

MINUTES

REGULAR MEETING OF NOVEMBER 13, 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, November 13, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

Recognition of the Incline Village High School Girls' Golf Team is deferred until December 11, 2019 at the request of the coach.

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, Phil Horan, Peter Morris, Matthew Dent and Kendra Wong (on the telephone). Trustee Tim Callicrate was absent.

Also present were District Staff Members Director of Public Works Joe Pomroy, Director of Human Resources Dee Carey, Director of Golf/Community Services Darren Howard, Diamond Peak Ski Resort General Manager Mike Bandelin, Engineering Manager Nathan Chorey, and Director of Finance Gerry Eick.

Members of the public present were Mike Hess, Aaron Katz, Judith Miller, Cliff Dobler, Iljosa Dobler, Denise Davis, Sara Schmitz, Steve Dolan, Jack Dalton, Mike Abel, and others.

(32 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.) – To act upon a Resolution authorizing a Medium-Term Installment Purchase Agreement in the form of a Lease Agreement (with PNC Equipment Finance, LLC) including minimum Future Lease Payments not to exceed \$121,605.12 to procure fifty-eight (58) EZ-Go gas-powered golf carts for the Mountain Golf Course

Vice Chairman Horan asked Staff to verify that all requirements had been met for the public hearing; Staff did so.

Trustee Morris made a motion to open the public hearing; Trustee Dent seconded the motion. Vice Chairman Horan called the question and the motion was passed unanimously.

Director of Finance Gerry Eick gave an overview of the submitted materials. Upon finishing his presentation, Vice Chairman Horan said that the public comment period was now open and that the time limit would be three minutes.

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

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

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

Aaron Katz said that he would like to start out by reminding the Board that it has to make some findings and that those findings have to be based on fact. There are no evidence and there are no facts. Once this goes to the Department of Taxation, he will be objecting so you can start all over again. There is nothing wrong with the carts so how come it is okay to roll the dice on the effluent pipeline and not roll the dice on our current fleet of golf carts. This is Staff demonstrating that they are incompetent. There are many more members of the public who are experts and you should defer to their expertise. Staff has misrepresented the lease total because it is more like two hundred thousand dollars. We have to pay to ship the carts and, at the end of the lease, we will have nothing. If our carts are trash as are our paths, we are going to have pay to bring them up to snuff. He has the Club Car bid and at the end of their lease we own everything. Why not go with Club Car? The Board has no paperwork therefore you have no business considering them. Mr. Katz concluded by stating that he had a written statement to submit.

Hearing no further public comments, Vice Chairman Horan asked for a motion to close the public hearing.

Trustee Morris made a motion to close the public hearing; Trustee Dent seconded the motion. Vice Chairman Horan called the question and the motion was unanimously passed.

D. PUBLIC COMMENTS

Mike Abel said that he has been a resident for 10 years and that his comments involve our rogue Board. He proceeded to say that he sent a letter to Vice

Chairman Horan which he then read aloud. Mr. Abel said that subject to the rules of the State of Nevada that Vice Chairman Horan should be resigning his position and then commented that Vice Chairman Horan was looking at him like who the hell are you. So why aren't you resigning and does he have to go to the District Attorney and get him to tell you to resign? Also, there was a rogue contract signed in 2018 by District General Counsel, Mr. Beko, Chairwoman Wong and former District General Manager that happened without Board of Trustees approval. This contract dated October 8, 2018 was never made public until the last couple of weeks and it requires Board approval as does any legal expense. It is an illegal act of a self-serving contract so it should be brought up retroactively. It is outrageous the things that this Board does and that he hopes that it changes soon and, if not, then at the next election.

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

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

Aaron Katz said he hoped that Mr. Croley was watching tonight as he hates it when the community comes here and talks without facts and tonight there are facts. Remember the Tahoe Transportation District agreement, he is asking this Board to terminate it and he has his reasons in a written statement that he is submitting. There is no way that we will be able to do a shared path. Now onto Mr. Severance – after we called him out, he showed up with a six-month late report that said we don't need various departments rather we need him and he has another written statement. His third item, for which he will have a written statement but is submitting a placeholder, is about General Business Item 5. Pay attention to what it is as it is an example of everything that is wrong with IVGID and it is repeated in every department. Your Staff and this Board do not understand what a general improvement district is and don't understand what powers you have and don't have. One power you don't have is to change the action of the public on plastics in the lake. You have no business being involved in this endeavor and every time you get involved, it involves Staff time and then overtime. Mr. Katz urged the Board to say no to this agreement.

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

Sara Schmitz said that she has a question about meeting minutes, glancing through it, she didn't find her submitted written statement that she only found the one from Judy Miller. If it is missing, can it please be added to the minutes. ***[Post Meeting Notation – Ms. Schmitz' written statement was located as page 252***

of the November 13, 2019 Board packet and Ms. Schmitz was advised of same.]

E. APPROVAL OF AGENDA (for possible action)

Vice Chairman Horan asked for any changes, receiving none, the agenda was approved as submitted.

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.

Trustee Morris added his applause to the District's Human Resources Department for all they have done and noted that he has been in the office several times during onboard orientations, etc. so thank you very much to all the members of the Human Resources team. He did attend the United States Forest Service meeting this afternoon about snowmobiling and that he was really pleased to see a big turnout, thought it was informative, and that he would encourage every single person to make sure that you go to the website and add comments because they have to take them seriously and that one should not just leave it to someone else to do.

Trustee Dent asked about the location of the future dog park and asked that the Interim District General Manager provides us with updates. Interim District General Manager Winquest said that he would do that and do it through his General Manager's report.

Trustee Dent said that it was brought up during public comment about responses to public questions so he would like a progress report or how those are being addressed and who is doing it. Vice Chairman Horan said that most of that will be addressed in the District's Audit Report and that we are holding an Audit Committee Meeting in December which will be followed by the Board of Trustees meeting and that some have already been responded to as we do want to respond. Trustee Dent said he is looking forward to seeing those responses.

Trustee Dent then said that there have been a couple of effluent pipeline breaks during the last several months and can this be put into your General Manager's report. Interim District General Manager Winquest said yes.

Trustee Dent then asked about Mr. Beko and that he knows that a bill was received somewhere in the range of twenty eight thousand dollars and that the Board last approved ten thousand dollars so what is happening and what is being done in the background. Interim District General Manager Winqest said that this is accurate and that Staff did receive the billing. Staff is in discussions with Mr. Beko and that Staff won't be spending any more than authorized and that when we get to the long range calendar we need to talk about having a litigation meeting so the Board will have an opportunity to talk to Mr. Beko in person.

Chairwoman Wong said thank you for the updates and congratulations to the Human Resources team.

Vice Chairman Horan said that having a meeting with the United States Forest Service is a great accomplishment. Where are we with records retention; do you have an update from your report. Interim District General Manager Winqest said that he had no further update.

F.2. Beaches Wrap Up 2019 presented by Interim District General Manager Indra Winqest

Interim District General Manager Winqest went over the submitted PowerPoint presentation.

Chairwoman Wong asked if we have data on many parcels are full time residents, rentals and second homeowners. Interim District General Manager Winqest said we don't have precise data, that he has reached out to the Executive Director of the Incline Village/Crystal Bay Visitors Bureau, and that he would estimate that between sixty and sixty five percent of our parcels are not occupied year round. Chairwoman Wong said that she is wondering if the change in our community is consistent with what we are seeing. Interim District General Manager Winqest said, preliminarily, yes, that is true but he is trying to get data.

Trustee Morris asked, regarding the bar services contract at the beaches, if we have done the automatic extension and does that resolve what we are going to do about next season. Interim District General Manager Winqest said currently we are not in a contract with Incline Spirits. Trustee Morris said he would like to get this resolved as soon as possible for next year and that from a personal level he feels that Incline Spirits has done a good job

for us and a number of members of the public have commented to him likewise so let's get that done sooner rather than later.

Trustee Dent said that the Board has received many e-mails about keeping things the same so however we do approach it, be aware of the unintended consequences as everyone is used to Incline Spirits so trend lightly when we do into that direction.

Interim District General Manager Winqest said that Incline Spirits has done a phenomenal job and that the District hasn't been through the request for proposal process for nine years. As we proceed through the beach house project, that could change things. If we were to move towards a new vendor, they would need two to three years to get in the groove. More importantly, on the request for proposal, we receive a set fee and we don't want to book bands, etc. We will be focusing on how we do that either through an update or an agenda item as it is time to get moving on this.

Chairwoman Wong said that for all concessionaires, we need to get on a schedule and get in the habit of every x number of years of going out for a request for proposal and doing so a regular basis.

Trustee Dent said, regarding Ordinance 7, that he is happy that it will be on the agenda as it is something that he has been asking for since 2016 and he is hopeful that it will be on the agenda next month. Interim District General Manager Winqest said we will be discussing the next steps with the beach guest access ticket which has no implications on Ordinance 7 as it is more policy driven. Staff is looking to do the administrative items which are the things we talked about last summer.

Vice Chairman Horan said that consistency and a policy about how we handle a vendor makes it less controversial and that if they are doing a good job it is probable that they will get the job. As to the beach guest access ticket, he thinks that Staff should think very strongly about passing those costs back onto those that are using those services so it is not on our back all the time.

G. REPORTS TO THE BOARD OF TRUSTEES*

Interim District General Manager Winqest said before Director of Golf/Community Services Darren Howard begins, he wanted to make the Board and members of the public present aware that additional slides have been

added because when the packet when to press, Staff didn't have the most up to date financial information and that Staff wanted to get that information and that Staff will be bringing back the golf key rates on December 11, 2019.

Trustee Dent asked if these two updated presentations will be available on the District's website; District Clerk Susan Herron said yes.

G.1. Director of Golf/Community Services Darren Howard

G.1.a. Mountain Golf Course Wrap Up 2019 Season

Director of Golf/Community Services Howard gave an overview of the updated PowerPoint which was distributed to the Board and public at the meeting and will be posted on the website following this meeting.

Trustee Dent asked if the increase in the play passes are because the residents cashed in their punch cards. Director of Golf/Community Services Howard said that we have several types of play passes. Trustee Dent asked if the Board could get a break down that lets us know how many passes are being discounted with the use of punch cards. Director of Golf/Community Services Howard said yes.

Trustee Morris said there were 5,289 resident rounds and 2,788 rounds played using play passes so that is basically 8,000 rounds played by the residents; Director of Golf/Community Services Howard said yes, that is correct. Trustee Morris asked how do our rates compare to our competitors around the lake and will Staff provide those breakdowns. Director of Golf/Community Services Howards said yes, we will have that information.

Trustee Dent asked what percentage are we at, with tree removal and for what we need to do, up at the Mountain Golf Course. Director of Golf/Community Services Howard said about five percent however he doesn't know, in the past, how much has been done. Staff wants to have a planned program, which is a process, and that we will always have tree work but that he isn't sure when the last time we had tree work. Trustee Dent asked that Staff take a deep dive during the budget process and come back with what it is going to cost. Interim District General Manager Winqest said that we wanted to focus on the tree work and that this is more of a five to ten year plan. Staff can come back with what we are putting in the budget along with the cost and duration because then it becomes about maintenance. We need to do this at both golf courses and it is costly, important to the

environment and the overall golf course so Staff will add money to the budget as it is money well spent. Trustee Dent said that it is pretty bad and that it is a safety and fire hazard so have those costs front loaded and get the majority of the work done in the first two or three years.

Trustee Morris said that Staff is well into this project so do you have roundabout numbers on how we are doing against budget. Interim District General Manager Winquest said we will report, in December, as part of a presentation.

Trustee Dent said that the community is subsidizing the Mountain Golf Course operation in the amount of over one million dollars. The District has hired consultants to tell us how to improve and increase revenues; have you looked at that information. Director of Golf/Community Services Howard said yes he has and he will include that in the next budget. Trustee Dent said that Staff has cherry picked ideas out of these reports and right now we are supposed to be breaking even so Staff needs to get a handle on this and cut out the loss. We have had three massive snow years which are creating a reserve for us yet the golf courses are bleeding the District so he appreciates that Staff will look into that issue.

G.1.b Championship Golf Course Wrap Up 2019 Season

Director of Golf/Community Services Howard gave an overview of the updated PowerPoint which was distributed to the Board and public at the meeting and will be posted on the website following this meeting.

Trustee Morris said when we looked at the rates and when we set them last year, and he doesn't have the details in front of him, the last thing he would have expected was that our average rate would go down so drastically; what misassumptions did we have then that we don't have going forward. Director of Golf/Community Services Howard said that more rounds are being played in the prime times by residents, their guests, and the clubs therefore we are not getting that high dollar rate by non-residents which is going to affect the bottom line.

Trustee Dent asked if Staff was reaching out to the golf clubs about times and trying to put a dent in that loss of revenue. Interim District General Manager Winquest said yes and that he has given that direction to start meeting with the golf clubs as we know there is not enough peak times for non-residents and that this is not a long term sustainable model. Staff has

listened to this over the years and understand that it is important to work with the golf clubs and residents. Any person who understands the economics is that increasing the rounds to cover inflationary rounds presents a problem and now we have dropped deeply into a hole which would require a seven to ten year plan to get out of the hole and start to build in an inflationary increase. This can be done if we communicate in the right way and have those discussions. It is really important to have those discussions during the budget process and that it was important to get these slides in here for the Board so you have something to think about prior to the December 11 presentation on golf key rates.

Trustee Morris said that it scares him to hear that we need a seven to ten year plan to fix this and hopefully we can do it sooner. A combination of things has to happen – availability of time slots has to go down and rates have to go up or some combination of the two. He really hopes that Staff considers these factors to get up to some level of reasonableness. Interim District General Manager Winquest said that this isn't just about revenue, it is also about controlling expenses. Staff will be taking a close look at services because providing a level of service that is not going to be sustainable in the long term, if we are not raising rates, needs to have a really robust discussion about next month.

Trustee Dent said one more thing – the Championship Golf Course is losing one point two million dollars and with revenues about where they said they should be, it is the expenses that are going through the roof so Staff needs to get a handle on that and look into services and find areas where we can cut back or put additional services on others because we have to come close to being cost neutral. Take a bold approach and figure out a way to find value for the resident and find a way to stop wasting the residents' money.

Vice Chairman Horan said, in the past, when we have talked about raising rates, we have had push back and it was said that the resident rounds would have gone down if we raised rates so the key is communication and having a full body plan on both sides that is easily communicated to the community because he thinks that Staff is right that is not sustainable.

Chairwoman Wong said thank you for the presentation and that she and her husband have played both courses and both courses are in great shape and that she really appreciates the Head Golf Professional at the Mountain Golf Course as well as the ladies' tees.

Interim District General Manager Winquest said as Staff is getting ready to bring back information on December 11, what would the Board like added; is there anything else. There were no further requests from the Board. Trustee Dent did ask what is that Staff is including. Interim District General Manager Winquest said food and beverage and how it impacts the golf course, have a revenue per skier visit at Diamond Peak and we would like to move towards that at Golf. Trustee Dent said that separating food and beverage from Golf is a good thing because then the numbers are not inflated.

H. CONSENT CALENDAR (for possible action)

There were no items on the Consent Calendar.

Vice Chairman Horan called for a break at 7:53 p.m.; the Board reconvened at 8:02 p.m.

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 form of a Lease Agreement (with PNC Equipment Finance, LLC) including minimum Future Lease Payments not to exceed \$121,605.12 to procure fifty-eight (58) gas-powered golf carts for the Mountain Golf Course (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Eick went over the submitted memorandum.

Trustee Dent said that the Board wants to move forward with the battery powered carts in four years so will we be making a decision in the next year or two. Director of Finance Eick said that this resolution does not imply that it is a done deal rather it has been formulated in a fashion that if it is the Board's choice, Staff can accommodate it and that if, as things progress, the Board wants to do it or doesn't want to do it, there are opportunities to follow those courses. Trustee Dent said that he wanted to make sure that we are all on the same page.

Trustee Dent said we have talked a lot about golf and that we are losing one point one million dollars at the Mountain Golf Course and that leasing the new golf carts are going to cost one hundred and twenty thousand dollars

and that just based on where we are with the infrastructure, etc. there are a lot of unknowns and that by forgoing both the lease and a purchase, we could cut into our losses by ten percent and that he wants to know if this is something that the Board is interested in considering as we do have a huge loss that we aren't really addressing so he would like to get the Board's input.

Vice Chairman Horan said it is a valid question and that he would like to hear from the Director of Golf/Community Services and get his thoughts about the impacts on the golf course and the ability to serve the public with what we have. Director of Golf/Community Services Howard said that these are seven year old golf carts and that many of the tires are worn out at this point. Further, he feels that all the brakes are going to have to be done because of a safety issue and that the seat cushions are about one quarter of an inch thick so we have quite a concern about the carts along with the guest and resident comments we are receiving about their condition right now. Interim District General Manager Winquest said that he agrees with the Director of Golf/Community Services as he has driven several of the golf carts and engaged with Staff and that he doesn't disagree with the information just provided. He has not been comfortable with making the decision on these carts with a safety issue and do we want to take that chance. He also doesn't disagree at all that there are a lot of variables and unknowns but we have time to figure those out. The cart paths should have replaced a long time ago and he is not blaming anyone. We are now in the situation, which is not ideal. On December 11, Staff will be bringing back an agenda item for cart path funding and recommending that we allocate the funds to an unbudgeted project. Staff said that we were going to do that and Staff is going to do that and bring this back with the popular reporting item; that is the goal. He is going to push hard to get the paths replaced. It is a difficult position as we are in the position of offering golf, we have to maintain the infrastructure, and yes, we could keep them for another year but do we want to take that risk.

Vice Chairman Horan said that based on what he hears; he is not interested in not doing this.

Trustee Morris said that we have to learn from the past as well as live with where we are today. His concern is with the current golf carts and everything that he has heard worries him because he is worried about the safety issues. We are in the business of risk mitigation not risk taking. He feels certain that we have to do something about the carts. In an ideal world, we would have repaired the golf cart paths but we didn't. We have got a problem with the

current equipment so it feels that we have to replace them and that we have to do something tonight. He also feels that, to the extent we can, that with any spare funding, we put it towards golf cart path repair and that's absolutely where it should go. We also have decent reserves so we might want to use some of that money for some of all of this work. Let's deal with that now and not put stuff off as he feels we do have to do something tonight.

Vice Chairman Horan said that Trustee Dent asked a good question and raised valid points but based on what he hears; he would like to go forward with the lease.

Chairwoman Wong said that this lease buys us four years to evaluate (1) the upgrade to our maintenance building to electric and (2) enable us to fix the cart paths for battery operated carts as the paths need fixing which she is in favor of however she doesn't want to make a decision until she knows, overall, where we are financially. Chairwoman Wong said that she has asked Staff to give us an estimate of where we are going to come in as this Board has already approved a couple of projects that are over budget so she doesn't want to overextend and that she wants to go in with the right information to make the right decision.

Trustee Morris said in the prior discussion we talked about fixing the financial problems with the golf courses so if we decide to spend money, and when Staff brings back the rate analysis in which we could incur some more costs, we have got to factor that in as it can't be an afterthought.

Trustee Dent said that he appreciates the Board's feedback and that whether we decide to purchase or go with battery, we need to figure out a longer utilization because the carts are underutilized. Future Boards should really look at finding ways to get seven or eight years out of these carts knowing we have to put money into them. His number one priority would be to not move forward on lease or purchase and make the repairs and his number two priority is lease and his number three priority is an outright purchase; it sounds like number one is out, so he will be supporting this lease.

Chairwoman Wong said that the Interim District General Manager shared with her the cost of maintenance on the carts and asked that he do likewise with the rest of the Board. Interim District General Manager Winquest said in 2018/2019, we spent close to thirty thousand dollars on maintenance on the golf cart fleet at the Mountain Golf Course. Year to date, we are up to

sixteen thousand dollars and looking at between twelve and fourteen thousand estimated as Staff hasn't had a chance to analyze them since the end of the season so it could be a lot higher. Industry standard is six years and with our conditions, we should be able to utilize these carts longer. We do want to get every value we can for every dollar spent. Trustee Dent brings up some very good points and that this is the type of discussion that should be happening as it is important to the District. Chairwoman Wong said we are spending thirty thousand in maintenance so we are going to be dropping those maintenance costs for sure.

Trustee Morris made a motion to:

1. Adopt Resolution No. 1875 authorizing a Lease Agreement with PNC Equipment Finance, LLC for 58 (fifty-eight) EZ-Go gas-powered golf carts including future minimum lease payments totaling \$121,605.12, through 48 (forty-eight) monthly payments of \$2,533.44. Further, the Board of Trustees affirms the District's intention is to not exercise the fair market value purchase option and directs future capital project planning towards consideration of a lithium battery fleet to be integrated within projects for the Mountain Course Maintenance Building.
2. Authorize Staff to execute the EZ-Go Quote Document and provide all documents required for a compliance review by the State of Nevada Department of Taxation under Guidance Letter 16-004 relative to leasing.
3. Direct Staff to schedule the Lease Agreement and related Certificates for approval by the Board of Trustees after receipt of approval by the NV Department of Taxation.

Chairwoman Wong seconded the motion.

District General Counsel Jason Guinasso said, for the record, that there was a public comment about making a finding. That finding is included in the resolution as subpart 2, A. through D., and that the findings are included in the resolution. If this is challenged, then it will be in the record. Vice Chairman Horan thanked District General Counsel for that comment.

Vice Chairman Horan asked for comments, hearing none, he called the question and the motion was passed with Trustees Wong, Horan, Morris,

and Dent voted in favor of the resolution which satisfies the required two thirds majority (four out of five) vote in the affirmative.

- I.2. Review, discuss, and possibly authorize a purchase of fifty-eight (58) EZ-Go gas-powered golf carts for the Mountain Golf Course for an amount not to exceed \$204,627.16, in lieu of adoption of Resolution No. 1875 (Requesting Staff Member: Director of Finance Gerry Eick)**

This agenda item was deemed unnecessary and not taken up by the Board of Trustees.

- I.3. Review, discuss and possibly approve a preferred alternative for the Tennis Center Renovation Project – Fund: Community Services; Division: Tennis; Project 4588BD1604, alternatives range in cost from \$741,940 to \$1,274,571 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Director of Public Works Joe Pomroy and Engineering Manager Nathan Chorey went over the submitted materials.

Trustee Dent asked why the design cost of one hundred and twenty three thousand dollars was set so high. Engineering Manager Chorey said that it includes the alternative analysis and that it is a not to exceed budget. Trustee Dent said that his feedback is that in the future Staff needs to be shaking up our consultants and not go to the same guys over and over again as these costs are just ridiculous. He is building homes at six hundred dollars per square foot, which is just crazy, and that there are only a few select bidders because we don't tell anyone that we are doing these jobs. Look at all avenues for contractors and doing the best for the community. As to the duration, if the start date is August 2020, is that the actual construction and does that mean that we are completely done with design and permitting. Engineering Manager Chorey said yes. Trustee Dent said that given how small this job is, how quickly can it be completed. Engineering Manager Chorey said that it depends on the alternative selected and that by having the earthwork finished before the mandatory deadline, it will afford us the luxury to have it done before the courts are opened. Trustee Dent said so five or six months for management; Engineering Manager Chorey said it is a straight ten percent estimate. Trustee Dent asked for a report back to the Board when that is done.

Trustee Morris said once earthwork is done, will the work be done over the winter rather than paying a premium. Engineering Manager Chorey said that there is a benefit to giving them a lot of time and that Staff will be reasonable while ensuring you are not paying for acceleration. Trustee Morris said back to the August start date, will you close even though we are just doing the main building. Interim District General Manager Winquest said that we will not be closing down the tennis courts however there will be some impacts such as the restroom use, etc. and that we have no intention of eliminating the use of tennis courts during that time. We have eleven tennis courts and that this will be during the time we start to see a decline in use which might impact the high school but we will be able to keep the tennis center open simultaneously.

Chairwoman Wong said thank you to everyone in the tennis community for giving us their feedback; in order to respond to their requests, we are somewhere between Alternative 2 and 3. We have gotten a lot of good feedback and, at a minimum, that is where we could be.

Vice Chairman Horan said that he agrees that we are between Alternatives 2 and 3 and that Alternative 4 exceeds budget so he hopes that no one wants to do that alternative. What are the differences between Alternatives 2 and 3 and what do we get? Engineering Manager Chorey said that Alternative 3 includes exterior replacement. Vice Chairman Horan asked how much that was and how is that an improvement to the facility. Director of Public Works Pomroy said that the Board could postpone the siding and enter that into the five year capital improvement plan but you would have a general contractor on site so let's get it executed and be comprehensive but you could certainly delay it. Vice Chairman Horan asked if we really need to do it. Interim District General Manager Winquest said it is an additional fifty eight thousand dollars plus contingency and that he certainly is not going to be livid if it doesn't happen however it wouldn't live up to the IVGID standards that we have. This discussion is spot on and his recommendation would be to go with Alternative 3 with Alternative 2 being a tight second. The Board can also do an add alternatives with the bid. Director of Public Works Pomroy said that this could be bid with a menu of options and that the direction would be \$1,170,000 and add the siding as an alternative bid item to see if we have the money. This will tell Staff that you like Alternative 2 to Alternative 3 but do not exceed the Board approved budget. Staff will create bid documents to have add alternatives.

Trustee Morris said that he doesn't think of this as major construction so is there potential for many more companies to bid on this project and if we do add, as alternatives, does that leave it open to not committing to accepting their bid. Engineering Manager Chorey said that Staff will structure it as a base bid with add alternatives. Staff will have to be clear on the rules of selection and award accordingly. Then, based on the numbers, the Board can decide to award the alternates or not. Trustee Morris asked for clarification on the bidding process. Engineering Manager Chorey said that it depends on how the bid documents are written. Trustee Morris said that what he would prefer is to end up with the best we can get with quality and aesthetics and that Alternative 4 is what we want but we can do without certain items if we don't have the money. Interim District General Manager Winqest said on the ballfield project that Staff originally included the dugouts and scoreboards and that those were added in as add alternatives and that we went with the lowest base bid because of the cost of the add alternatives; it is all based on how we set up the bid documents.

Chairwoman Wong said that we want everything in Alternative 2 and not go over Alternative 3 and that she guesses it depends on the bids. We can prioritize items in Alternative 3 to get benefit for the building in the long run.

Vice Chairman Horan said that there is not a lot of difference between Alternative 2 and Alternative 3 other than aesthetics so he would support Alternative 2 with bid alternates of Alternative 3 and go with the low bid on the base. District of Public Works Pomroy said that we are at the design/development phase and then we will go with full plans, etc. and looking at how the alternates are going to get done. Staff will check in with the Board once again and look at them in the design. In front of the Tennis Center, there are a bunch of boulders which could be turned into additional seating and that this may be our one change to remove those boulders and terrace the deck. As we go into final design, there will probably be something included and we might find something so Staff will bring this back to the Board before we go to bid. We will also go through a review process with the Washoe County Building Department and they will come back with changes/questions which we will have to make so that may make it look a little different from what you are seeing today.

Trustee Dent said, referencing agenda packet page 81, there is a breakdown; on agenda packet page 96, Alternative 3, the \$863,000 includes a contingency so are we including the contingency twice. Director of Public Works Pomroy said that the only covered thing there is those items that are

discovered in the building. Trustee Dent asked if we could leave it at ten percent instead of twenty five percent. Director of Public Works Pomroy said that this is the architect saying that they know they don't have to be perfect because they add fifteen to forty percent on these drawings and that they will lower it as the process continues. He thinks that the pricing is in a range and doing that contingency. Trustee Dent said that he thinks we are shooting too high, it is way inflated, and that he knows that our costs are inflated because that is why the costs come in less than they do. What about trying one that is twenty five percent lower and not advertising to come rip us off – can we do that? Director of Public Works Pomroy said we do that sometimes and it is not uncommon for us to do that. Trustee Dent said that the contingency needs better control as this is a repeating pattern which inflates our costs so Staff needs to figure out a way to do this and to drop everything that Staff brings to the Board instead of inflating it. Director of Public Works Pomroy said that he understands the message and that he will continue to expose that information to you. Trustee Dent said that if the Board wants the siding, they should go with Alternative 3.

Vice Chairman Horan said that he thinks that Trustee Dent's comments on contingency is something that the Interim District General Manager is taking to heart. Staff is not sole sourcing these projects but we can absolutely do better with reaching out and getting more competition. What we have learned over the years is that there are some that are out there that are not willing to bid our projects. How we write the bid documents and how we reach out will help us to get a better price. We have had a lot of talks when the bids have come in super high and when some have come in low, based on his conversations, with other agencies, it is the same thing. We may think it is high but it seems to be what people are paying in this construction environment. Cost estimation is one thing and where the bids end up is another thing. What we want to get is to cap it at a number and then we have to make some decisions. There is no deception on Staff's part as Staff is working very diligently to work with our contractors and they can always do a better job. We have entered into a new era and we know it is really important to limit what we spend and providing what is fair to our community. Unfortunately that it seems really high and he has all the confidence that our Staff will turn the screws to all we are working with and how we are spending our money.

Trustee Morris said that he didn't want to lose what Trustee Dent said about Alternative 3 as it is not much in the scheme of things and it makes more sense, to him, to have Alternative 3 then to have our design bid with add

alternates. There is some value to getting the siding done now so we don't get charged more later and if we are doing the renovation, having it look nice is of value as we are a quality District and this will help cement that. He understands the difference and he would like to head towards Alternative 3.

Vice Chairman Horan asked District General Counsel if the motion is just to accept an Alternative; District General Counsel Guinasso said yes.

Trustee Morris made a motion that the Board approves preferred Alternative 3 as present with getting bid alternates for items in Alternative 4 for the Renovation Project – Fund: Community Services; Division: Tennis; Project 4588BD1604. Chairwoman Wong seconded the motion.

Vice Chairman Horan asked for further comments.

Trustee Dent said that he wanted to reiterate that he is not in favor of spending this money on this project as it is a lower priority than the beach house and the pool at Burnt Cedar therefore he will not be supporting or against this project rather he will just be voting present.

Hearing no further comments, Vice Chairman Horan called the question; Trustees Wong, Horan and Morris voted in favor of the project and Trustee Dent voted present.

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)

Director of Public Works Pomroy and Engineering Manager Chorey gave an overview of the submitted materials.

Trustee Dent asked, regarding terrain, is Site #2 or #3 the same or is one easier. Engineering Manager Chorey said that there is a small drainage impact to Site #3 thus Site #2 is preferred. Trustee Dent said he is in favor of Site #2.

Trustee Morris said that the Recreation Center is the right place because it flows with the overall concept. In thinking down into the future, he agrees that Site #2 and Site #3 are the two sites to consider. If we are in for Site #2,

he doesn't know what other expansion we might do so overall he fears the limits of what we might do but noticed that Site #3 leaves us a big open space. He asked that Staff comment on the implications as we know them today and knowing that we have nothing planned but rather about the future opportunity to do something at that site.

Interim District General Manager Winquest said that in his management of the Recreation Center for over ten years, both Sites #2 and #3 are good and that he likes Site #2 better as everything that would be planned for expansion is within the access road and that nothing that expands would go outside of the parking lot on the east side. Site #3 has a little bit of an issue with walking across the access road and would require some good wayfinding as well as safe access. Staff doesn't have any issues with Site #2 or Site #3 with expansion. When we were looking at building an ice skating rink, there was a lot of conflict with residents, so it is important to keep in mind the neighbors but bocce isn't a loud activity. He did receive an e-mail from a Racquet Club resident and they liked that it was bocce. Trustee Morris said thank you and that he is in favor of Site #2.

Chairwoman Wong said that she likes Site #2.

Trustee Dent said that when Staff brings this back and when they go out to bid, that this seems like a simple project, so come back with a budget that is conservative. Engineering Manager Chorey said that costs can vary wildly and the goal is to keep the costs down and provide a basic court. Trustee Dent said he just wanted to make sure that we are all on the same page.

Vice Chairman Horan said he agreed.

Trustee Morris made a motion select as its preferred site, Site #2 for the Bocce Court Construction Project – Fund: Community Services; Division Parks; Project 4378LI1804 located at the Recreation Center. Chairwoman Wong seconded the motion. Vice Chairman Horan asked for further comment, none was received, the question was called, and the motion was unanimously passed.

- I.5. **Review, discuss and possibly authorize a cost share funding agreement with the State of Nevada – Division of Environmental Protection (NDEP) 319h Sourcewater Protection Grant Program for “Pilot Project to Reduce Sourcewater Plastic Pollution at Lake Tahoe” with the District receiving \$61,995 in grant funding**

over a two year period (Requesting Staff Member: Director of Public Works Joe Pomroy)

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

Trustee Morris said that he thinks that this does matter to IVGID as we take water out of the lake and if we can avoid the microplastics and not putting in filters later one then he is all for doing this and doing a bit more. However, he was confused with the costs and asked if this was committing us to spending any money and could Staff expand on that topic. Director of Public Works Pomroy said that he agrees that it is confusing. Tahoe Water Suppliers Association (TWSA) is made up of the large municipal water suppliers and they have a budget. We already have in our budget the forty six thousand dollars for the promotion of TahoeTap and doing various things and we are leveraging our work and Tahoe Environmental Research Center (TERC) to obtain sixty one thousand new dollars from the Nevada Department of Environmental Protection (NDEP) which will increase the effort such that TERC will be able to hire and produce more materials and extend the reach of all of the efforts that bring us all together. This will increase the amount of effort we can perform lake wide and create a lasting product we can use moving forward. We have great success with the Tahoe Fund and this sixty one thousand new dollars would add to existing effort. Trustee Morris said thank you for that clarification and that he loved what he read about all the education. One of our challenges is a great deal of trash is from our visitors and that we do quite a lot to educate our locals that we need to not forget to educate our visitors and what they do to the lake. He doesn't want that to get lost and that a chunk of problems come with our visitors.

Vice Chairman Horan said that we manage TWSA and that we fund about twenty percent of that budget so for the forty six thousand dollars, what would be our portion. Director of Public Works Pomroy said about five thousand dollars would be the IVGID portion and that if this is not approved, these funds would be spent with the watershed protection efforts we would still be doing and that this is leverage to get more money. As to microplastics and nanoplastics, NDEP is looking at regulations and the impact on water systems.

Trustee Morris made a motion to authorize a Subgrant Agreement (#DEPS 20-026) with the State of Nevada – Division of Environmental

Protection for (NDEP) 319h Sourcewater Protection Program Grant for “Pilot Project to Reduce Sourcewater Plastic Pollution at Lake Tahoe” and authorize Staff to execute the Agreement. Chairwoman Wong seconded the motion. Vice Chairwoman Horan asked for further comments, receiving none, called the question – the motion passed unanimously.

I.6. Review, discuss, and possibly provide Staff input on the Incline Beach House – A Community Services Master Plan Priority Project (Requesting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Pomroy gave an overview of the submitted materials and Engineering Manager Chorey set up story boards.

Trustee Dent asked how many kitchens do we have within the District because we are really building a giant kitchen plus bathrooms and how much do we make from the snack shack? Director of Finance Eick said that the District nets between twenty five and thirty five thousand dollars currently. Trustee Dent asked what we were paid by Brimm’s. Interim District General Manager Winquest said a little bit more. Trustee Dent said he likes having a new building down there as it is the most utilized venue with people going down to the bar and listening to music. He finds it hard to spend money when we have a kitchen here which is underutilized. We do need bathrooms and perhaps a small grab-n-go. We can have outside grills which could be a much cheaper alternative but we don’t need to build a new kitchen. We need to get new bathrooms and refrigeration for the bar and then do a lot with the outside improvements. He doesn’t know why it is triple in size as we don’t make money down there rather we lose money every year and this is trending in the wrong direction which is similar to the golf courses. We do need to do something and he thinks we need to figure out what best fits with a higher utilization of the kitchens we currently have within the District.

Vice Chairman Horan said that he is singling from the same choir book as it is used in June, July and August so we need to figure out how to do food service in a better way.

Interim District General Manager Winquest said that he does agree with a lot of what Trustee Dent said and that the focus should be on the bar area. We must stay away from comparing that facility to Sand Harbor as we get a tenth of the visits that they get. It is during the eight weeks of peak summer

that is what we should be focusing on. We need to ask ourselves how do we speed up the service on chicken fingers and fries so people don't have to wait thirty minutes. He has already talked to Staff about doing outdoor grills as we did that and it was effective. We do need a little bit of expansion in space for storage and Staff does shuttle food down to the beaches whilst using the storage here at the Chateau as well as at Diamond Peak. It would be nice to have enough food on hand so we don't have to be running back and forth. We need to make the back of the house a little larger and make it more efficient with ordering and pickup as well as better decking and restroom expansion. We don't need a four thousand square foot building as we are spending the community's money and we will make the best use. The public and others were shown two options and everyone thought they were great but when we got to the costs, attitudes changed. We need to hone in on what we want, create perimeters, and that should eliminate the issues we had the first time around. We are going to have an advisory committee and work through that process which includes the pool project. There is a lot to be learned from the last effort as we went too big in the last effort. We will have to address the entrance way because it extends out to Lakeshore so if we build something there, we need to do that with the end goal adjustments and make it a part of the design process or it could be two separate projects. It just makes sense to do something at Incline Beach and we need to go through that process and see what makes sense.

Trustee Dent said that the entrance needs to be part of this project and asked if we were designing the bathrooms so we don't need portables for a week because we will still need them for busy times. Interim District General Manager Winquest said that adding three or four stalls will not eliminate portables; it will be a lot better experience but we will still need portables. Trustee Dent said, regarding the restroom, when it comes to design, take into consideration that it is just for a two week situation and that we will have portables so don't overbuild the restrooms rather find the middle ground so we don't waste money when we are going to be bringing in portables. Trustee Dent continued that he doesn't know how the Board gives direction but the bar should be four times bigger, we should have some grills, and the building should be fifteen hundred to eighteen hundred square feet while having a good looking design. Improve those pieces and be smart on how we move forward because we need to remember that the people are going to the beach and don't build a giant building down there; please have Staff put something together and come back at a future meeting.

Trustee Morris said that he definitely appreciates and agrees with all that has been said as this is not fine dining. He would like to see if it is possible, without building, to build something nice there because it reflects who we are as a District. We have a bar there and there is an opportunity to have something that goes throughout the year. He can't think of a better thing than to have a hot toddy or a hot chocolate whilst looking at the lake. He too doesn't want to overbuild and wants Staff to look at how we can use it throughout the year because he sees that opportunity before us.

Chairwoman Wong said that she agrees with everything that has been said and that Staff needs to focus on why they go down to the beach – enjoy the view, enjoy the lake, kids at the playground, listen to music, and not hang out in a building. With the right indoor/outdoor design, there is an opportunity to have events their year round such as weddings and charging fifteen dollars per head for all their guests to come in. There is a lot of opportunity here so think about why people go down to the beach and then design around that concept.

Director of Public Works Pomroy asked if Staff is to restart the project, rescope the project, and where are the fences set – that is the feedback that the Staff needs; scrape or remodel. Trustee Dent said you can't remodel that building. Director of Public Works Pomroy said that for the bathrooms, we know the stall count, so do we keep it close or maybe slightly bigger. Do we add a family restroom that is winterized and shut down the other bathrooms? Trustee Dent said yes, Staff is on the right page. Trustee Morris said we have an opportunity to find other ways to find supplemental activities that are off season such as doing weddings, etc. which could generate some good income. He wouldn't want to have a couple of restrooms, does like the family restrooms, and would like to see more availability. Trustee Dent said, in theory, if the building was heated, we could open the other bathrooms. Anyone could go down there because we don't restrict access so now we are talking about restricting access, which would be cool, so include all of this, like scanning in during the shoulder season, and look into that.

Director of Public Works Pomroy asked if the expansion to the outdoor food cook was an emphasis on the bar, lounge, shade, gather, eat and snack was correct. Trustee Dent said yes and that he didn't know why ninety percent of the food can't be prepared on the grill or grab and go and made at the Chateau. Also, don't waste a ton of money on consultants because Staff is qualified to put together a rough outline. Director of Public Works Pomroy said that this is very detailed and defined on what we want to do

down there. We have a beach master plan and we are getting to a project that is fairly defined in scope. The Board knows what it wants and what it doesn't want. Trustee Dent said that Staff can bring something back to make sure we don't waste money and asked if the Board had given Staff enough direction. Director of Public Works Pomroy said that Staff will probably use a small contract with an architect on what we want to do. Trustee Dent said that we have got enough pictures here already and that the first step is for Staff to come back with a rough idea as he doesn't want to waste money on a consultant. Director of Public Works Pomroy said Staff can do a rough outline and then proceed down to the specifics. Trustee Dent said that he likes this process.

Trustee Morris said that he believes this is all on a good, new path and that he thinks we need to start getting to the commitment phase because we did all the work, spent all the money and he would like us to get moving on this and include it in our plan and actually delivering something to the community. Let's get moving, not waste money, have check ins, and keep moving.

Trustee Dent said that Trustee Callicrate really pushed hard to commit monies to the beaches during the last budget season and he thinks that Staff has direction so commit funds and put it in the budget as the Board has given Staff enough direction on this project.

Chairwoman Wong said that she likes the conversation and asked if we can give our Staff a bit more direction such as is there one of these schemes that is looking more favorable. Trustee Dent asked if it was about visualization or breakdown of the entire budget. Chairwoman Wong said that the initial design of which one to start with is what she was asking. Director of Public Works Pomroy asked if the Board would like the outdoor space similar to Scheme A or Scheme B and it sounds like the restrooms are the ones in Scheme A and that he thinks Staff could sketch up a couple of different schemes. Chairwoman Wong said that Scheme B looks like it uses less space. Trustee Dent asked when this would come back to the Board. Director of Public Works Pomroy said in one of the January meeting and then that would allow us to put it into the budget discussions. Interim District General Manager Winquest said based on the graph that has been laid out, the Burnt Cedar pool takes priority with the summer of 2021 for the opening of the pool and that the beach house would be 2022 or 2023 because the Burnt Cedar pool is a higher priority with this being a close second and then the dog park. We also need to factor in how much can happen with our

Engineering Team. Vice Chairman Horan said with that in mind, one of the things Staff needs to noodle on is how we provide food in the short term i.e. grills, food trucks, etc. Interim District General Manager Winqest said that he is working with the Food and Beverage team to be more efficient and that Staff did reduce the menu as well as paying attention to that with an eye towards speed and quality.

J. APPROVAL OF MINUTES (for possible action)

J.1. Regular Meeting of October 30, 2019

Vice Chairman Horan asked for changes. Trustee Dent asked if Ms. Schmitz request was answered; District Clerk Susan Herron said yes and that Ms. Schmitz' statement was on agenda packet page 252. Vice Chairman Horan approved the minutes as submitted.

K. REPORTS TO THE IVGID BOARD OF TRUSTEES*

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

There was no update at this time.

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*

Trustee Horan announced his resignation effective December 16, 2019.

Chairwoman Wong said that we will address this matter during the long range calendar item as we have thirty days from December 16, 2019 to fill the vacancy.

Trustee Morris said that he is attending the Washoe County Debt Management Commission meeting on Friday at 11 a.m. at the Washoe County offices.

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.

Derrick Aaron said that the topic he wants to discuss, directed at the Director of Golf/Community Services, thank you very much for putting together the report and sharing this information with the community. Some of the things we heard were a few strategies about juggling resident and non-resident rounds, ways to draw players on the courses, managing expenses, and managing clubs better. We also saw a number of data tables with comparisons. Staff basically digested a whole season of data. His first question is what is your conclusion from these two clubs report; second, as a resident, how do I gain value; three, what do you think the perception is of the golf courses; and four, will you begin work on three to five year plan on club operations. This plan is a much needed plan for the challenges we face. Start with a 30,000 foot plan with all the elements of the puzzle.

Sara Schmitz said thank you to Vice Chairman Horan for his service, thank you for being an active member of our community, and that she wishes both you and your wife best wishes in your endeavors. Yesterday, we talked about short term rentals, and that we need to think the fact that Washoe County is not going to be limiting any numbers of short term rentals or occupancy levels as there was a lot of discussion about that and that it has an impact on our facility and it is something to think about. Washoe County Commissioner Marsha Berkgigler said that the speed limit will be reduced to twenty five miles per hour on Lakeshore Boulevard which is a good thing for the community and for safety. In the winter, people do walk on the street and she wanted to share these items with the Board.

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

Mike Abel said that this meeting is a target rich environment and the first thing is that the Board spent an enormous amount of time on an item left over from the Pinkerton era which was not in the Board packet and that he would get a bulldozer and level the facility at Incline Beach. All of this is a Pinkerton hold over and the architect just copied the plans from Sand Harbor and said do it over here. Mr. Abel continued that he was glad that Trustee Horan was resigning. Here we are at the end of the meeting and District General Counsel has nothing to say; thought the lawyers were going to have a report tonight. To Staff, according to Mr. Dobler, the PICA report has been received but not released so why don't you have a final report. Again, to Staff, Washoe County allows audio visual presentations by the public.

Margaret Martini said regarding the Tennis Center that she knows of a home over in Martis Camp that is add new refrigeration, pizza ovens, chef offices, deck, etc. and that the budget is five hundred thousand dollars with a contractor that always comes in on budget. She is totally in shock with these budgets. The design costs

are ridiculous. To the beach house, there is a company in Carson City that is a public restroom company and they do all kinds of designs etc. for national parks. Go down there and talk with Chad Kaufman who will work with you and design something for you when you tell him what you want. Ms. Martini said that she has already talked to him and just tell him what you want. More reasonable ways need to be explored. On the bocce court, that is an addition, and if people want more bocce courts then cough up the money. Same thing with the dog park. We need public/private partnerships. We don't own the property and this is a whole new endeavor. If people want a dog park, then they can pay for it. Why are we adding new things when we can't pay for what we have?

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

Pushed back the election of Board officers until the first meeting in January.

January 15 will be the regular meeting and January 29 will be the effluent pipeline workshop.

Legal non-meeting – will try for December 11 at 12 noon.

Board of Trustees vacancy draft schedule was distributed with copies available to any member of the public who wanted it. Target is December 17 and December 18, starting at 4:30 p.m. each day, for candidate interviews with two days scheduled if needed. Confirmed that all Board members present were good with starting the process which includes advertising the vacancy in the November 22 newspaper.

O. ADJOURNMENT

The meeting was adjourned at 10:40 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 Linda Newman (2 pages): IVGID 11-13-10 BOT Meeting Public Comments #1 By: Linda Newman – To be included with the Minutes of the Meeting

Submitted by Clifford F. Dobler (1 page): Public Comment – Clifford F. Dobler – IVGID Board of Trustee Meeting 11-13-2019

Submitted by Iljosa A. Dobler (1 page): IVGID Board of Trustees on 11/12/2019

Submitted by Aaron Katz (11 pages): Written statement requested to be included in the written minutes of this November 13, 2019 regular IVGID Board meeting – Agenda Items C&I(1) – Proposed acquisition of fifty-eight (58) Mountain Course gas powered golf carts from EZ-Go on a medium-term installment purchase basis for use in Fiscal Year 2020-21

Submitted by Linda Newman (2 pages): IVGID 11-13-10 BOT Meeting Public Comments #2 By: Linda Newman – To be included with the Minutes of the Meeting

Submitted by Clifford F. Dobler (1 page): Public Comment – Clifford F. Dobler – IVGID Board of Trustee Meeting 11-13-2019

Submitted by Aaron Katz (7 pages): Written statement to be attached to and made a part of the written minutes of the IVGID Board of Trustees' regular November 13, 2019 meeting – Agenda Item D – Public Comment – Mr. Severance's October 21, 2019 and October 24, 2019 "updated" yield management reports reveal that the District no longer requires its marketing, finance and information technology departments. It can simply hire Mr. Severance!

Submitted by Aaron Katz (21 pages): Written statement requested to be included in the written minutes of this November 13, 2019 regular IVGID Board meeting – Agenda Items D – Public Comment – Why hasn't IVGID Staff report to the IVGID Board and the public on the draft environmental assessment report ("DEA") for the proposed shared-use path for which the District agreed to contribute \$300,000 *which was completed nearly six (6) months ago?*

Minutes

Meeting of November 13, 2019

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Submitted by Aaron Katz (4 pages): Written statement requested to be included in the written minutes of this November 13, 2019 regular IVGID Board meeting – Agenda Items I(5) – Entry into a cost share pending agreement with the State Division of Environmental Protection (“NDEP”) to save Lake Tahoe from plastic pollution – Placeholder to be augmented

Submitted by Margaret Martini (2 pages): November 13, 2019 IVGID Board of Trustees Meeting Public Comment by Margaret Martini – to be included with the Meeting Minutes

Submitted by Clifford F. Dobler (2 pages): Public Comment – Clifford F. Dobler – IVGID Board of Trustee Meeting 11-12-2019

IVGID 11-13-19 BOT Meeting Public Comments #1

By: Linda Newman – To be included with the Minutes of the Meeting

I object to the Resolution authorizing a Medium Term Installment Purchase Agreement for 58 gas powered golf carts for the Mountain Course. As the District has ample funds and does not need to borrow money and incur interest expense to purchase these carts-this lease is discretionary. At the September meeting, the approval of a lease agreement was contingent upon a number of factors. None of which, appear on the agenda this evening. The primary rationale for considering a lease was based upon this Board committing funds saved by spreading out the payments to the repair of the cart paths. Any money saved from the budget for the remodeled club house was also under consideration to be committed to the paths. There is no agenda item for these commitments. Secondly, a lease was recommended to keep the carts for four years and return them at the end of that term for the purchase of lithium ion battery powered carts. The latter determination was dependent upon a complete understanding of the costs involved in retrofitting the maintenance building as well as providing the electrical capabilities to accommodate the carts. Again, these components are not part of the packet. Thirdly, the requested complete cost analysis of continuing with gas powered carts vs lithium carts is also absent.

As a Board, you cannot make a fully informed decision on leasing or purchasing these carts, because you have not been given a firm foundation to base your decision.

This item is reminiscent of General Manager Pinkerton's decision without Board approval to purchase the carts we are now trading in when the term of the lease expired in 2017. It is also a stark reminder of Mr. Pinkerton's determination that the Mountain Clubhouse should be remodeled rather than rebuilt as well as his resolve to put off the remodel of the Maintenance Building to sometime in the future. At that time Trustees asked for all options –they did not get them and the GM made the decision with three members of the Board acquiescing.

Now, you are given two options: Lease the carts or Purchase them outright. Keeping the carts, which have had their brakes replaced and have not incurred heavy use and whatever maintenance might be required certainly would not reach the cost of the lease or an outright purchase of new carts –is according to staff, off the table.

I think it should be put back on the table until you as a Board receive all the information you requested along with an agenda item that allows you to commit the necessary funds to repairing the cart paths. After all, why would you lease or purchase new carts to run on poorly maintained and deteriorating paths?

Public Comment - Clifford F Dobler - IVGID Board of Trustee Meeting 11-13-2019

The decision of leasing or buying new Golf Carts for the Mountain Golf Course has no sound business proposition. We conducted a study on cart usage and found throughout this past season a large percentage of carts remain idle. Based on information provided by Darren Howard, here are some facts.

The 2019 season was 143 days. 222 days of the year, golf carts are in storage

During May and October, 51% of the carts remained idle

During the peak season of 122 days from June through September, the carts, on average, were used once per day for less than three hours

During the 32 peak weekend days, carts, on average, were used twice per day but during the remaining 90 peak weekdays, 33% of the carts remained idle.

Cart usage was extremely low. I believe the existing fleet can be used for at least two to three more years. There is no urgency to lease or buy golf carts.

The greater concern should be about correcting the continued poor operating performance of the golf course. Recommendations provided by Global Golf in 2012, projected that by 2018, the course would have positive operating results. Instead revenues missed the mark by 40% and expenses were higher by 8%. Over the past three years, there has not been a presentation comparing actual results with the Global Golf recommendations. Instead, failure has been accepted by this Board.

In fiscal 2018, Revenues were inflated by 15% by recording as revenues, the amount of reduction in golf rates using punch cards, which reductions were then paid for by transferring funds from the Recreation Administration Department. That department's only source of revenues are from Rec Fees. In other words, \$97,000 of the golf play revenues came from all parcel owners.

This season, golf rounds slid back down by 9.5% compared to 2018.

Cash operating losses and capital expenditures have averaged \$652,000 per year for the past three fiscal years. Based on fiscal 2019 estimates, it cost \$90 to obtain \$45 in revenues for each golf round which includes food, beverage and merchandise. Parcel owners subsidized \$45 per round.

According to the 2020-2024 capital plan, over \$4 million is planned to be spent including purchasing lithium battery powered carts in 2024. Assuming operations do not improve, losses will then average \$1,157,000 per year or a \$75 subsidy per round played funded by Recreation Fees assessed on parcel owners.

It seems to me that this untested management team, might consider providing citizens an in depth look at what's going on with this venue. As Brad Johnson said "A deep dive". The FAILURE OF NOT ADDRESSING THE FAILURE IS A FAILURE IN ITSELF. Most municipalities throughout the country have chosen to transfer management to outside professional organizations. There are several companies and consideration should be given for such a transition.

Public Comments by Iljosa A. Dobler - IVGID Board of Trustees on 11/12/2019

At the Board meeting on September 25, 2019, this Board determined to abandon lithium battery golf carts and instead, execute a four year lease for new gas powered carts. All Trustees agreed, to apply the savings of \$167,000 together with \$337,000 of savings from the Clubhouse remodel to address the replacement of cart paths and the Cart Storage and Maintenance Building.

Here is a recap of the minutes in case anyone was not there or didn't read them

Winquest - He drove the cart paths and he has concerns

Callicrate - It high time to take the appropriate steps to make sure the paths are replaced.

Morris - If we lease then we have got some pretty decent funds left to approach the cart paths.

Dent - What is the grand plan for the Mountain Golf Course which has deferred maintenance and trees that need to be cut down? There is \$300K savings on the Club House and a little bit of money here so some of the things could be addressed before buying new golf carts.

Wong - The Board has approved a couple of capital projects that are over budget. I don't recall the Board approving anything that was over budget. The budgets are so inflated that would be tough to do. Wong continues to say: So for the next meeting I would like to get an over and under budget report to work with and include the estimates of items at the Mountain Golf Course There was nothing presented at the next meeting on October 30, 2019..

Morris - It would be great to bring forth a complete plan as we know it so we can understand what we are committing to.

Winquest - The reason I am asking for direction to move forward on the electrical analysis is because of all of those items

Eick - Applauds the idea on a comprehensive discussion on solutions and the electrical study will help with building permitting.

Horan - We need to always challenge what we had and we can't be afraid to bring it back once again.

Wong - Would like some capital improvement plan budget information in order to understand how much money we are working with. So what do we get in this Board packet? NOTHING Anything the Board requested? NOTHING. Instead we get a golf cart lease and the savings go to increase the inappropriate level of fund balance.

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS NOVEMBER 13, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS C & I(1) – PROPOSED ACQUISITION OF FIFTY-EIGHT (58) MOUNTAIN COURSE GAS POWERED GOLF CARTS FROM EZ-GO 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 installment¹ 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 meeting².

Here staff represent that the sought for fifty-eight (58) EZ-Go gas powered carts³ can be purchased on an installment basis by paying no money down, and \$121,605.12⁴ [\$43.68/ month⁵/cart times fifty-eight (58) carts totaling \$2,533.44/month³ for a forty-eight (48) month “lease” term⁴]. In comparison, staff represent these same carts can be purchased outright for \$204,627.16⁴. And for these reasons, staff represent that “buying (the carts outright) would be more expensive.”⁶

But as the Board and the public will see, all three of these representations by staff are false. Staff’s real intent is to “free up” \$285,466.56 of already budgeted 2019-20 expenditures so these sums can be wastefully overspent on even *MORE-AND-MORE*. And that’s the purpose of this written statement.

My Written Statement Provided to the Board on October 30, 2019 I Asked Be Included in the Minutes of That Meeting: This matter was initially agendized for public hearing and possible Board

¹ Note how staff refers to this agenda item as an “installation” rather than installment purchase [see page 1 of the packet of materials prepared by staff in anticipation of the Board’s October 30, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_10-30-2019.pdf (“the 10/30/2019 Board packet”)].

² 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 (“the 5/1/2019 Board packet”)].

³ See page 11 of the 10/30/2019 Board packet.

⁴ See page 14 of the 10/30/2019 Board packet.

⁵ See page 18 of the 10/30/2019 Board packet.

⁶ See the Tahoe Daily Tribune’s “IVGID to discuss golf carts” staff report in its 9/25/2019 online edition at <https://www.tahodailytribune.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.

approval at its October 30, 2019 meeting⁷. Yet rather than moving forward with the public hearing set for that meeting, it was continued to tonight⁸. Notwithstanding, I and others provided written comment in opposition. So rather than re-stating my opposition arguments made at that meeting⁹, I refer the reader to that written statement, restate the same herein and ask it be incorporated by reference as though set forth more fully herein, and augment the same by the arguments which follow.

The Real Cost to Own the Subject Carts is Likely Going to Total Considerably More Than the \$330,405.12 Suggested in Anticipation of the Board's October 30, 2019 Meeting: At the Board's October 30, 2019 meeting I detailed how the real cost to own these carts at the end of the proposed lease would total \$330,405.12 assuming a one-time balloon payment of \$2,000 per cart¹⁰ (for a total of \$116,000). But now it has been disclosed for the first time¹¹ that the \$2,000 payment per cart is *not* the sum IVGID must pay EZ-Go to acquire ownership of the fleet of carts. Rather, this is the sum EZ-Go must pay the finance company [PNC Equipment Finance, LLC ("PNC")] to acquire ownership of the fleet assuming EZ-Go and IVGID are not able to agree upon a one-time balloon payment price. Listen to staff's admission at page 49 of the 11/13/2019 Board packet:

"The schedule of payments per CART indicates a T value of \$2,000 at the conclusion of the 48 months. (However,) EZ-Go has explained that they make the \$2,000 per cart payment to PNC...and take possession to resell them elsewhere, if they (are unable to)...negotiate a fair market value purchase with the District."

This admission is in line with ¶15 of the proposed lease which is shared for the first time¹¹ and states as follows under "Lessee's Option at End of Lease:"¹²

⁷ See pages 1-2 of the 10/30/2019 Board packet.

⁸ See Item C, pages 1 & 5 of the packet of materials prepared by staff in anticipation of this November 13, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_11-13-2019.pdf ("the 11/13/2019 Board packet")].

⁹ See pages 386-416 of the 11/13/2019 Board packet.

¹⁰ See page 387 of the 11/13/2019 Board packet.

¹¹ See pages 63-75 of the 11/13/2019 Board packet.

¹² See page 64 of the 11/13/2019 Board packet.

"Lessee may, at Lessee's option, purchase the Equipment leased pursuant to this Rental Schedule...at the end of the Initial Term at a price equal to the Fair Market Value thereof...'Fair Market Value' shall be equal to the value which would be obtained in an arm's-length transaction between an informed and willing buyer and an informed and willing seller under no compulsion to sell...If Lessee and Lessor cannot agree on the Fair Market Value thereof, such value shall be determined by appraisal at the sole expense (no less) of Lessee. Appraisal shall be a procedure whereby two recognized independent appraisers, one chosen by Lessee and one by Lessor, shall mutually agree upon the amount in question. If the appraisers are unable to agree upon the amount in question, a third recognized independent appraiser's evaluation shall be binding and conclusive. (Moreover,) this purchase option as applicable shall only be available if Lessee gives Lessor 90 days' prior written notice of Lessee's irrevocable intent to exercise such option."

Translation: *We don't know what the District's option to purchase price is going to be. We know it is going to be more than \$2,000 per cart because EZ-Go's cost to secure ownership from PNC is going to be \$2,000 per cart and there is no incentive for EZ-Go to acquire ownership merely to turn the carts over to IVGID unless IVGID is going to pay EZ-Go something more.*

Moreover, the District must enter into negotiations with EZ-Go and who knows how those negotiations will end up? This is called nothing more than "an agreement to agree" which any competent attorney will tell you is no agreement at all. And in order to intelligently enter into negotiations with EZ-Go, the District must hire its own recognized independent appraiser (at an additional cost) to acquire negotiation ammunition. And if negotiations fail, the District must hire EZ-Go's recognized independent appraiser at its additional cost because the costs of determining fair market value fall on IVGID. And if the two appraisers cannot agree on fair market value, the District must pay again for a third recognized independent appraiser!

And if the foregoing isn't bad enough, once the District exercises its option to purchase, notwithstanding it doesn't know what the eventual option price is going to be, the exercise is *irrevocable*. Which means IVGID then becomes *obligated to pay the balance of the purchase price, whatever that price turns out to be*.

No competent business person would ever enter to an agreement like this which explains the competence of our staff; *INCOMPETENCE!* How's that for negotiating prowess?

Which as a Practical Matter Means the District Should and Probably Will Never Exercise the Option to Purchase the Subject Carts: And in line with this conclusion, remember that staff tells us the “fair market value purchase option...is not expected to be exercised.”¹³

Which Means That at the End of Forty-Eight (48) Months, the District Will Have Paid \$214,405.12 and Not Own Any Carts (Unlike What We Do Now) to Apply to the Purchase of New Lithium Battery Powered Carts:

But in Reality, the District Will Really Have Paid More Because it is Obligated to Pay to Ship the Fifty-Eight (58) Carts to PNC Wherever it Designates: See ¶16 of the now revealed lease which addresses the District’s “Return of (the) Equipment:”

“If...Lessee does not purchase the equipment pursuant to ¶15, Lessee will immediately return the equipment to any location(s) in the continental United States and aboard any carrier(s) Lessor may designate...freight prepaid and insured.”¹⁴

And it Will Have to Pay Even More Because it is Obligated to Return the Subject Carts “Free of Any Markings.”¹² whatever the cost be to remove those markings¹⁵ may total.

And it Will Have to Pay Even More Because it is Obligated to Pack the Subject Carts For “Shipment in Accordance With (EZ-Go’s)...Recommendations or Specifications:”¹² whatever they may be, and whatever those costs to pack end up totaling.

Moreover, if the District Does Not Exercise the Option to Purchase the Subject Carts it is Obligated to Not Only Return Them in a Maintained Condition in Accordance With Section 7¹⁶, But in an “Average Saleable Condition Which Means That All of the Equipment is Immediately Available For Use by a Third Party Buyer, User or Lessee Other Than (IVGID)...Without the Need for Any Repair or Refurbishment” Whether Because of “Defective Parts...Accessories,” or Otherwise¹²: Therefore if the District intends to thrash these new carts on our dilapidated paths, rather than purchasing them outright (because who wants to own thrashed carts), it is in for a rude awakening that in the end, *it is going to cost more.*

¹³ See pages 50 and 76 of the 11/13/2019 Board packet.

¹⁴ The Proposed Lease factors in payment of some \$22,504 in freight costs from EZ-Go’s California shipping location (see page 51 of the 11/13/2019 Board packet). What do you think pre-paid freight costs are going to be to one or more of PNC’s locations?

¹⁵ The District proposes incorporating into the cost of the proposed lease \$551 for “club logos” and cart numbers (see page 51 of the 11/13/2019 Board packet).

¹⁶ “At Lessee’s own cost and expense, Lessee will keep the equipment in good repair, condition and working order, ordinary wear and tear excepted” (see pages 63-64 of the 11/13/2019 Board packet).

The Board is Not Equipped to Consider the Subject Proposal Inasmuch as Staff Have Intentionally Not Shared the Monthly Lease Costs With Club Car: Although staff tell the Board and the public that the lease costs with Club Car over a forty-eight (48) month term total \$218,794.56 (which is \$97,189.44 more than the EZ-Go lease), please remember that at the end of the lease term the District owns the carts outright for only \$1 more.

In order to evaluate which proposed lease makes more financial sense, doesn't the Board and the public have to know the monthly lease amount per cart with Club Car so they can make an apples-to-apples comparison? The fact staff have very intentionally neglected to share this material with the Board and the public suggests at the very least that the current EZ-Go proposal should be delayed until staff share the missing information¹⁷. After all, proposed delivery under the proposed agreement before the Board is not until May 1, 2020¹⁸. *So what's the rush?*

Notwithstanding, I Provide the Information Staff Have Intentionally Neglected to Provide, and it Turns Out the Club Car Lease, on Average, Costs Only \$34.91 Per Month More. And at the End of the Lease Term the District Owns the Carts Outright For \$58: A copy of the Club Car bid is attached as Exhibit "B" to this written statement. This bid calls for 24 installment payments over the forty-eight (48) month term¹⁹, at \$157.18 per cart per payment = \$9,116.44 = \$54,698.64 per year. In contrast, EZ-Go's proposal with PNC calls for 48 installment payments over the same forty-eight month term, at \$43.68 per cart per payment = \$2,533.44 = \$30,401.28 per year. In other words, on average, \$78.59 per month per cart with Club Car versus \$43.68 per month with EZ-Go. A difference of only \$34.91 per cart per month = \$24,297.36 per year, and at the end of the forty-eight (48) month lease term the District owns all the carts for a whopping \$58 (\$1-out).

And the District Will Still Have "Freed Up" \$269,767.12 of Current Fiscal Year Appropriations Budgeted For Mountain Course Carts: assuming *arguendo*, the funds can be "better used." At best two \$9,116.44 payments [May and June of 2020 assuming an April 1, 2020 delivery (see Exhibit "B")], less \$288,000 budgeted²³.

So the Real Difference Between Leasing the Subject Carts and Purchasing Their Equivalent on an Installment Basis From Club Cart²⁰, is Roughly \$60,000 or Maybe Even \$11,600 Less if We Can Get

¹⁷ After all, if the monthly lease cost with Club Car were some relatively small number more than EZ-Go (for example, \$78 per month per cart) might it make more financial sense to contract with Club Car instead given the District will own the carts outright for only \$1 more at the end of the forty-eight (48) installment term?

¹⁸ See page 51 of the 11/13/2019 Board packet: "May 1, 2020 Delivery."

¹⁹ "6 on (May-Oct) & 6 off (Nov-Apr)."

²⁰ Because Club Car is the *only* Vendor who has submitted a true installment purchase proposal.

Club Car to Match EZ-Go's Trade-in Allowance²¹: As I have demonstrated above, the *real* cost to lease the proposed EZ-Go carts and then return them to PNC's designee, is going to total at least \$240,000, and in all likelihood quite a bit *more*²²! The cost to purchase the proposed Club Car carts outright is \$300,052.56 [\$218,794.56 in installment payments (see page 48 of the 11/13/2019 Board packet), \$81,200 in a trade-in allowance (see Exhibit "B"), and \$58 at the end of the lease-term (see Exhibit "B")]. The difference is roughly \$60,000.

With the Unknown Costs to Package and Pre-Pay Return These Carts to PNC's Designee, to Return the Carts in Good Repair, Condition and Working Order, Ordinary Wear and Tear Excepted¹⁶, to Exercise the Option to Purchase Them Outright as an Alternative, to Upgrade the Mountain Course to Remove the Fuel Storage Tank and Install Electric Charging Stations, Why Not Delay the Issue of Cart Acquisition Until We Have All the Facts in Front of Us? After all, proposed delivery under the proposed agreement before the Board is not until May 1, 2020¹⁸. *So what's the rush?*

And More Importantly, What Have Staff Committed the Proposed "Freed Up" \$285,466.56 to be Spent On? NOTHING. In other words, none of the "freed up" money is committed to be restricted to be spent on any particular purpose; *not even for Mountain Course cart repairs* (the suggested beneficiary)!

Given the Board Has Already Appropriated Funds to Purchase the Subject Carts Outright²³, What Facts, if Any, Establish That Acquisition is Required to be Made Via an Installment Purchase Basis Instead? NRS 350.087(b) and ¶1(D)(3) of the Department of Taxation's published Procedures for Medium-Term Obligations²⁴ instruct that in order to justify a governing body's decision to acquire property via an installment versus outright purchase basis, it must make a finding that acquisition via this alternative means is "required." And in order to make this finding, staff is required to present

²¹ EZ-Go is offering a trade-in allowance of \$1,600 per cart (see page 51 of the 11/13/2019 Board packet). Club Car is offering a trade-in allowance of \$1,400 per cart (see Exhibit "B").

²² \$121,605.12 in installment payments, our \$92,800 trade-in allowance, shipping preparation according to EZ-Go's undisclosed specifications and requirements, and pre-paid shipping per PNC's designation [remember, shipping of these carts to California, costs \$22,504 (see page 51 of the 11/13/2019 Board packet)].

²³ See page 5 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/5_Year_Capital_Improvement_Plan_Summary_-_As_of_5.22.19.pdf. This page along with an asterisk next to the appropriation is attached as Exhibit "A" to this written statement.

²⁴ See <file:///C:/Users/Aaron/Downloads/20140225%20LGF%20Medium%20Term%20Guidelines%20and%20References%202014-15.pdf>.

substantial evidence in support of that finding. What facts are set forth in proposed Resolution 1875²⁵ which satisfy the requirement finding? “The best use of public funds.”

However, since the Board has already appropriated the funds (meaning they are *not* “required” from another source), the alternative use of those funds will not be restricted should the proposed installment purchase be approved, and as such there can be no determination that their unidentified and uncommitted use is a better use, no facts have been presented which support that finding. Stated differently, because staff have failed to proffer evidence that entry into the proposed installment purchase represents “the best use of public funds,” the Board’s proposed finding to this effect is arbitrary, capricious and represents an abuse of discretion.

Conclusion: As I stated on October 30, 2019⁹, I and others I know are against giving IVGID staff any more of our Recreation (“RFF”) and Beach (“BFF”) Facility Fee monies to waste on their pet projects which don’t end up saving any money, nor reducing our RFF/BFF. Notwithstanding making the proposed installment purchase wastes a minimum of nearly \$240,000 or more of our RFF dollars if the option to purchase is not exercised, and who knows how much in excess of \$330,405.12 if the option to purchase is exercised, it has the added side benefit of *reducing* cash flow for the next four (4) or more fiscal years. For these reasons if a majority of the Board is in favor of these carts’ acquisition, I urge that they: either be purchased with cash as the Board has already voted to do²³; or preferably, not purchased altogether because the District has more important needs.

And You Wonder Why Our RFF and BFF Which Are Wasted on This And Other Equally Wasteful and Wrongful Expenditures 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!

²⁵ See page 50 of the 11/13/2019 Board packet.

EXHIBIT "A"



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 Golf Courses	43,000	18,000	-	-	-	61,000
	3241GC1404	Irrigation Improvements	Grounds Superintendent Golf Courses	39,000	-	-	30,000	-	69,000
	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
	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
		Total			2,316,500	135,500	140,000	299,400	702,000
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 "B"

Tempo "GAS" Fleet Proposal

To: Incline Village GC
690 Wilson Way
Incline Village, NV 89451

Date: September 1, 2019

Quantity	Description	Unit Price	Extension
58	2019 Club Car TEMPO – GAS 14 hp Electronic Fuel Injected (EFI) Kohler gas engine Dupont Surlyn™ Body: Choice Color MonsoonTop™: Choice Color Premium Luxury Seat: Choice Color Wheel Covers Drink Holders Sweater Basket Number Decals (2 each) Custom Logo CaddyMaster Cooler Club Cleaner / Ball Washer Sand Bottle (2 each) Split Windshield Information Holder (2 each) USB (Dual Port) Freight from Augusta	\$4,950.00 Included Included Included Included Included Included Included Included Included Included Included Included Included Included Included Included Included	\$287,100.00 Included Included Included Included Included Included Included Included Included Included Included Included Included Included Included Included Included
	Sub-Total:	\$4,950.00	\$287,100.00
	Less Trades: 2013 Ezgo Gas	(\$1,400.00)	(\$81,200.00)
	TOTAL:	\$3,550.00*	\$205,900.00*
Terms	F.O.B.	Delivery Date	Shipped Via
TBD	Incline Village, Nevada	April 1, 2020	Club Car Truck

Prices quoted are those in effect at the time of quotation and are guaranteed subject to acceptance within 60 days. All credit terms must be approved by CLUB CAR, LLC prior to delivery. *Sales tax not included. The lease rates are quoted herein and are subject to IRFS's normal credit approval.



Skip Payment – 6 on (May-Oct) & 6 off (Nov-Apr)

Term	Quantity	Unit Price	Extension
48 months – \$1-out	58 cars	\$157.18*	\$9,116.44*

*Sales tax not included.

The above proposal is firm for 30 days and is based on today's interest rate. After 60 days should vehicle prices or interest rates fluctuate, this rate will be adjusted accordingly. Documentation costs, filing fees, stamps, or any other costs associated with the documents are the responsibility of the club and due upon delivery of the cars.

Accepted By:
Incline Village GC

Club Car, LLC

By: _____

By: Allen Lee

Title: _____

Title: Territory Manager

Date: _____

Date: 9-1-19

This proposal shall expire sixty days from its date, unless Club Car, LLC agrees to extend the time frame. In consideration of receipt of this proposal, Incline Village GC agrees that it will hold its contents in confidence and will not disclose, use or copy the same in whole or in part for any purpose other than to evaluate this proposal.

IVGID 11-13-19 BOT Meeting Public Comment #2

By: Linda Newman – To be included with the Minutes of the Meeting

My comments relate to important District priorities that are not on this agenda.

First, Mr. Dobler and I have spent a considerable amount of time examining the District's accounting and reporting. We reported violations of Nevada Law, Generally Accepted Accounting Principles and Board Policies to Audit Chair Horan and all members of the Audit Committee and the Board. These violations amount to millions of dollars and materially distort the financial statements for all our major funds. To date we have not received a response and there is no indication that these matters will be brought to the Board for a discussion in a public meeting. As we are not speaking of rounding errors, but outright violations that misrepresent our District's financial condition and performance, these matters cannot be ignored and must be corrected.

Mr. Dobler, Mr. Abel and I along with other concerned members of our community have raised the alarm on the Utility Fund's inadequate working capital as well as the Board's failure to properly commit the \$2 million collected annually from our ratepayers for the replacement of 6 miles of our aging effluent pipeline. We have also repeatedly reported on the inadequacy of a realistic plan to replace the 6 miles and construct a lining for the currently decommissioned emergency effluent pond. After breaks in 2009, 2014 and very expensive repairs in 2017/18, there was an undisclosed break in June of 2017, in September of 2019 and another just two weeks ago. The last three breaks were not brought to the public's attention in a public meeting. Surely, this is as important as any report you have placed on the agenda tonight. Surely, the replacement of the pipeline can no longer be delayed as staff promises savings by waiting and waiting and waiting for some unknown future co-location in an unfunded new scenic pathway and/or funding from a Federal Grant Program that seems to have maybe \$1 million of available funds for what will cost far more than \$23 million. Although we have spent \$1.3 million on Pica's inspections of our failing pipeline and HDR to provide a report on the Pica data to determine the segments of this pipeline's remaining life—we are still waiting for the report. Pica claims they sent their final report, but our public records officer claims there isn't one. HDR was to submit their report months and months ago. Our Director of Public Work hasn't had time to follow-up.

This is a part of our vital infrastructure. We don't have time for further delays. The cost escalates with more inspections, breaks and repairs. While we take action to protect our lake from plastic pollution, we need to step up now to prevent our

breaks from shutting down Highway 28 and allowing treated effluent and chemicals to endanger our Lake.

Public Comment - Clifford F. Dobler IVGID board of Trustee meeting 11-13-2019

This Agenda has two items called "Golf Course Wrap up of the 2019 Season". For the Champ Course there are twelve pages with nothing to wrap up. There are five pages of pictures, a cover page and a ending page. There is not a dollar sign to be found. There is nothing on revenues or expenses. There are three pages on rounds played by month, played by day, played by type of customer reminding me of the Beach Boys song " Round, Round, Get Around, I get a Round. This presentation is ridiculous when compared to previous years.

Here are some facts.

The 2020 budget for the Course indicates losses (excluding catering) will be \$1.2 million and paid by annual Recreation Fees assessed on parcel owners. \$52.36 of a Rec Fee subsidy for each round played.

In 2012, Global Golf provided recommendations projecting that by 2018, the golf course should achieve positive operations. For several years there has not been a presentation comparing Global Golf's projections to actual performance. Apparently this Board can't be bothered nor really cares.

Two years after the Global report, Wong, Eick and Pinkerton decided catering should be part of the Golf Course, not for any logical reason, but because catering was profitable and could offset golf losses. Catering operations were never separately disclosed until the 2020 PRELIMINARY budget which did not include previous year's results.

The Golf Course has financially failed. Not because of a lack of REVENUES, but because of outrageous EXPENSES. When compared to the Global Golf's 2018 projections, IVGID exceeded revenues (excluding catering) by only 1.5%, however, IVGID expenses exceeded projections by 40%. For every extra dollar of revenues, 22 extra dollars were spent on expenses. **Revenues exceeded the Global projections by \$38,000, with expenses exceeding Global projections by \$840,000.**

The expense numbers are astronomical. How is it possible that expenses could have ballooned so drastically? Has anyone checked? Does anyone know why? Does anyone care? The fiscal 2020 budget excluding catering, indicates expenses and capital needs are \$735,000 per month for the six month operation.

Mr. Howard, is concerned about getting more revenues. Annual pass rates have NOT been increased for five years. They should have been. Any increase may generate a few dollars to offset expenses but the end result will be like throwing a stone in Lake Tahoe, expecting the water level to rise an inch.

It is my understanding that additional information may be passed, however, will probably not be included in the Board packet and not be available on the website. The public will not be given a chance to review and be unable to make public comment until after Board discussion takes place. Transparency. Not here.

WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN MINUTES OF THE IVGID BOARD OF TRUSTEES' REGULAR NOVEMBER 13, 2019 MEETING – AGENDA ITEM D – PUBLIC COMMENT – MR. SEVERANCE'S OCTOBER 21, 2019 AND OCTOBER 24, 2019 "UPDATED" YIELD MANAGEMENT REPORTS REVEAL THAT THE DISTRICT NO LONGER REQUIRES ITS MARKETING, FINANCE AND INFORMATION TECHNOLOGY DEPARTMENTS. IT CAN SIMPLY HIRE MR. SEVERANCE!

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 yield management revenue enhancement study/report¹. 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. At the Board's October 30, 2019 meeting I submitted a written statement I asked be included in the minutes of that meeting wherein I provided evidence of the plagiarism and asked that the Board agendize this matter for possible action (i.e., recovery of the \$35,000 paid as a result of false pretense) against Mr. Severance².

Between the Board's September 25, 2019 and October 30, 2019 meetings, on October 16, 2019, I sent the Board and interim General Manager ("GM") Winqest an e-mail whereby, in part, I shared the evidence I had of Mr. Severance's alleged plagiarism³. Instead of agendizing this matter for possible action, someone on the Board, Mr. Winqest, or some other member of staff apparently shared the evidence of that alleged plagiarism with Mr. Severance thus alerting him to the fact that the public was now onto his gig. As a result Mr. Severance apparently tried to cover his tracks by "updating" the two reports⁴ he had prepared six (6) or more months ago pursuant to the two

¹ 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)].

² That written statement appears at pages 294-324 of the packet of materials prepared by staff in anticipation of this November 13, 2019 meeting ["the 11/13/2019 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_11-13-2019.pdf)].

³ A copy of my October 16, 2019 e-mail to the IVGID Board and interim GM Winqest wherein I shared Mr. Severance's alleged plagiarism was attached as Exhibit "A" to my October 30, 2019 written statement (see pages 298-300 of the 11/13/2019 Board packet).

⁴ According to Public Records Officer ("PRO") Susan Herron⁶, the first "updated" report [a copy was attached as Exhibit "E" to my October 30, 2019 written statement on this subject (see pages 315-319 of the 11/13/2019 Board packet)] was updated on October 21, 2019, and the second "updated" report was updated report [a copy was attached as Exhibit "F" to my October 30, 2019 written statement on this subject (see pages 320-324 of the 11/13/2019 Board packet)] was updated on October 24, 2019."

agreements⁵ giving rise to the District's \$35,000 expenditure. I had no knowledge of those "updated" reports until they were e-mailed to me "as a(n alleged) courtesy" by Ms. Herron on October 29, 2019⁶. Now that I've had the opportunity to study Mr. Severance's two "updated" reports⁴, I would like to comment upon their content. And that's the purpose of this written statement.

According to the Description of the Scope of Work to Mr. Severance's First Contract With the District⁷, He Was Hired to Perform a "Study of Yield Management and Pricing (For Use By Diamond Peak):" According to the Purchase Order created by staff evidencing that contract [see NRS 354.626(2)(g)]⁸, Mr. Severance was hired to perform the same "study of yield management and pricing for Diamond Peak."

According to Mr. Severance's October 24, 2019⁴ "Updated" "Study of Yield Management and Pricing (For Use By Diamond Peak) – Phase 2 Report,"⁹ "Phase 2 Was a Continuation of the (Initial) Revenue (and)...Yield Management...Work Started in Phase 1." he was hired to perform. "Additionally (his scope of work was) expanded to enable deeper exploration into areas for RM (Revenue Management and) YM (Yield Management) improvement, to assist in the implementation thereof, and to take this (yield management) work into other departments."⁹ Therefore according to the Purchase Order created by staff evidencing phase 2 of that contract¹⁰, Mr. Severance was hired to perform the same "study of yield management and pricing (for use by Diamond Peak)."⁹

The Scope of Work Proposed by Mr. Severance⁷: consisted of:

1. "Review(ing) and study(ing) the...*yield management and pricing*...arena...in the resort industry;"
2. "Research(ing) & identify(ing) best management practices in *yield management and pricing*;"
3. "Learn(ing) how (*yield management and*) *pricing* is working in our market;"
4. "Identify(ing) those areas of YM (*yield management and*) *pricing*...we...need to research and analyze *further*;"
5. "Review(ing) of our existing operations and sales model(s);" and,

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

⁶ That e-mail was attached as Exhibit "D" to my October 30, 2019 written statement on this subject (see pages 313-314 of the 11/13/2019 Board packet).

⁷ See page 207 of the 10/30/2019 Board packet.

⁸ See page 216 of the 10/30/2019 Board packet.

⁹ See pages 320-324 of the 11/13/2019 Board packet.

¹⁰ See page 236 of the 10/30/2019 Board packet.

6. "Provid(ing unspecified) advice, guidance and counseling."

Therefore there should be no misunderstanding that the scope of Mr. Severance's assignment for which he was entitled to payment was the recommendation of *yield management* strategies insofar as Diamond Peak was concerned.

But Remember, True Yield Management Strategies *Cannot* Be Employed at Diamond Peak: As I explained on September 25, 2019, yield management strategies are based upon the premise of selling a particular *limited* available or *time sensitive* product or service¹¹. The intent is to maximize the revenue earned within these specified limitations. However, what product or service sold at Diamond Peak is limited or time sensitive so if it's not purchased on a particular day it is lost forever? Since the answer is none, the true principles of yield management have no application to a business like Diamond Peak.

Examples of Goods or Services Benefiting From True Yield Management Strategies: An airplane with a particular number of *limited* seats for sale is scheduled to depart a particular airport arriving in another particular airport on a particular day at a particular time. Yield management strategies address how the greatest amount of revenue can be realized from selling seats¹² on that aircraft. Similarly, yield management strategies address how the greatest amount of revenue can be realized from selling a *limited* number of rooms¹³ in a particular hotel on a particular day. Because if such seats or hotel rooms are not sold, their sales thereafter are lost forever.

Compare What Mr. Severance Addressed in His October 24, 2019⁴ "Updated" Report⁹ in Contrast to True Yield Management:

1. Developing "pricing models:" where he proposed "creat(ing a)...multi-tiered...*dynamic pricing*¹⁴...model/matrix:"

¹¹ See pages 184-185 of the 10/30/2019 Board packet.

¹² Rather than ancillary goods or services associated with that seat such as baggage, seat selection, food/beverage, etc.

¹³ Rather than ancillary goods or services associated with that room such as breakfasts, early check-in, late check-out, complimentary parking, etc.

¹⁴ Recall that "dynamic pricing...is an approach to setting the cost for a product or service that is *flexible*. The goal is to allow the seller...to structure pricing according to business rules in response to market demands. Typically business rules take into account such things as a customer's location, the time of day, the day of the week, the level of demand, and competitors' pricing" (see page 185 of the 10/30/2019 Board packet).

2. "Develop(ing) revenue models:" where he proposed *dynamic pricing*¹⁴ strategies [i.e., 'adjust(ing) certain prices, and specific timing tiers'] and "help(ing) management and department heads (to) better understand where...revenue opportunities and best yields...exist."
3. "Financial planning, forecasting and budgeting:" where he proposed "review(ing) budgets and the budgeting process" and "improv(ing) financial planning, forecasting and budgeting."
4. "Review(ing) current...survey practices:" where he proposed "work(ing) with (Diamond Peak's) marketing (department) to review (and)...improve...survey efficacy, design, results, etc."
5. Better "utilization (of...the ski resort)...considering there is excess capacity at many times:" where he claims to have created a report to "improve (under-utilized) weekday business."
6. "Diamond Peak season pass strategies:" where he claims to have created a report to "address this" issue.
7. "Competitive analysis:" where he proposed "assist(ing) staff in designing and developing tools to tract what other resorts are doing in regards to *dynamic pricing*¹⁴."
8. "Expand(ing) and completing a Product Usage project:" where he claims he "helped the Skier Services team develop 'findings and recommendations' reports that outline...improvements and changes in pricing, programs, HR issues, etc."
9. "Marketing:" where he proposed "work(ing) with marketing (personnel)...shifting from volume to...yield driven strategies...to better support (Diamond Peak's) marketing investments."
10. "Human resources:" where he proposed making recommendations "from a better understanding of our product usage (insofar as)...improv(ing employee)...recruitment, retention, and training" and "improv(ing) Human Resources efforts."
11. "Food and beverage:" where he claims to have "developed models for pricing...to enhance revenue (and)...helped food and beverage understand and embrace revenue management thinking."
12. "Reporting:" where he represents he "worked with D(iamond) P(eak) management, staff, and district staff in reviewing reporting tools, methods, integration, etc...as many of the district's... systems don't always jive."
13. "Events/facilities" where he claims he "assisted this department with initial R(venue)/ Y(ield) M(angement) analysis."
14. "Improv(ing) e-sales (online, etc.):" where he represents he will "ensure th(at) new e-store systems are implemented."

15. "Develop(ing) a call center;" because "it cannot be assumed that a customer having difficulty on line (or just questions) will physically come to the resort [to conduct their...(business)/get answers] if they can't receive phone (or live chat) assistance."

16. "Improv(ing) Operational Measurements:" where he claims he will work "with all operational staff so goals are clear and measurement(s are)...understood (because)...you get what you measure."

17. "Improv(ing) financial planning, forecasting and budgeting."

Putting Aside the Fact None of This Has Anything to Do With Yield Management, Don't We Already Have Professional Finance, Marketing and IT Department Personnel Whose Jobs Are to Address the Very Matters Proposed to Be Addressed by Mr. Severance's October 24, 2019⁴ "Updated" Report⁹? Because if we don't, why are we spending the millions of dollars we are on these unnecessary departments? All we need do is hire Mr. Severance!

Notwithstanding Mr. Severance's Two Contracts With IVGID Prevented Him From Billing For Work Not Yet Completed, and More Than Six (6) Months Ago He Billed For Payment in Full, on October 29, 2019 He Submitted Additional Work Product: Obviously after I alerted the Board and the public to Mr. Severance's worthless work product, word got back to its creator. And as a result he must have gone into damage control and created the two most recent "updated" reports. And then on October 29, 2019 he transmitted them by e-mail to Diamond Peak venue manager Mike Bandelin¹⁵ who in turn transmitted them by e-mail to me.

Conclusion: Putting aside the not so curious circumstances under which Mr. Severance submitted "updated" reports⁴ to those he had prepared six (6) or more months ago pursuant to the two agreements⁵ giving rise to the District's \$35,000 expenditure, his "updated" October 24, 2019 report⁹ still fails to address the scope of work giving rise to the District's \$35,000 expenditure; "yield management and pricing (for use by Diamond Peak)."⁷

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!

¹⁵ As evidence of this transmittal, the District's Public Records Officer provided me with an October 29, 2019 e-mail from Mr. Bandelin which attached the two "updated" reports. A copy of this e-mail is attached as Exhibit "A" to this written statement.

EXHIBIT "A"

From: [Bandelin, Mike](#)
To: [Herron, Susan](#)
Date: Tuesday, October 29, 2019 11:11:34 AM
Attachments: [Phase 1 Report.pdf](#)
[Phase 2 Report.pdf](#)

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS NOVEMBER 13, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM D – PUBLIC COMMENT – WHY HASN'T IVGID STAFF REPORTED TO THE IVGID BOARD AND THE PUBLIC ON THE DRAFT ENVIRONMENTAL ASSESSMENT REPORT (“DEA”) FOR THE PROPOSED SHARED-USE PATH FOR WHICH THE DISTRICT AGREED TO CONTRIBUTE \$300,000, WHICH WAS COMPLETED NEARLY SIX (6) MONTHS AGO?

Introduction: More than five (5) years ago, our “professional” staff got the bright idea to partner with the Tahoe Transportation District (“TTD”) in the latter’s development of a shared-use pathway leading from Sand Harbor to Spooner Summit. The idea was that rather than replacing six (6) miles of the District’s disintegrating effluent pipeline under the current Highway 28 (“SR-28”) easement, the District would relocate replacement under the TTD’s proposed shared-use pathway and save taxpayers some \$7 million. In October of 2014 IVGID entered into an amendment to an existing interlocal agreement with TTD whereby we agreed to contribute up to \$300,000 towards completion of a DEA. Although it turns out that DEA was completed in July of this year, staff have failed to inform the IVGID Board and public of this fact. Moreover, they have failed to produce that report so the Board and the public can evaluate the feasibility, if any, or relocation. Staff’s failure to share the DEA so the Board can discuss the feasibility of relocation, is the purpose of this written statement.

IVGID’s Sewer Effluent Export Pipeline: IVGID constructed its Wastewater Reclamation Facility (i.e., Treatment Plant) on Sweetwater Road in 1962. “The effluent export (pipe)line transports treated wastewater¹...through a twenty-mile...pipeline...from IVGID’s...wastewater treatment plant to the disposal point at the wetlands southeast of Carson City.”² “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.”²

IVGID’s Effluent Export Pipeline – Phase II Project: As a result of an investigation of an August 2009 break in the *unreplaced* portion of Segment 3 of the pipeline³, Phase II of the Effluent Export Pipeline Project was approved which called for “*replacement* of the remaining [approximate 6 miles

¹ The 2017 Project Summary for this project with an asterisk next to the quoted project description was attached as Exhibit “A” to my October 30, 2019 written statement re third sewer line break [see pages 263-264 of the packet of materials prepared by staff in anticipation of this November 13, 2019 meeting https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_11-13-19.pdf (“the 11/13/2019 Board packet”)].

² Go to <https://www.yourtahoeplace.com/public-works/sewer/about-our-sewer-system>.

³ See page 3 of IVGID staff’s August 11, 2017 Memorandum which sought Board authorization for \$1,322,600 in repairs to the effluent export pipeline. This page with an asterisk next to the quoted language was attached as Exhibit “B” to my October 30, 2019 written statement re third sewer line break (see pages 265-266 of the 11/13/2019 Board packet).

(aka 30,000 linear feet of) pipeline...within the Tahoe Basin;"¹ i.e., that portion leading from Sand Harbor to Spooner Summit.

The \$23,053,763 Estimate to Complete IVGID's Effluent Export Pipeline – Phase II: On May 23, 2012 staff received a \$23,053,763 estimate from HDR Engineering for a "preliminary design (and) cost ...estimate of *probable* construction costs" for the effluent export pipeline – phase II project⁴.

The Idea of Re-Locating Effluent Export Pipeline – Phase II Pipeline Under the Tahoe Transportation District's ("TTD's") Proposed Pathway: 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(in) the (proposed) Tahoe Bike Path...Depending on the total length of pipeline eventually replaced⁵...District Staff estimate(d)...the District could save upwards of \$7 (million) via co-location⁶ and cost sharing with TTD."

Partnering With the TTD on Relocating the Effluent Export Pipeline – Phase II Under the Proposed Pathway: At the IVGID Board's November 19, 2014 meeting⁷ the Board approved the District's entrance into "an amendment to (an) existing Interlocal Agreement ("the Interlocal Agreement Amendment) that would allow completion of the next steps of the (proposed shared-use path) project;"⁵ i.e., completion of a "preliminary engineering...design...plans...and the preparation of a joint environmental document that will satisfy NEPA and TRPA environmental requirements...for the co-alignment project."⁸ And again, IVGID's cost⁸ for the portion of the analysis to be completed⁹ (\$300,000) offset an equivalent amount of IVGID staff's estimated \$7 million in alleged co-location savings.

The Subject Environmental Analysis Was Completed On/Before July of 2019: The TTD's consultant for the environmental analysis prepared for the subject co-location project completed that

⁴ The estimate was attached as Exhibit "M" to my October 30, 2019 written statement re third sewer line break (see pages 292-293 of the 11/13/2019 Board packet).

⁵ It appears the \$7 million of cost savings was premised upon essentially all 30,000 linear-feet of the District's remaining 16-inch pipe requiring replacement within the Tahoe Basin being relocated.

⁶ Although it is unclear exactly how IVGID staff were able to come up with a projected \$7 million of cost savings, it appears this number came from an undated cost estimate prepared by HDR Engineering (this estimate is attached as Exhibit "A" to this written statement). Note the asterisk on the page next to the inclusion of "30,270 (linear feet of replacement) 16-inch DIP pipe."

⁷ The portion of the minutes of the Board's November 19, 2014 meeting where it "authorize(d) an amendment to the (existing) interlocal agreement with...TTD for co-location of the IVGID export pipeline with(in) the SR-28 bikeway" is attached as Exhibit "B" to this written statement.

⁸ The subject amendment is attached as Exhibit "C" to this written statement. I have placed an asterisk on the first page which describes the "environmental analysis," as well as IVGID's obligation to "pay for...costs up to \$300,000."

analysis on/before July of 2019. Rather than evidencing that analysis which consists of one hundred sixty-seven (167) pages⁹, I have attached the first page as Exhibit "D" to this written agreement. Note the asterisk I have placed next to the "July 2019" date.

IVGID Staff Have Received the DEA: Article I, ¶5 of the Interlocal Agreement Amendment⁸ states that "IVGID shall review all aspects of the environmental analysis, including the (final)...joint environmental document."

The Interlocal Agreement Amendment Requires Presentation to the IVGID Board: Article II, ¶1 of the Interlocal Agreement Amendment declares that "the environmental analysis will be presented to the IVGID Board of Trustees...for consideration along with recommendations from staff and officers regarding the next phase of the co-alignment project."⁸ Given five (5) or more months have elapsed since completion of the DEA, *why haven't staff presented it to the Board and the public for the former's consideration and recommendations regarding the next phase of the co-alignment project?*

Now That the DEA Has Been Completed, the Public Knows That Proposed Co-Location is Dead on Arrival: Given page 1 of the DEA instructs that the proposed path project "will occur (entirely) on LTBMU (Lake Tahoe Bureau Management Unit) managed lands,"¹⁰ and page 25 discloses that because of "steep topography or to go around a parking lot, relocation of the" district's possible effluent export pipeline can only "occur on approximately 2.6 miles of LTBMU lands,"¹¹ This means that rather than "30,270 (linear feet of replacement) 16-inch DIP pipe,"⁶ relocation can accommodate roughly 43% or 13,000 linear feet of required replacement. This means that at best, only roughly 43% of the estimated \$7 million in alleged savings can be realized because of co-location.

Moreover, in my written statement re third sewer line break attached at pages 285-286 of the 11/13/2019 Board packet, I document that at least \$4,811,782 of possible co-location savings have already been lost because they have been spent by staff on other endeavors.

Further in that written statement, I documented where TTD has no financial means to construct the proposed pathway but for grants and donations. Given on July 19, 2018 the TTD admitted in its application to the USDOT for a BUILD grant to fund construction of the proposed extension to a shared use pathway that \$20,950,000 was necessary¹², without a funding source it is

⁹ The analysis is labeled a "SR-28 Shared Use Path, Parking, Safety and Environmental Improvements Project Draft Environmental Assessment.

¹⁰ This page together with an asterisk next to the quoted language is attached as Exhibit "E" to this written statement.

¹¹ This page together with an asterisk next to the quoted language is attached as Exhibit "F" to this written statement.

¹² See page 256 of the 11/13/2019 Board packet.

going to be many years, if not many tens of years, before the TTD has the financial wherewithal to begin construction of the subject proposed pathway.

Unless the Board is prepared to bank roll all \$21 million, it's time to put this pipedream to rest by exercising Article II, ¶12 of the Interlocal Agreement Amendment⁸ to *TERMINATE!*

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 2015⁶. 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*¹³! 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 \$10,056,602²⁷ 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 short³³ 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!

¹³ 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"

Computation				
Project	IVGID Export Pipeline Project, Phase II			<i>Computed</i>
Subject	Estimate of Probable Construction Cost - 16 inch Effluent Pipeline			<i>Date</i>
Task	PreDesign Cost Estimate - Pathway Co-location			<i>Reviewed</i>
Start	2021 construction start with assumed 4% escalation			<i>Date</i>
	QUANTITY	UNITS	UNIT PRICE	TOTAL COST
DIVISION 1 - GENERAL REQUIREMENTS				
Mobilization and Demobilization (10%)	0	LS	\$828,167	\$0
Insurance and Bonds (3%)	0	LS	\$248,450	\$0
SUBTOTAL				\$0
DIVISION 2 - SITE WORK				
Mitigation and Environmental Controls	0	LS	\$250,000	\$0
Asphalt Cutting	10,100	LF	\$3.95	\$39,873
Repaving - Trench Section	30,300	SF	\$5.26	\$159,491
Asphalt Overlay (1 inch open-graded) and Rotomill	60,600	SF	\$1.32	\$79,745
Asphalt Stripping	10,100	LF	\$0.99	\$9,968
Excavation (Soil)	3,731	CY	\$32.90	\$122,756
Excavation (Rocks)	196	CY	\$789.56	\$155,061
Hauling and Disposal (Soil and Rocks)	2,403	CY	\$23.69	\$56,929
Shoring	5,050	LF	\$10.53	\$53,164
Backfill and Compaction (Intermediate)	1,524	CY	\$59.22	\$90,267
Backfill and Compaction (Initial Backfill)	785	CY	\$59.22	\$46,504
Bedding Material	187	CY	\$59.22	\$11,076
Aggregate Base	561	CY	\$59.22	\$33,227
Grout Existing Effluent Pipeline	1,851	CY	\$296.08	\$548,139
Traffic Control	0	LS	\$200,000.00	\$0
Blow off Valves (Installation and Miscell.)	10	EACH	\$986.95	\$9,869
AVRV manholes	10	EACH	\$3,947.80	\$39,478
SUBTOTAL				\$1,455,548
DIVISION 3 - CONCRETE				
Concrete Pipe Cover	281	CY	\$263.19	\$73,838
SUBTOTAL				\$73,838
DIVISION 15 - MECHANICAL				
PIPES				
8 inch DI (Blowoff)	150	LF	\$105.27	\$15,791
2 inch HDPE pipe	160	LF	\$6.58	\$1,053
16-inch DIP Pipe	30,270	LF	\$210.55	\$6,373,321
FITTINGS				
DIP Fittings (Assume 3% of Pipe Cost)	1	LS	\$191,000	\$191,000
VALVES				
2 inch AVR	10	EACH	\$2,631.86	\$26,319
2 inch Gate Valve	10	EACH	\$197.39	\$1,974
8 inch Gate Valve (Blowoff)	10	EACH	\$1,315.93	\$13,159
16 inch Butterfly Valves	2	EACH	\$5,263.73	\$10,527
Valve Boxes (Blowoff)	22	EACH	\$657.97	\$14,475
Valve Extension Rod and Casing (Blowoff)	12	EACH	\$986.95	\$11,843
Tie-in	2	EACH	\$6,579.66	\$13,159
Pipeline Pressure Testing	30,270	LF	\$2.63	\$79,667
SUBTOTAL				\$6,752,288
Subtotal 1 (Division Total)				\$8,281,675
Contractor Overhead and Profit (8% of Subtotal 1)				\$662,534
Subtotal 2				\$8,944,209
Construction Contingencies (20% of Subtotal 2)				\$1,788,842
Design (8% of Subtotal 2)				\$715,537
Administrative Costs (8% of Subtotal 2)				\$715,537
Construction Management (8% of Subtotal 2)				\$715,537
Subtotal 3				\$12,879,660
TOTAL ESTIMATED PROJECT COST				\$12,879,660

EXHIBIT "B"

Hearing no further public comments, Chairman Wolfe brought the matter back to the Board and called the question – Trustees Wolfe, Smith and Hammerel voted in favor of the motion and Trustees Devine and Simonian voted opposed. The motion was passed.

G. Consent Calendar for possible action)



G.1. Authorize an Amendment to the Interlocal Agreement with the Tahoe Transportation District for Co-location of the IVGID Export Pipeline with the SR-28 Bikeway - 2014/2015 Capital Improvement Project: Fund: Utilities; Division: Sewer; Project # 2524SS1010 (Requesting Staff Member: Engineering Manager Brad Johnson)

G.2. Employee Health Insurance Renewal (Requesting Staff Member: Director of Human Resources Dee Carey)

G.3. Diamond Peak Ski Resort Medical Services Agreement Renewal (Requesting Staff Member: General Manager Diamond Peak Ski Resort Brad Wilson)

Trustee Hammerel made a motion to approve the Consent Calendar as submitted; Trustee Smith seconded the motion. Chairman Wolfe called the question and the motion was unanimously passed.

H. GENERAL BUSINESS (for possible action)

H.1. Set Date for Public Hearing for January 14, 2015 for the Proposed Amendments to Solid Waste Ordinance #1 (Requesting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Joe Pomroy gave an overview of the submitted memorandum.

Trustee Wolfe made a motion to set the date of a public hearing for the proposed amendments to the Incline Village General Improvement District Solid Waste Ordinance No. 1, entitled "An Ordinance Regulating Solid Waste Matter and the Collection,

EXHIBIT "C"

AMENDMENT #1
TO
INTERLOCAL AGREEMENT

The Tahoe Transportation District ("TTD") and the Incline Village General Improvement District ("IVGID") entered into an interlocal agreement dated April 1, 2013 (the "Agreement") to complete an initial scoping and fatal flaw analysis for feasibility of the "Co-Alignment Project," a cooperative effort to construct approximately 6 miles of effluent export line from Sand Harbor to the north Douglas County line and approximately 8 miles of the Stateline to Stateline Bikeway Project from Sand Harbor to Spooner Junction.

IVGID and TTD have completed the initial scoping and fatal flaw analysis and have determined that the Co-Alignment Project is feasible, and, therefore, agree to amend and replace the Agreement in its entirety with this amendment dated October 1, 2014.

WITNESSETH:

WHEREAS, NRS 277.180 authorizes any one or more public agencies to contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the agreement is authorized by law to perform; and

WHEREAS, TTD will complete preliminary engineering and design and environmental analysis for the Co-Alignment Project in cooperation with IVGID (the "Environmental Analysis"); and ★

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is agreed as follows:

ARTICLE I - RESPONSIBILITIES

1. The Environmental Analysis shall consist of preliminary engineering and design plans and the preparation of a joint environmental document that will satisfy NEPA and TRPA environmental requirements.
2. The estimated cost of the services of the consultant(s), contractor(s), and other third-parties necessary to complete the Environmental Analysis is \$1,045,000. TTD shall pay for the first \$745,000 of those costs, and IVGID shall pay for the remaining costs up to \$300,000.
3. TTD shall act as the project manager for the Environmental Analysis and shall engage and manage qualified and competent consultant(s), contractor(s), and other third-parties as necessary to complete the Environmental Analysis. TTD shall act as the primary contact for all issues related to the Environmental Analysis and shall be responsible for all scheduling, budgeting, change order requests, and payments to necessary third-parties. TTD shall obtain IVGID consent for the selection of any third-parties conducting work relating to the effluent line portion of the Co-Alignment Project, and for any budget increases or changes to the scope of work.

4. The Environmental Analysis shall be conducted in a manner that meets all permitting requirements and applicable design standards to allow construction of the Co-Alignment Project. IVGID shall assist TTD to ensure that the Co-Alignment Project will conform to design standards for the effluent line portion of the Co-Alignment Project and maximize the cost efficiencies of co-alignment wherever feasible
5. TTD and IVGID shall review all aspects of the Environmental Analysis, including the preliminary engineering and design plans and the joint environmental document.
6. TTD and IVGID shall be responsible for addressing comments to the joint environmental document, including comments from the public and other agencies.
7. TTD and IVGID shall attend any meetings, field visits or conferences relating to the Environmental Analysis or the Co-Alignment Project and to actively participate in those meetings.
8. TTD and IVGID shall assist each other in coordinating with other agencies, including TRPA, the U.S. Forest Service, the Nevada Department of Transportation, and local counties.

ARTICLE II - GENERAL PROVISIONS

1. The Environmental Analysis will be presented to the IVGID Board of Trustees and the TTD Board of Directors, respectfully, for consideration along with recommendations from staff and officers regarding the next phase of the Co-Alignment Project, which could include a future agreement between IVGID and TTD to pursue final design, permitting, and construction. IVGID and TTD reserve the right to discontinue participation in any future phases of the Co-Alignment Project if the Environmental Analysis demonstrates that the Co-Alignment Project is not feasible or cost effective for either IVGID or TTD. ★
2. IVGID or TTD may terminate this Agreement for any reason upon thirty (30) calendar day written notice to the other party. The parties expressly agree that this Agreement shall be terminated immediately if for any reason the federal and/or state funding necessary to perform this Agreement is withdrawn, limited, or impaired. The parties expressly agree that this Agreement shall be terminated immediately if at any point the Initial Scoping reveals a fatal flaw.
3. The parties agree to work cooperatively to avoid and resolve conflicts at the lowest level possible.
 - a. IVGID and TTD share the following principals in the resolution of conflicts:
 - The efficient delivery of an effective, cost efficient quality project is the primary goal of both parties.
 - The parties will focus on their common goals rather than differences.
 - Win/win solutions to conflicts will be sought.
 - Differences of opinion are acceptable but are sought to be limited.
 - Timely, open, and honest communication is the key to avoiding and

resolving conflicts.

- Decisions are to be made and conflicts are to be resolved at the lowest possible level.
- b. If disagreements emerge and cannot be resolved, the following process will be followed:

Level	Decision Timeframe	TTD	IVGID
1	One (1) to fifteen (15) days	TTDPM	IPM
2	Sixteen (16) to thirty (30) days	TTD District Manager	IVGID Public Works Director
3	Thirty one (31) to sixty (60) days	TTD District Manager	IVGID General Manager

- TTDPM (TTD Project Manager): Leads, based on responsibilities outlined above, to evaluate the impacts of issues and develop solutions or recommendations. If conflicts arise that have an adverse effect on project delivery, the TTDPM elevates unresolved conflicts with recommendations to the TTD District Manager for guidance and actions.
 - IPM (IVGID Project Manager): Co-leads the project development, based on responsibilities outlined above, to evaluate the impacts of issues and develop solutions or recommendations. If conflicts arise that have an adverse effect on project delivery, the IPM elevates unresolved conflicts with recommendations to the IVGID General Manager for guidance and actions.
- c. If a solution is reached that is agreeable to the parties, the parties will work to implement the solution. If a solution is not reached, it may cause a delay in the project schedule and/or jeopardize the timely use of funds. All decisions and agreements regarding conflict resolution shall be documented fully and copies must be kept in the project files for the TTDPM and IPM, respectively.
4. All notices or other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by facsimile or email with simultaneous regular mailing by certified mail with return receipt requested and postage prepaid on the date posted, and addressed to the other party at the address set forth below:

FOR TTD: Carl Hasty, District Manager
 Attn: Alfred Knotts, Project Manager
 Tahoe Transportation District
 P.O. Box 499
 Zephyr Cove, Nevada 89448
 128 Market Street, Suite 3-F
 Stateline, Nevada 89449
 Phone Number: (775) 589-5503
 Fax: (775) 588-0917

E-mail: chasty@tahoetransportation.org;
aknotts@tahoetransportation.org

FOR IVGID:

Steven Pinkerton, General Manager
 Attn: Joe Pomroy, Public Works Director
 Incline Village General Improvement District: Public Works Dept.
 1220 Sweetwater Road
 Incline Village, NV 89451
 Phone Number (775) 832-1269
 Fax (775) 832-1260
 E-mail: joe_pomroy@ivgid.org

5. Each party agrees to keep and maintain under generally accepted accounting principles full, true and complete records and documents (written, electronic, computer related or otherwise) pertaining to this Agreement and present, at any reasonable time, such information for inspection, examination, review, audit and copying at any office where such records and documentation are maintained. Such records and documentation shall be retained for three (3) years after final payment is made.
6. Failure of either party to perform any obligation of this Agreement shall be deemed a breach. Failure to declare a breach or the actual waiver of any particular breach of the Agreement or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach. Except as otherwise provided for by law or this Agreement, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including but not limited to the recovery of actual damages, and the prevailing party's reasonable attorney's fees and costs.
7. The parties are associated with each other only for the purposes and to the extent set forth in this Agreement. Each party is and shall be a public agency separate and distinct from the other party and shall have the right to supervise, manage, operate, control and direct performance of the details incident to its duties under this Agreement. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for one agency whatsoever with respect to the indebtedness, liabilities, and obligations of the other agency or any other party.
8. No party shall assign, transfer or delegate any rights, obligations or duties under this Agreement without the prior written consent of the other party.
9. Pursuant to NRS Chapter 239, information or documents may be open to public inspection and copying. The parties will have the duty to disclose unless a particular record is confidential by law or a common law balancing of interests. Each party shall keep confidential all information, in whatever form, produced, prepared, observed, or received by that party to the extent that such information is confidential by law or otherwise required by this Agreement.

10. This Agreement and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada. The parties consent to the exclusive jurisdiction of the Nevada First Judicial District Court, Carson City, Nevada, for enforcement of this Agreement.
11. IVGID and TTD will ensure that any reports, materials, studies, photographs, negatives, drawings or other documents prepared in the performance of obligations under this Agreement shall be the exclusive property of IVGID and TTD. IVGID and TTD will ensure any consultant will not use, willingly allow or cause to have such documents used for any purpose other than performance of obligations under this Agreement without the written consent of IVGID and TTD. IVGID and TTD shall not utilize (and shall ensure any consultant will not utilize) any materials, information or data obtained as a result of performance of this Agreement in any commercial or academic publication or presentation without the express written permission of IVGID and TTD. IVGID and TTD (and any consultant) shall not reference an opinion of any employee or agent of IVGID or TTD obtained as a result of performance of this Agreement in any publication or presentation without the written permission of the employee or agent to whom the opinion is attributed, in addition to the permission of IVGID and TTD.
12. IVGID and TTD shall require any recipient or subrecipient of funds under this Agreement to comply with the Federal Funding Accountability and Transparency Act and implementing regulations at 2 CFR Part 170, including Appendix A.
13. This Agreement constitutes the entire agreement of the parties and is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Agreement specifically displays a mutual intent to amend a particular part of this Agreement, general conflicts in language between any such attachment and this Agreement shall be construed consistent with the terms of this Agreement. Unless otherwise expressly authorized by the terms of this Agreement, no modification or amendment to this Agreement shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.
14. IVGID and TTD do not intend by any of the provisions of this Agreement to create in the public or any member thereof a third party beneficiary status hereunder, or to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms or provisions of this Agreement.
15. The illegality or invalidity of any provision or portion of this Agreement shall not affect the validity of the remainder of the Agreement and this Agreement shall be construed as if such provision did not exist. The unenforceability of such provision or provisions shall not be held to render any other provision or provisions of this Agreement unenforceable.

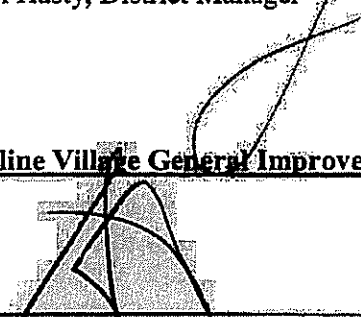
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Tahoe Transportation District



Carl Hasty, District Manager

Incline Village General Improvement District



Steven Pinkerton, General Manager

EXHIBIT "D"

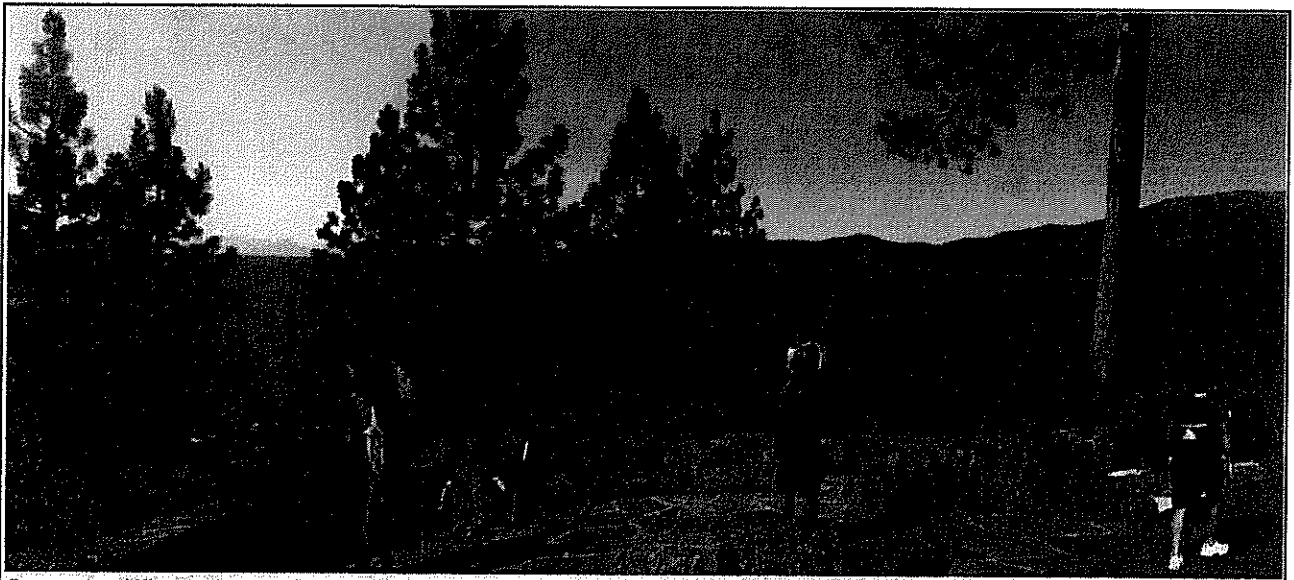


United States Department of Agriculture

SR-28 Shared Use Path, Parking, Safety and Environmental Improvements Project

Draft Environmental Assessment

Washoe, Carson City, and Douglas Counties, Nevada



Conceptual illustration of viewpoint along proposed Bikeway. (Actual design may vary.)



Forest Service

Lake Tahoe Basin Management Unit

July 2019



EXHIBIT "E"

1 Chapter 1 – Introduction

1.1 Document Structure

The U.S. Department of Agriculture (USDA) Forest Service (FS) prepared this environmental assessment (EA) in compliance with the National Environmental Policy Act (NEPA) and other relevant Federal and state laws and regulations. This EA discloses the direct, indirect, and cumulative environmental effects that would result from the proposed action as well as the no-action alternative. The document is organized as follows:

Chapter 1 - Introduction includes information on the structure of the environmental assessment, background of the project, overview of the existing condition, the desired conditions, the purpose of and need for action, summary of the proposed action, applicable management direction, and the decision framework. This chapter also details how the Forest Service informed the public of the proposal through public involvement, describes the issues identified by the public, and summarizes laws, regulations, and policies that are applicable to the project.

Chapter 2 - Alternatives, Including the Proposed Action provides descriptions of the no-action alternative and the FS's proposed action. Site maps of the project area are included. Chapter 2 also summarizes the effects of the no-action alternative and the proposed action.

Chapter 3 - Environmental Consequences presents an overview of the analysis, the existing conditions, and the environmental effects of implementing the alternatives. The effects of the no-action alternative are described first to provide a baseline for evaluation and comparison with the proposed action.

Chapter 4 - Consultation and Coordination provides a list of preparers and agencies consulted during the development of this document.

The **Appendices** include water quality protection best management practices, the Tahoe Regional Planning Agency (TRPA) Initial Environmental Checklist, and projects considered for cumulative effects. Additional documentation is in the project record located on the Lake Tahoe Basin Management Unit (LTBMU) public website and is available upon request in accordance with 40CFR 1506.6(f) and 40 CFR 1502.21.

1.2 Proposed Project Location

The SR-28 Shared Use Path, Parking, Safety and Environmental Improvements Project (project) is located along SR-28 on the east shore of Lake Tahoe between Sand Harbor State Park and Spooner Summit. Proposed actions will occur on LTBMU managed lands, within the Nevada Department of Transportation's (NDOT) right-of-way, and within the Nevada Division of State Park's Lake Tahoe Nevada State Park, Sand Harbor, and Spooner Lake Management Areas. Approximately 24 acres of Washoe Tribal Land are located just north of Skunk Harbor but are not within the project area. The project is situated in Washoe, Carson City, and Douglas counties.



EXHIBIT "F"

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;

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS NOVEMBER 13, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM I(5) – ENTRY INTO A COST SHARE FUNDING AGREEMENT WITH THE STATE DIVISION OF ENVIRONMENTAL PROTECTION (“NDEP”) TO SAVE LAKE TAHOE FROM PLASTIC POLLUTION

Introduction: Here staff seek Board approval to enter into a grant agreement with NDEP, which has financial consequences which fall directly upon local water rate payers, to finance, in part, a pilot public education and outreach program which has as its goal “achiev(ing) behavior(al) change in the region”¹ insofar as “reducing the presence of plastic in Lake Tahoe’s waters and beaches.”²

This agenda item is another example of *everything that’s wrong with IVGID*; engaging in endeavors which although in a vacuum may be noble, general improvement districts (“GIDs”) simply don’t have the power to exercise! In other words, IVGID staff have no idea of what a GID is, and what powers it may legitimately exercise. Here an ignorant Board is getting dragged along for the ride with an ignorant staff. And that’s the purpose of this written statement.

What Exactly are GIDs? GIDs are creatures of statute (see NRS 318). They are “governmental subdivision(s) of the State of Nevada, body corporate(s) and politic...quasi-municipal corporation(s)”³ and special districts⁴ with *limited*, enumerated, quasi-municipal⁵ powers, *and none other* [A.G.O. 63-61, p.103 (August 12, 1963)].

What Enumerated Powers Are GIDs Permitted to Exercise? According to NRS 318.055(4)(b), those “basic powers for which the district is proposed to be created (for instance, by way of illustration, ‘for paving, curb and gutters, sidewalks, storm drainage and sanitary sewer improvements within the district’)” which are included in a GID’s initiating ordinance⁶ with the *proviso* “the basic power or basic powers stated in the initiating ordinance must be one or more of those authorized in NRS 318.116, as supplemented by the sections of this chapter (NRS 318) designated therein.”

¹ In other words, *not* just Incline Village and Crystal Bay.

² See page 121 of the packet of materials prepared by staff in anticipation of this November 13, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_11-13-2019.pdf (“the 11/13/2019 Board packet”)].

³ See NRS 318.075(1).

⁴ See NRS 308.020(2).

⁵ Meaning not all powers that true municipalities may exercise but rather, only some of them.

⁶ GID initiating ordinances are adopted by County Commissioners either absent [NRS 318.055(1)(a)] or after receipt of a petition proposed by any owner of property to be located in the district [NRS 318.055(2)].

Who Has the Power to Grant GIDs Any of Their Powers? County Boards of Commissioners (“County Boards”) “of any county within this State (are)...vested with jurisdiction, power and authority to create districts within the county which (they) serve” [NRS 318.050(1)]. Thus “the organization of (a) district must be initiated by the adoption...by the board of county commissioners... of an ordinance...which is in this chapter sometimes designated the ‘initiating ordinance’” [NRS 318.055(2)]. “The initiating ordinance must set forth...a statement of the basic power or basic powers for which the district is proposed to be created” [NRS 318.055(4)(b)]. And should a GID seek additional basic powers, “the board shall cause proceedings to be had by the board of county commissioners similar, as nearly as may be, to those provided for the formation of the district, and with like effect” (NRS 318.077).

So What Basic Power(s) Authorized in NRS 318.116 Have Been Granted to IVGID by the Washoe County Board? Furnishing:

1. “Electric light and power, as provided in NRS 318.117”⁷ [see NRS 318.116(1)];
2. “Streets and alleys, as provided in NRS 318.120”⁸ [see NRS 318.116(7)];
3. “Curbs, gutters and sidewalks, as provided in NRS 318.125”⁸ [see NRS 318.116(8)];
4. “Sidewalks, as provided in NRS 318.130”⁸ [see NRS 318.116(9)];
5. “Facilities for storm drainage or flood control, as provided in NRS 318.135”⁸ [see NRS 318.116(10)];
6. “Sanitary facilities for sewerage, as provided in NRS 318.140”⁸ [see NRS 318.116(11)];
7. “Facilities for lighting streets, as provided in NRS 318.141”⁹ [see NRS 318.116(12)];
8. “Facilities for the collection and disposal of garbage and refuse, as provided in NRS 318.142”⁹ [see NRS 318.116(13)];
9. Public¹⁰ “recreational facilities, as provided in NRS 318.143”¹¹ [see NRS 318.116(14)]; and,
10. “Facilities for water, as provided in NRS 318.144”⁸ [see NRS 318.116(15)].

Necessary, Incidental or Implied Powers From the Specific Powers Granted by NRS 318.116? NRS 318.210 instructs that “the board shall have and exercise all rights and powers necessary or

⁷ See County Board Bill 227, Ordinance 97, adopted May 5, 1969.

⁸ See County Board Bill 57, Ordinance 97, adopted May 20, 1961.

⁹ See County Board Bill 102, Ordinance 97, adopted March 5, 1964.

¹⁰ During the fifty-third (1965) session of the State Legislature, Chapter 413 [SB297 (Amendment 1905, §21.5)] was enacted adding *public recreation* as a new GID basic power. Accordingly on August 12, 1965 a former Board adopted Resolution 279 asking that the County Board “commence proceedings for the addition of powers of *public recreation*,” and on November 15, 1965 County Bill 132 was adopted granting IVGID this new basic power. Subsequently, during the fifty-fourth (1967) session of the State Legislature, the word “public” in “public recreation” was quietly deleted.

¹¹ See County Board Bill 132, Ordinance 97, adopted November 15, 1965.

incidental to or implied from the specific powers granted in this chapter” NRS 318. Notwithstanding, such implied powers are limited by *Dillion’s Rule* (see discussion below).

Dillion’s Rule¹²: “is used in interpreting law when there is a question of whether or not a local government has a certain power. Lawyers call it the rule of statutory construction.”¹³

“*Dillon’s Rule* construes grants of power to localities *very narrowly*. The bottom l(ine) is -- ***if there is a question about a local government’s power or authority, then the local government does NOT receive the benefit of the doubt***. Under *Dillon’s Rule*, one must assume the local government does *NOT* have the power in question. Or as declared in Nevada,

“Any fair, reasonable (or) substantial doubt concerning the existence of power is (to be) *resolved...against the (municipal) corporation...(and) all acts beyond the scope of...powers granted are void*” (*Ronnow, supra*, at 57 Nev. 343).

“In legal language, the first part of *Dillon’s Rule* reads like this:

‘Local Governments have only three types of powers: 1) Those granted in express words; 2) Those necessarily or fairly implied in or incident to the powers expressly granted; and, 3) Those essential to the declared objects and purposes of the corporation, not simply convenient, but indispensable.’

It is the second part of the *Dillon Rule*, however, that puts the vise on local government’s powers. This part states that ‘if there is any reasonable doubt whether a power has been conferred on a local government, then the power has *NOT* been conferred.’ This is known as **the rule of local government powers**.”¹³

What Does Educating the Lake Tahoe “Region” in General Have to Do With Any of IVGID’s Legitimate Powers? The answer is simple. *NONE!*

What Does Educating the Lake Tahoe “Region” Specifically Insofar as Plastic Pollution in Lake Tahoe is Concerned Have to Do With Any of IVGID’s Legitimate Powers? The answer is simple. *NONE!*

Can Educating the Lake Tahoe “Region” Insofar as Plastic Pollution in Lake Tahoe be Expressly Construed as Necessary, Incidental or Implied From Any of IVGID’s Legitimate Basic

¹² “John Forest Dillon, for whom the *Dillon Rule* is named, was the Chief Justice of the Iowa Supreme Court approximately [121] years ago. He was also one of the greatest authorities of his time on municipal law and a prolific writer about local governments...Judge Dillon expounded his famous rule which was quickly adopted by state supreme courts around the nation”¹³ including Nevada [see *Ronnow v. City of Las Vegas* (1937) 57 Nev. 332, 341-43, 65 P.2d 133].

¹³ See <http://www.patobannon.com/frequently-asked-questions/what-is-the-dillon-rule>.

Powers? Remember, “those essential to (IVGID’s) declared objects and purposes (and)...not simply (those) convenient, *but indispensable.*” And here the answer is simple. *NONE!*

So What’s the Problem With IVGID Exercising Powers it Has No Authority Nor Business Exercising?

See ¶16 of the now revealed lease which addresses the District’s “Return of (the) Equipment:”

“If...Lessee does not purchase the equipment pursuant to ¶15, Lessee will immediately return the equipment to any location(s) in the continental United States and aboard any carrier(s) Lessor may designate...freight prepaid and insured.”¹⁴

And the District Will Have to Pay *Even More* Because it is Obligated to Return the Subject Carts “Free of Any Markings:”¹² whatever the cost be to remove those markings¹⁵ may total.

And the District Will Have to Pay *Even More* Because it is Obligated to Pack the Subject Carts For “Shipment in Accordance With (EZ-Go’s)...Recommendations or Specifications:”¹² whatever those recommendations or specifications are, and whatever those costs end up totaling.

Moreover, if the District Does Not Exercise the Option to Purchase the Subject Carts it is Obligated to Not Only Return Them in a Maintained Condition in Accordance With Section 7¹⁶, But in an “Average Saleable Condition Which Means That All of the Equipment is Immediately Available For Use by a Third Party Buyer, User or Lessee Other Than (IVGID)...Without the Need for Any Repair or Refurbishment” Whether Because of “Defective Parts...Accessories,” or Otherwise¹²: Therefore if the District intends to thrash these new carts on our dilapidated carts, rather than purchasing them outright (because who wants to own thrashed carts), it is in for a rude awakening that in the end, is going to cost *more*.

So What Have Staff Committed the Proposed “Freed Up” \$285,466.56 to be Spent On? Anything of their hearts’ desires. In other words, none of the money is restricted. Not even for Mountain Course cart repairs (the suggested beneficiary).

¹⁴ The Proposed Lease factors in payment of some \$22,504 in freight costs from EZ-Go’s California shipping location (see page 51 of the 11/13/2019 Board packet). What do you think pre-paid freight costs are going to be to one or more of PNC’s locations?

¹⁵ The District proposes incorporating into the cost of the proposed lease \$551 for “club logos” and cart numbers (see page 51 of the 11/13/2019 Board packet).

¹⁶ “At Lessee’s own cost and expense, Lessee will keep the equipment in good repair, condition and working order, ordinary wear and tear excepted” (see pages 63-64 of the 11/13/2019 Board packet).

Given the Board Has Already Appropriated Funds to Purchase the Subject Carts Outright¹⁷, What Facts, if Any, Require Acquisition be Made Via Installment Purchase Agreement Instead? This finding is mandated under NRS 350.087(b) and ¶1(D)(3) of the Department of Taxation’s published Procedures for Medium-Term Obligations¹⁸.

Conclusion: As I stated on October 30, 2019⁹, I and others I know are against giving IVGID staff more of our Recreation (“RFF”) and Beach (“BFF”) Facility Fee monies to waste on their pet projects which don’t end up saving any money nor reducing our RFF/BFF. Notwithstanding making the proposed installment purchase wastes a minimum of nearly \$250,000 or more of our RFF dollars if the option to purchase is not exercised, and who knows how much in excess of \$330,405.12 if the option to purchase is exercised, it has the added side benefit of *reducing* cash flow for the next four (4) or more fiscal years. For these reasons if a majority of the Board is in favor of these carts’ acquisition, I urge that they: either be purchased with cash as the Board has already voted to do¹⁷; or preferably, not purchased altogether because the District has more important needs.

And You Wonder Why Our RFF and BFF Which Are Wasted on This And Other Equally Wasteful and Wrongful Expenditures 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!

¹⁷ See page 5 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/5_Year_Capital_Improvement_Plan_Summary_-_As_of_5.22.19.pdf. This page along with an asterisk next to the appropriation is attached as Exhibit “A” to this written statement.

¹⁸ See <file:///C:/Users/Aaron/Downloads/20140225%20LGF%20Medium%20Term%20Guidelines%20and%20References%202014-15.pdf>.

November 13, 2019 IVGID Board of Trustees Meeting
Public Comment by Margaret Martini – to be included with the Meeting Minutes

Judging by the number of presentations, reports and other agenda items, we appear to be in for a long evening. Our Chair and GM should reinstate two meetings per month to ensure that all important items receive the Board's and the public's full attention. I recommend that the Incline Beach House discussion, scheduled close to the very end of this meeting, be rescheduled as a workshop to allow adequate time for an extensive evaluation. As Trustee Callicrate has been actively involved with improving our Beaches, it would be considerate for the Board to allow his participation.

Tonight, we have three 2019 Season wrap-ups for our Beaches and Golf Courses. What is striking is the absence of revenues and expenditures. So how did we do? We don't know. I've also taken note that the Beaches omits the use of punch cards. There is a report on picture passes but not punch cards. Why not? I'm told that sheets with additional information will be passed out at the meeting. This omission from the packet, for anyone interested in reviewing all the supplemental information before the meeting, including our Trustees, is unacceptable. These items should be removed from tonight's agenda and the Board should direct staff to place all information in the packets before every meeting.

After years and years of neglect, I fully support the renovation of our Tennis Center whether you approve the under \$1 million alternative or the deluxe plan. I hope that our community tennis players will weigh in on their choice. I also hope that our community bocce players will register their choice for the placement of the new courts.

I strongly recommend the engagement of a Community Services Capital Project Manager to oversee all of these new projects. We have a serious gap in providing accurate budgeting and implementation of our important capital projects. In fact, this District requires a complete overhaul of its planning, design, funding, and timing of its capital projects. Now, is the time to get this right! And I mean now, we can't wait any longer.

Speaking of waiting, as many know the District Court ruled in favor of the League to Save Village Assets requiring the County to refund three years of overcharging

our property taxes. This battle has been waged for more than a decade. The interest charges alone could exceed \$5,000 per day for every day these funds have not been returned to our property owners. Yesterday, a majority of our County Commissioners approved the engagement of an independent attorney to appeal the District Court's ruling to the Nevada Supreme Court. They will fight to the very bitter end. In the likely event they will lose, the amounts owed with interest will be staggering. Has IVGID accumulated any reserves to repay our property owners for the excess taxes charged? What are IVGID's plans, if any, to agendaize a course of action as these events continue to unfold?

Public Comment - Clifford F. Dobler - IVGID Board of Trustee meeting 11-12-2019

Over the past three years, on several occasions, Linda Newman and myself presented to this Board, the unsound management of the Utility Fund. Your lack of responsibility for oversight, violating policy and allowing massive deception has been profound.

So let's start

- 1) As far back as 2009, it was widely known that Phase II of the effluent pipeline required replacement
- 2) In 2011 and 2012, it was well known that all funds from the USACE 595 program had been appropriated to States and there would be no additional funding for the program. Marshall Faust has been paid over \$300,000 and may come up with \$1 million.
- 3) The Board in 2012 decided to increase sewer rates to collect \$2,000,000 per year for 10 years to be saved for the estimated \$23 million Pipeline replacement. On several occasions, Linda and I requested those funds be RESTRICTED, only to be ignored.
- 4) The 2013 Utility Rate Study stated required reserves were not being met. The lack of reserves were never honestly addressed during the last four years. Only fabrications from Eick.
- 5) In 2013, the EPA shut down the Wastewater Storage Pond and required design for a liner by 2015. Design was not started until late 2018. Instead this Board approved a temporary storage fix for only 24 hours costing \$842,000.
- 6) In 2014, a major pipeline spill occurred, EPA became involved, and a conditions assessment was required which involved three attempts over four years, costing \$1,322,000 without a budget and no final report provided.
- 7) Rather than beginning replacement of the Pipeline's Segment 3, which was assessed to have 227 mid body defects, this Board, instead, approved repairing only 13 defects for \$1,322,600, without a budget and which will be abandoned when the replacement Pipeline is constructed.
- 8) In 2014, IVGID provided \$300,000 to the Tahoe Transportation District for a wild goose chase attempting to co locate the Pipeline within a bike path not considering continued risk of pipeline failures and without any logistical feasibility.
- 9) For four consecutive years, this Board continued to approve minimal sewer rate increases, ignoring rebuilding required reserves and allowing depletion of Pipeline savings for other projects.
- 10) Rather than lining the Waste Water Pond mandated by the EPA, this Board instead approved a quick interim fix, to store wastewater for short time periods and authorized spending \$842,000
- 11) In 2018, this Board authorized two non essential projects, the Truck Storage Building and the Crew Quarters costing \$2,940,000 depleting reserves to practically nothing.

12) In 2017, the Board decided that the Pipeline savings could be used for anything related to the entire pipeline system. Rather than inform the public, they simply approved a change to the Phase II Effluent Pipeline capital project summary.

13) In 2017, this Board approved using \$1,000,000 of the Pipeline savings for Sewer Pump Stations

14) In 2018, \$788,000 of the Pipeline savings was reported as being spent on lining the Wastewater Pond which was never done and instead was spent on unbudgeted air pressure relief valves installed on the last 10 miles of the pipeline flowing to Carson Valley.

All told, the Utility Fund has absolutely no reserves, has spent over \$5.2 million of the Pipeline savings and has no capital plan. What's your plan?