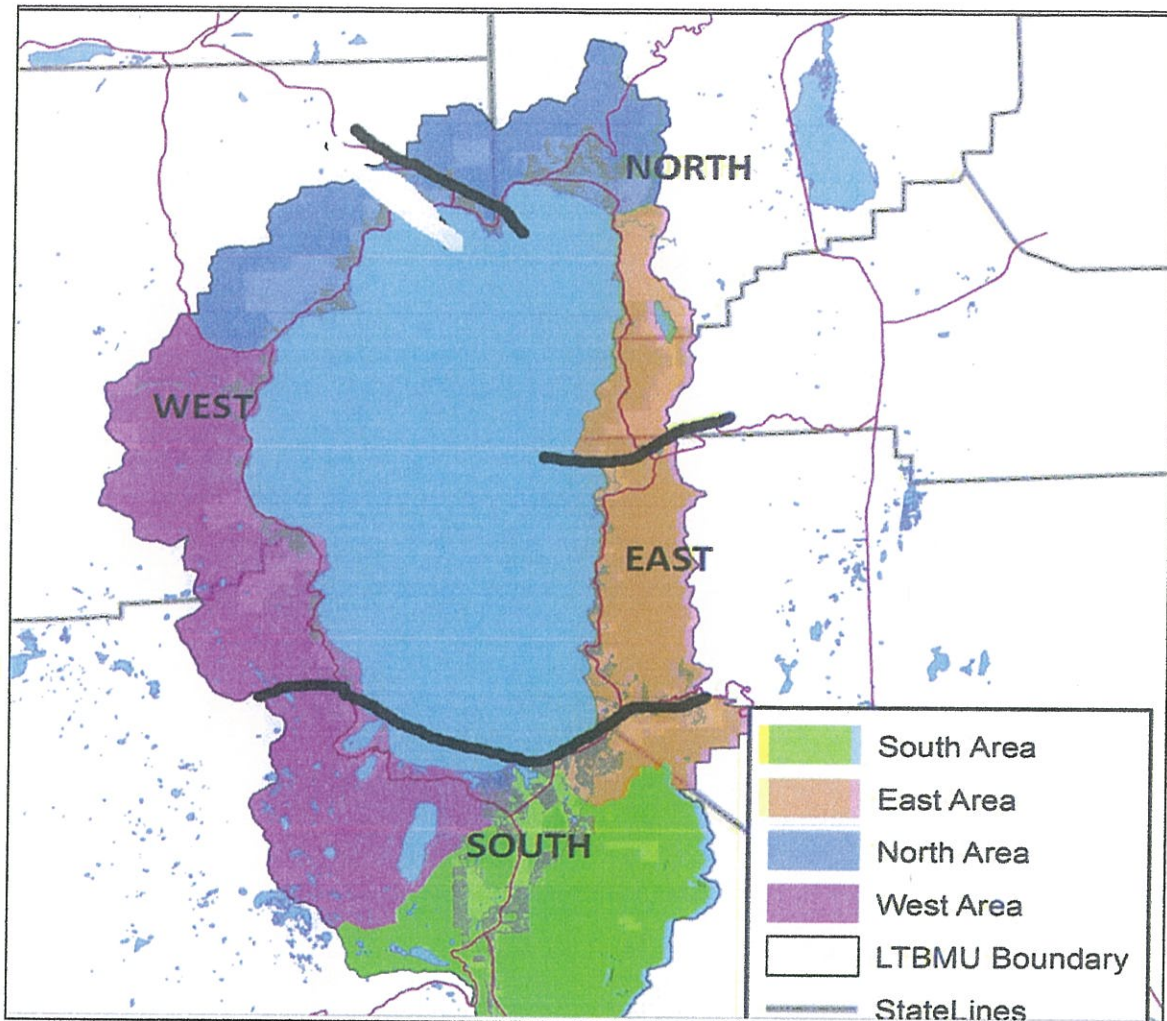
**South Quadrant:** Mixed use: South of Hwy 207, Kingsbury Grade, to McKinney Rubicon Creek Road.

**West Quadrant:** Motorized use: North of McKinney Rubicon Creek Road to Hwy 267, Brockway. Includes small areas of non-motorized designation. This area has over 10,000 motorized winter visitor trips annually.

**Photo of the North Quadrant in winter with over 500 cars along the Mt. Rose Hwy. 95% of users are non-motorized in winter.**



## Four areas of the LTBMU for Conflict Minimization



### Write to:

Ashley Sibr, Winter Rec & OSV Travel Management, LTBMU, 35 College Dr., South Lake Tahoe, CA 96150

Comments can also be submitted electronically on the LTBMU website:

<https://cara.ecosystem-management.org/Public//CommentInput?Project=47342>

**Public comments are due November 19, 2019.**

Winter recreation on public lands should be a balance of opportunities for varying types of recreation, including non-motorized and motorized recreation. The Proposed Action does not allow for that balance.

Find out more at [www.snowlands.org](http://www.snowlands.org) and make your comments on the link there. Your comments will go directly to the Forest Service.

The Winter Recreation and Snowmobile Plan by the Forest Service can be found on the LTBMU website at: <https://www.fs.usda.gov/project/?project=47342>

Respectively Submitted,

Gail Ferrell, PhD  
Director, Snowlands Network  
[gail@snowlands.org](mailto:gail@snowlands.org)  
775.287.4196  
[www.snowlands.org](http://www.snowlands.org)



***Public Comment by Clifford F. Dobler at IVGID Board Meeting on October 31, 2019***

On September 25, 2019 , I provided public comment that the interior rehab of the two Mountain Golf Course bathroom buildings had a budget of \$90,000 with estimated total costs spent of \$80,956. To me it seemed the costs were outrageous. In addition another \$60,000 was budgeted in this fiscal year to install heaters and replace the exterior siding. I asked for an investigation of why the costs were so high, never expecting to receive a response

So I did my own investigation

First there were two distinct projects with separate project numbers

Interiors of the Bathrooms

ADA Access for On Course Restroom - a paving project with a \$95,000 budget

In January, this board approved a paving contract with Colby Grading and Paving for the ADA access with total costs estimated at \$124,395 which required robbing the cart path maintenance budget for \$37,095. The approval clearly stated it DID NOT include remodeling the restrooms interiors and that project was designed and would be completed the 2019/2020 fiscal year.

How could it be possible that \$80,956 was spent last fiscal year on the bathroom interiors and at the same time state they would not be started until this fiscal year?

I made a public records request asking for a ledger of all charges made to the bathrooms interior project. The request came back without dates and totaled \$76,217 which included a first draw payment of \$54,523 to the paving contractor on the ADA access project. The remaining costs were design, permits and engineering charges. So Eick did his normal false bookkeeping, placing expenditures in any project as he sees fit. Can't trust that man. The auditors do not perform an audit on capital projects.

Now here's the kicker. I asked Darren Howard about two weeks ago, when the bathroom interiors were done and he stated in June. Yesterday, Nathan Chorey, stated the bathroom interiors had not been done. Does everyone feel comfortable with these ridiculous budgets and false accounting and should an investigation of the capital projects accounting be commenced.