



# NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6:00 p.m. on **Wednesday, January 23, 2019** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

- A. PLEDGE OF ALLEGIANCE\*
- B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES\*
- C. PUBLIC COMMENTS\* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

**Public Comment Advisory Statement** – *A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chair may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.*

- D. APPROVAL OF AGENDA (for possible action)

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

**-OR-**

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

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**Incline Village General Improvement District**

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

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

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# NOTICE OF MEETING

Agenda for the Board Meeting of January 23, 2019 - Page 2

## E. REPORTS TO THE BOARD OF TRUSTEES\*

1. Verbal Legislative Update from Tri-Strategies representative(s)

## F. CONSENT CALENDAR *(for possible action)*

1. Review, Discuss, and Possibly Award a Construction Contract for the ADA Access for On-Course Restrooms Project – 2017/2018 Capital Improvement Project: Fund: Golf; Division: Mountain Golf; Project # 3241BD1402; Vendor: Colbre Grading and Paving in the amount of \$99,395 (Requesting Staff Member: Engineering Manager Charley Miller) – **pages 4 - 11**

## G. GENERAL BUSINESS *(for possible action)*

1. Utility Rate Study Presentation – 2019 (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 12 - 67**
2. Review, discuss and possibly take action on Board's Work Plan: Set a date to reassess priorities (Requesting Trustee: Chairwoman Kendra Wong) – **pages 68 - 72**
3. Review, discuss and possibly take action on Title 1 (28 pages) of the IVGID Code (Requesting Trustee: Chairwoman Kendra Wong) – **page 73**
4. Election of Board Officers for 2019 – effective at the end of this meeting – **page 74**

## H. DISTRICT STAFF UPDATE *(for possible action)*

1. General Manager Steve Pinkerton – **pages 75 - 80**
  - a. Status of Mountain Golf Course Clubhouse

## I. APPROVAL OF MINUTES *(for possible action)*

1. Regular Meeting of December 12, 2018 – **pages 81 - 156**

## J. REPORTS TO THE IVGID BOARD OF TRUSTEES\*

1. District General Counsel Jason Guinasso



# NOTICE OF MEETING

Agenda for the Board Meeting of January 23, 2019 - Page 3

- K. BOARD OF TRUSTEES UPDATE (***NO DISCUSSION OR ACTION***) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA\*
- L. 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.
- M. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (*for possible action*) – **pages 157 - 158**
- N. ADJOURNMENT (*for possible action*)

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## CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, January 18, 2019 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of January 23, 2019) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley's Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID's Recreation Center
7. The Chateau at Incline Village

*/s/ Susan A. Herron, CMC*

Susan A. Herron, CMC

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

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**Board of Trustees:** Kendra Wong, Chairwoman, Tim Callicrate, Peter Morris, Phil Horan, and Matthew Dent.

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

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

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

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Steven J. Pinkerton  
General Manager

**THROUGH:** Joseph J. Pomroy, P.E.  
Director of Public Works

**FROM:** Charley Miller, P.E.  
Engineering Manager

**SUBJECT:** Review, Discuss, and Possibly Award a Construction Contract for the ADA Access for On-Course Restrooms Project – 2017/2018 Capital Improvement Project: Fund: Golf; Division: Mountain Golf; Project # 3241BD1402; Vendor: Colbre Grading and Paving in the amount of \$99,395

**STRATEGIC PLAN:** Long Range Principle 5 – Assets and Infrastructure

**DATE:** January 11, 2017

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### **I. RECOMMENDATION**

That the Board of Trustees moves to:

1. Award a lump sum construction contract to Colbre Grading and Paving in the amount of \$99,395 for the construction of the ADA Access for On-Course Restrooms Project.
2. Authorize Chair and Secretary to execute the contract with Colbre Grading and Paving based on a review by General Counsel and Staff.

### **II. DISTRICT STRATEGIC PLAN**

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.



- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- The District will maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

### III. **BACKGROUND**

The Mountain Golf Course on-course bathrooms at holes #6 and #13, and the site surrounding the restrooms are not in compliance with current American Disabilities Act (ADA) requirements for access due to excessive cross slopes between the golf cart parking and the restrooms entryway. This project will re-construct the cross slopes and pave access from the golf cart parking to the restrooms entryway.

This project does not include remodeling the interior of the on-course restrooms to be compliant with the ADA requirements. That project is designed and will be executed in the 2019/2020 fiscal year.

The project will include tree removal, rockery retaining walls, regrading and repaving in the vicinity of the on-course restrooms (#6 & #13) to provide parking and cross-slopes from the golf cart parking spot to the bathrooms ensure compliance with the Americans with Disabilities Act.

### IV. **BID RESULTS**

The District publicly advertised this project for bidding and plan sets were acquired by four interested bidders. Three bids were received and opened on December 6, 2018. The Engineer's Estimate for the project was \$100,000. The bid results are as follows:

<b>Contractor</b>	<b>Bid Amount</b>
Colbre Grading and Paving	\$99,395
Armac Construction	\$149,730
F.W. Carson Construction	\$152,500

The lowest responsive bidder is Colbre Grading and Paving. District Staff reviewed the bid and checked references for the contractor and recommends award of this project to Colbre Grading and Paving. If awarded, the project is scheduled to start May 1, 2019 and be substantially complete by June 1, 2019.

## V. FINANCIAL IMPACT AND BUDGET

\$95,000 was included in the 2017/2018 Capital Improvement Program Budget under the ADA Access for On-Course Restrooms Project (Project # 3241BD1402 – see attached data sheet) of which there is a total of \$87,300 carried forward and currently available to complete the proposed work.

### Total Available Project Budget

Description	Amount
3241BD1402 – Mountain Golf ADA Access for On-Course Restrooms – FY17/18 Funds	\$87,300
3242LI1205 – Pavement Maintenance of Cart Paths - Mountain Golf – FY18/19 Funds	\$45,000
<b>Total Available Budget</b>	<b>\$132,300</b>

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

### Estimated Project Construction Budget

Description	Amount
Construction Contract	\$99,395
Construction Contingency at 10%	\$10,000
Construction Management, Inspection, and District Staff Time	\$15,000
<b>Estimated Project Total</b>	<b>\$124,395</b>

The total estimated project budget to complete the proposed work is \$124,395 and, if the contract is approved, the additional \$37,095 will come from Pavement Maintenance of Cart Paths - Mountain Golf (Project #3241LI1205) where there is adequate available funds.

## VI. ALTERNATIVES

Not award the contract and defer the grading and paving for conformance to American Disabilities Act to a future date.



Review, Discuss, and Possibly Award  
Construction Contract for the ADA Access for  
On-Course Restrooms Project – 2017/2018  
Capital Improvement Project: Fund: Golf; Division:  
Mountain Golf; Project # 3241BD1402; Vendor: Colbre  
Grading and Paving in the amount of \$99,395

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January 11, 2019

## **VII. BUSINESS IMPACT**

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



## Project Summary

<b>Project Number:</b>	3241BD1402		
<b>Title:</b>	ADA Access to On-course Restrooms		
<b>Asset Class:</b>			
<b>Division:</b>	41 - Mountain Operations		
<b>Budget Year:</b>	2018		
<b>Scenario Name:</b>	Main	<b>Active:</b>	Yes
<b>Budget Status:</b>	Data Entry		
<b>Locations:</b>			
<b>Project Something:</b>	BD - Buildings & Structures		

<b>Project Description</b>				
The restrooms on the Mountain Golf Course do not meet ADA requirements for access. This project will regrade and pave a golf cart parking location and accessible route to each restroom. This work will be completed in conjunction with the remodel of the interior and exterior of the on-course restrooms (2016/2017 CIP Budget Project # 3241BD1503) as ADA compliance is necessary to procure the Washoe County Building Department permits to allow the remodel work.				
<b>Project Internal Staff</b>				
This project will be designed by an outside Civil Engineering with management by the District's Engineering Division.				
<b>Project Justification</b>				
On-course restrooms must be ADA compliant with an accessible route from the location where a golf cart would be parked nearby.				
<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
2018				
Construction	85,000	0	85,000	
Contingency	10,000	0	10,000	
Year Total	95,000	0	95,000	
	<b>95,000</b>	<b>0</b>	<b>95,000</b>	
<b>Year Identified</b>	<b>Start Date</b>	<b>Project Partner</b>	<b>Manager</b>	<b>Est. Completion Date</b>
2012			Principal Engineer	





## Project Summary

<b>Project Number:</b>	3242LI1205		
<b>Title:</b>	Pavement Maintenance of Cart Paths - Mountain Golf Course		
<b>Asset Class:</b>	E - Capital Maintenance		
<b>Division:</b>	42 - Mountain Maintenance		
<b>Budget Year:</b>	2019		
<b>Scenario Name:</b>	Main	<b>Active:</b>	Yes
<b>Budget Status:</b>	Data Entry		
<b>Locations:</b>			
<b>Project Something:</b>	LI - Land Improvements		

<b>Project Description</b>			
Continued maintenance and repair of Mountain Golf Course cart paths asphalt surfaces. Engineering maintains a database on this and other facilities for pavement condition, past projects and forecasts long-term maintenance and replacement needs. Includes 110,000 sf of pavement. Maintenance of retaining walls and slopes supporting the pathways are budgeted as a separate CIP. Combined projects amount to approximately \$50,000 in annual repairs.			
<b>Project Internal Staff</b>			
Engineering to perform design, bid, contract administration and inspection tasks. Work to be done by outside contractor.			
<b>Project Justification</b>			
Regular preventative maintenance of pavement significantly increases the life of a facility and defers the timeline for which wholesale replacement is required. Once pavement has reached its expected lifespan and begins to fail, major rehabilitation is required. Tahoe's freeze/thaw climate accelerate deterioration. These pathways see light use but also heavy damage due to age and irrigation and roots. Due to the nature of the facility and golf season regular small recurring annual projects are planned to keep up with a high level of service for the extensive cart path system.			
<b>Forecast</b>			
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>
2019			
Internal Services	5,000	0	5,000
Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000
2020			
Internal Services	5,000	0	5,000
Section Replacement	35,000	0	35,000
Year Total	40,000	0	40,000
2021			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Section Replacement	30,000	0	30,000
Year Total	45,000	0	45,000
2022			
Internal Services	5,000	0	5,000
Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000

2023			
Internal Services	5,000	0	5,000
Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000
2024			
Internal Services	5,000	0	5,000
Section Replacement	40,000	0	40,000
Year Total	45,000	0	45,000
2025			
Internal Services	5,000	0	5,000
Sealing	60,000	0	60,000
Year Total	65,000	0	65,000
2026			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Year Total	15,000	0	15,000
2027			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2028			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2029			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2030			
Internal Services	5,000	0	5,000
Sealing	60,000	0	60,000
Year Total	65,000	0	65,000
2031			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Year Total	15,000	0	15,000
2032			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2033			
Internal Services	5,000	0	5,000



Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2034			
Internal Services	5,000	0	5,000
Section Replacement	50,000	0	50,000
Year Total	55,000	0	55,000
2035			
Internal Services	5,000	0	5,000
Sealing	60,000	0	60,000
Year Total	65,000	0	65,000
2036			
Crack Fill and Maintenance	10,000	0	10,000
Internal Services	5,000	0	5,000
Year Total	15,000	0	15,000
	835,000	0	835,000

Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2012			Senior Engineer	

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Steven J. Pinkerton  
General Manager

**FROM:** Joseph J. Pomroy, P.E.  
Director of Public Works

**SUBJECT:** Utility Rate Study Presentation - 2019

**DATE:** January 11, 2019

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### **I. RECOMMENDATION**

1. That the Board of Trustees provide direction and comment to Staff on the 2019 Five Year Utility Rate Study and the proposed utility rate (water and sewer) increase for 2019.
2. That the Board of Trustees direct staff to prepare documents and Utility Rate Schedules for a one year average 4.0% utility rate increase in accordance with the 2019 Utility Rate Study.

### **II. DISTRICT STRATEGIC PLAN**

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

### **III. FINANCIAL IMPACT AND BUDGET**

#### 2019 Five Year Rate Study

The utility rate study for 2019 has been prepared to determine the next five years of operating and capital expenses and to provide sufficient and stable revenue to meet the operating cost increases and the near term capital needs. The analysis is done on a cash flow basis in order to achieve a target reserve fund balance. The reserve fund is set by Board Policy and is currently a target value of \$1.88 million.



In the five-year period of this rate study, reserves will be above target policy levels while the District accumulates additional savings to fund the Effluent Export Project.

Funding for capital asset replacement in Public Works is a blend of funds already collected for that purpose in previous years and current year capital revenues. The District also uses borrowing to pay replacement of capital assets to place some of the financial burden on future beneficiaries of the assets. These have been the traditional methods used in paying for capital in Public Works. We are currently using about 15% of the collected capital revenue to pay for debt. In 2012/13 we began payments on the new \$3 million, 20-year State Revolving Fund Loan that financed the Burnt Cedar Water Disinfection Plant Project that renovated our water disinfection facilities to achieve compliance with Federal Regulations. The District has a total of four State Revolving Fund Loans for water and sewer infrastructure.

The rate model is prepared to determine the revenue needs to meet operating and capital expenses while maintaining prudent reserves. Once a revenue target is established, the water and sewer rates are adjusted to generate that revenue in the most equitable way possible. The revenue is also balanced among the various rate components to pay for fixed, variable and capital components. Then the new rate structure is modeled for all of the customer classes and analyzed for equity among the customer classes.

The proposal is to increase water rates by 4.0% and sewer rates by 4.0% for a total utility rate increase of 4.0%. The utility rates are scheduled for an average 3.5% increase for the next five years to meet the projections presented in this memo.

#### 5-Year Look Back to the 2014 Utility Rate Study

In 2014, the five-year utility rate study was presented to the Board with the following information. (Excerpt from Board Memo, February 12, 2014).

*The rates are currently scheduled for an average 3.9% increase per year for five years to meet the projections presented here. This is less than last year's projection that rates would increase by 5.2% per year for next five years. The lower projection is because 2013 and 2014 had large sewer rate capital improvement fee increases to continue to raise capital for the \$23 million Effluent Export Project. The sewer rate increase is 11% and 9% respectively in each of those years to generate the capital revenue needed going forward.*

Looking back now that the five years are complete the rates increased for all customers by an average of 3.6% per year as compared to the projected 3.9% increase per year. Over five years, the rates actually increased a total of 19.4% compared to the projected increase of 21.1% projected in the 2014 utility rate study. The driver of the rate increases during that period was a balance of wages, service and supplies, and capital cost increases. The rate increase over those 5 years was less than projected because there were costs savings on the expense side including continued savings on electrical costs from gains in efficiency and staff management of pumping during off-peak times.

Utility Rates

The utility rates are being adjusted to meet expected cost increases and to fund future capital replacement. Increasing rates by a constant percentage is a basic concept but it must be verified that in adjusting the rates that no customer class sees a disproportionate change in rates that would unfairly shift the cost burden to other rate payers.

The following table compares the current and the proposed residential water rate. The rates below include a \$1.05 total defensible space charge to each user. The base rate for water is increasing by \$1.25 per month. The water consumption and tier rates have been thoroughly analyzed in previous years to confirm the cost basis for those rate components per thousand gallons of usage.

**Residential Water Rate Comparison**

<b>Current 2018 Rate Component</b>	<b>2018 Rate</b>	<b>Proposed 2019 Rate Component</b>	<b>2019 Rate</b>	<b>Change</b>
Base Rate	\$ 11.23	Base Rate	\$ 11.97	\$0.74
Capital Improvements	\$ 14.80	Capital Improvements	\$ 15.10	\$0.30
Customer Account Fee	\$ 3.76	Customer Account Fee	\$ 3.97	\$0.21
Defensible Space	\$ 1.05	Defensible Space	\$ 1.05	-
<b>Monthly Water Bill</b>	<b>\$ 30.84</b>	<b>Monthly Water Bill</b>	<b>\$ 32.09</b>	<b>\$1.25</b>
Consumption	\$ 1.50	Consumption	\$ 1.55	\$0.05
1st Tier	\$ 0.93	1st Tier	\$ 0.96	\$0.03
2nd Tier	\$ 1.30	2nd Tier	\$ 1.34	\$0.04



The following table compares the current and the proposed residential sewer rate. The base rate for sewer is increasing by \$2.20 per month and the sewer use rate is increasing by \$0.10 per thousand gallons of water use. The sewer use is capped in the summer months for residential customers

### Residential Sewer Rate Comparison

Current 2018 Rate Component	2018 Rate	Proposed 2019 Rate Component	2019 Rate	Change
Base Rate	\$ 18.30	Base Rate	\$ 19.54	\$ 1.24
Capital Improvements	\$ 30.70	Capital Improvements	\$ 31.45	\$ 0.75
Customer Account Fee	\$ 3.76	Customer Account Fee	\$ 3.97	\$ 0.21
<b>Monthly Sewer Bill</b>	<b>\$ 52.76</b>	<b>Monthly Sewer Bill</b>	<b>\$ 54.96</b>	<b>\$ 2.20</b>
Sewer Use Rate	\$ 3.10	Sewer Use Rate	\$ 3.20	\$ 0.10

### Operating Revenues and Expenses

The operating revenue is the portion of revenue generated from the water and sewer rates that is not the CIP charge. The operating revenue is increasing by an average of 4.1% per year for five years and is a blend of rate increases and sales of water and sewer. The information below presents the net income for operating, excluding the capital revenue and the depreciation expense. The rate study goal is to keep a balance between operating expenses and revenues over the five-year period. The variance between operating revenue and expense is within 1.2% and there is a net increase to reserves over 5 years. The rate model is revisited annually and recalibrated with actual financial results from the completed fiscal year. Any budget savings stay in the utility fund to offset future rate increases. The larger variance between revenues and expenses in year 4 and year 5 will be recalibrated to reflect predicted conditions in future years. The estimates are currently straight line based on current expenses and revenues for years 2 through 5.

The operating expenses are the staff costs, services and supplies, utilities, insurance, legal and audit fees, central services expense and the defensible space costs but it does not include depreciation. The 2019-20 values are the proposed



Utility Fund budget. Final budget numbers are approved in May by the Board of Trustees. We are budgeting increases in wages and benefits at 4.6%, service and supplies at 3% and utility expenses at 1%. The five-year rate study is presented below for operating revenues and expenses.

5-Year Plan	2019-20	2020-21	2021-22	2022-23	2023-24	5-Yr Sum
Operating Revenue	7,360,000	7,650,000	7,952,000	8,265,000	8,591,000	\$39,818,000
Operating Expense	(7,348,000)	(7,598,000)	(7,856,000)	(8,122,000)	(8,398,000)	(\$39,322,000)
					<b>Subtotal</b>	<b>\$496,000</b>

#### Capital Revenues and Expenses

The capital revenue is the summation of monthly capital fees collected in the utility rates, connection fees, and interest income and increases by approximately 2.1% per year averaged over 5 years.

The capital expense is the capital improvement projects net of grants and includes debt service. This is the current five-year capital plan that is being developed as part of the budget process. The 2022-23 capital expense is an estimate derived from the previous four years of budgeted capital expense. The year five capital expense estimate will be completed as part of the budgeting process. The five-year capital expenses and revenues are presented in the following table.

5-Year Plan	2019-20	2020-21	2021-22	2022-23	2023-24	5-Yr Sum
Capital Revenue	5,047,000	5,139,000	5,253,000	5,371,000	5,491,000	26,301,000
Capital Expense	(4,860,000)	(4,727,000)	(4,885,000)	(4,638,000)	(4,543,000)	(23,653,000)
					<b>Subtotal</b>	<b>\$2,648,000</b>

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

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

### Summary

The proposed utility rate increase is to raise water rates by 4.0% and sewer rates by 4.0% for a total utility rate increase of 4.0%. The rates are currently scheduled for an average 3.5% increase per year for five years to meet the projections presented in this memo.

In 2018-19, total water and sewer revenues for Public Works are budgeted to be \$11.85 million and are proposed to be \$12.29 million in 2019-20 under this rate study. This is an increase in revenues of \$440,000 from increased commodity sales, additional users and from the rate increase.

The reserve balance is a critical fund to be managed in Public Works. The amount of the bonding will be adjusted to insure the reserve fund remains at a prudent balance while also considering the costs of borrowing, the economic conditions in Nevada and the susceptibility of the funds. The contributions to the reserve will be \$3.1 million over the next five years.

<b>2019 Five Year Rate Study</b>	<b>5-Year Total</b>
Operating and Capital Revenues	\$66,119,000
Operating and Capital Expenses	\$62,975,000
<b>Net increase in reserves</b>	<b>\$3,114,000</b>

Schedule

The schedule for rate adoption is proposed as follows.

<b>Utility Rate Study</b>	<b>Date</b>
Utility Rate Study Revisions if Directed by Board	February 6, 2019
Set Date for Public Hearing to Adopt New Utility Rates	February 6, 2019
Notice of Public Hearing Published in Newspaper	March 8, 2019
Courtesy Ad for Public Hearing Published in Newspaper	April 5, 2019
Conduct Public Hearing and Adopt New Utility Rates	April 10, 2019
New Utility Rates become effective pending approval	May 20, 2019

## IV. BACKGROUND

### Rate Study Fundamentals

The Public Works Department conducts an annual rate study to calculate the appropriate rates for water and sewer service to meet revenue and expense demands while maintaining an appropriate reserve fund balance. The rate study includes a five-year projection for revenues and expenses with an eye out for large capital projects outside of the five-year window. This annual effort insures rates are meeting the needs of the District and that adjustments can be made efficiently and effectively. The rate study is based on utility management strategies and industry best practices that are briefly described below.

### Effective Utility Management

In 2006, the Environmental Protection Agency (EPA) worked alongside the six largest water and wastewater professional organizations (American Water Works Association (AWWA), Water Environment Federation (WEF), American Public Works Association (APWA), National Association of Water Agencies, National Association of Clean Water Agencies, Association of Metropolitan Water Agencies) collaboratively to develop a benchmarking document called the “Ten Attributes of Effectively Managed Water Sector Utilities”. The major strategies that were identified are as follows:

- Financial Viability
- Product Quality
- Customer Satisfaction
- Employee and Leadership Development
- Operational Optimization
- Operational Resiliency
- Community Sustainability
- Infrastructure Stability
- Stakeholder Understanding
- Support and Water Resource Adequacy

Public Works uses all of these management strategies to maximize our resources, improve performance, and safeguard the community’s assets for the future. The primary purpose of our annual rate study is to make sure we utilize the management strategy of financial viability as stated above and more fully described in the next section.



## Financial Viability

The water utility sector management strategy defines financial viability as understanding the full life-cycle cost of the utility and establishing and maintaining an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. It also establishes predictable rates consistent with community expectations and acceptability to recover costs, provide for reserves, maintain support from bond rating agencies, and plan and invest for future needs.

In other words, the water and sewer rates need to collect revenues equal to the full cost of operations, maintenance and capital replacement of the utility over the long term. This has been dubbed, Full Cost Pricing. Without fully funding a Utility, the value of the community asset will suffer and jeopardize disinfection and the delivery of safe potable water and the collection and treatment of wastewater. Conversely, performing long term financial planning insures that future generations will enjoy the same benefits as customers today in being able to rely on safe potable drinking water and properly collected and treated wastewater to protect the environment. This allows the customer to make personal and economic decisions based on the signaling they receive from the utility rates and system performance.

## AWWA Principal of Water Rates, Fees and Charges

The American Water Works Association (AWWA) has 61 Manuals of Practices. The AWWA manual on Principles of Water Rates, Fees and Charges was first written in 1954, and is over 300 pages long covering the detailed practice of setting water rates and charges for a financially viable utility. Manuals such as this are developed by industry experts over decades using the best practices that have been implemented in the industry. This shared knowledge base assists all water agencies in developing and implementing rate structures. It also helps customers when they move from town to town across the United States so they can expect some consistency in how water and sewer services will be charged because of agency acceptance of these best practices.

The District has a long history (25 plus years) of using the principles in this AWWA Manual for determining the type of rate structure that we have to collect the necessary revenues to pay for all costs to operate the water and sewer system. The rate structure used by the District is called the commodity demand method where costs of service are divided into commodity costs, demand costs, customer costs and direct fire protection costs. This is more fully explained under the rate structure section where fixed, variable and capital improvement costs are described. Generally, it is important to know that the rate structure utilized by the

District is a best practice supported by the AWWA and is similar to water rate structures across the United States.

### Rate Structure

The Public Works budget is comprised of water, sewer, and solid waste funds. Water is further broken down into water supply, pumping, treatment, transmission and compliance services. Sewer is further broken down into effluent disposal, pumping, treatment, collection and compliance. General administration includes billing, meter reading, customer service, legal, lobbying, central services and other utility wide expenses. The general administration is spread evenly between sewer and water. Solid Waste will not be a part of the utility rate study.

The water and sewer rates are based on the water and sewer budgets and are made up of three main components - fixed charges, variable charges, and capital improvement charges. Each major division in the water and sewer budget has a portion of fixed and variable costs and the rates are designed to fund these expenses. The fixed, variable and CIP rate components are discussed in more detail below.

### Fixed Charges (Water and Sewer Base and Admin Rates)

To provide water and sewer services, there is a portion of the costs that are fixed charges. These are sometimes called the ready to serve costs. Essentially, there is a certain level of costs that are incurred to staff, operate and maintain our system prior to delivering any water or treating any wastewater from our customers. There is a regulatory requirement for minimum staffing to be prepared to provide service, a certain amount of supplies such as tools, training, and equipment that are needed to be ready to serve and there are electrical and gas charges to our facilities so that they can be ready to serve. These fixed charges are calculated as a percentage of the budget components to determine the fixed charges of operating the water and sewer system.

### Variable Charges (Water and Sewer Consumption)

To provide water and sewer services, there is a portion of the costs that are variable charges. These charges are the costs to treat and distribute water and to collect, treat and dispose wastewater. The variable charge for water is essentially the cost to pump it out of Lake Tahoe, treat the water and deliver it to the customer. The variable charge for sewer is essentially what it costs to collect the wastewater from each property and deliver it to the wastewater plant, treat the wastewater, pump and dispose of the effluent and biosolids to the Carson Valley per State and

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

### Capital Improvement Charge

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

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

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

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

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

Residential Utility Rate Summary

The following table provides the average monthly water and sewer utility bill for our average residential user (72,000 gallons water use per year) in the District's service area from 2014 to the proposed 2019 rates.

Year	Monthly Water Charge	Monthly Sewer Charge	Total Monthly Water and Sewer Charge
2014	\$35.41	\$55.75	\$91.16
2015	\$36.15	\$57.96	\$94.11
2016	\$37.15	\$60.24	\$97.39
2017	\$38.47	\$62.22	\$100.69
2018	\$39.79	\$63.88	\$103.67
Proposed 2019	\$41.35	\$66.44	\$107.78

The average residential rate has increased \$16.62 per month from \$91.16 in 2014 to the proposed \$107.78 in 2019. There has been an increase of \$5.18 per month to pay for capital improvements and \$10.44 to pay for operating cost increases which equals the total rate increase of \$16.62 per month over the last five years. The following table presents the five year total and annual average rate increases for the median residential customer.

	Monthly Water Charge	Monthly Sewer Charge	Total Monthly Water & Sewer Charge
Total % Change 2014-2019	17.1%	20.9%	19.4%
Annual % Change over 5 yrs.	3.2%	3.9%	3.6%

Over the last five years, the residential family median user has seen an average rate increase of 3.6% per year. The capital rate has increased by 2.4% and the operating rate has increased by 4.2% per year for 5 years.

#### IV. ALTERNATIVES

The rate structure used by the District has been in place since the installation of water meters over 25 years ago.

#### V. COMMENTS

Staff has investigated the equity of the rate structure for the various customer classes in 2016. Equity is calculated by determining the proportion of fixed and variable demand on the water and sewer system (size of water meter, water consumption, sewer consumption, etc.) by each customer class compared to the fixed and variable revenue collected from each customer class (water and sewer rate revenue). The current rate structure exhibits equity amongst the major user classes. Miscellaneous accounts include effluent sales, state park facilities, construction accounts, etc.

<b>Customer Class</b>	<b>Revenue as % of Water Revenue</b>	<b>Demand as % of Water Demands</b>
Commercial	10.5%	10.5%
Residential	82.2%	81.3%
IVGID Facilities	5.3%	6.2%
IVGID Snowmaking	1.6%	1.8%
Misc. accounts	0.4%	0.2%

<b>Customer Class</b>	<b>Revenue as % of Sewer Revenue</b>	<b>Demand as % of Sewer Demands</b>
Commercial	10.5%	10.2%
Residential	87.6%	88.1%
IVGID Facilities	1.4%	1.4%
IVGID Snowmaking	0%	0%
Misc. accounts	0.5%	0.3%

The current use patterns are showing the rate structure is equitable among the customer classes but we are beginning to see some changes in use patterns that will need to be monitored for the impact to equity. We have seen a change in the multi-family use patterns as occupancy rates are decreasing. The current rate structure is a full service cost model with a pay for what you use commodity charge. This naturally creates a rate structure that is equitable since all customers will pay



for what they use. A customer's base rate is calculated from the meter size which is equivalent to the customer's demand potential. The District's irrigation and snowmaking accounts do not pay excess tier charges on water which is why that revenue is less than the demand for those customer classes.

Area Water and Sewer Rates

The presentation at the Board meeting includes a slide on the area water and sewer rates. The table below shows the area water and sewer rates using the average IVGID customer use pattern of 71,000 gallons per year.

Agency	Monthly Water and Sewer Rate	Agency Water Production in Million Gallons/day	Total Service Connections
Incline Village GID	\$ 107.78	2.7	8,070
South Tahoe PUD	\$ 111.06	4.7	14,025
Round Hill GID	\$ 111.00	0.2	479
North Tahoe PUD	\$ 119.90	1.1	3,903
Truckee Donner PUD	\$ 131.56	3.3	10,150
Tahoe City PUD	\$ 156.64	1.0	4,753
Skyland	\$ 160.75	0.3	593
Kingsbury GID	\$ 162.06	0.8	2,514

**VI. BUSINESS IMPACT**

This item is a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, but it does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business, and therefore does not require a Business Impact Statement.



**Utility Rate Study Presentation  
January 23, 2019  
Director of Public Works  
Joe Pomroy**

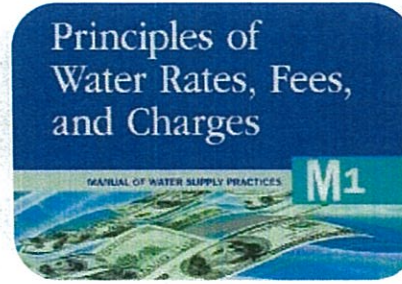
# The Director of Public Works is hired to...



protect our source water.



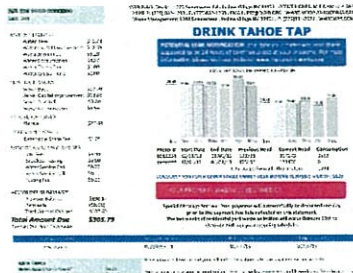
provide safe tap water.



be fiscally responsible.



maintain infrastructure.



provide high quality service.



promote safety.



safely transport effluent.

# Summary

- Rate Study Purpose
- Rate Study Fundamentals
- 2019-20 Water and Sewer Budgets
- Five Year Operating and Capital Projections
- Water and Sewer Rates
- Rate Comparisons
- Timeline
- Recommendation

# Rate Study Purpose

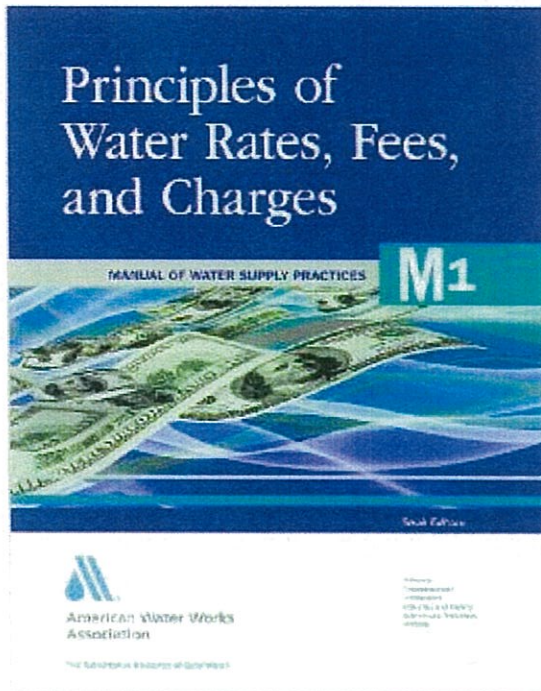
- Determine CIP and Operating Expenses
- Determine Revenue Projections
- Examine Full Cost Pricing
- Balance Costs Equitably Among User Classes
- Provide Price Signals to Users
- Determine Needs for Bonding
- Fund Utility for Future Users



# Rate Study Fundamentals

- District Strategic Plan
  - Mission, Vision, Goals and Objectives, Culture Training, & Customer Service Training
- Industry Best Practices
  - Effective Utility Management
  - AWWA Best Practice Manuals
  - Professional Organizations, AWWA & WEF
  - Industry Peers
  - Benchmarking and Performance Measures

# Rate Study Fundamentals



- AWWA Manuals of Practice
- Industry best practices
- Guiding document – 60 years
- 300 pages of rate info
- Commodity demand method
- Increasing block rate structure

# Water Budget Summary

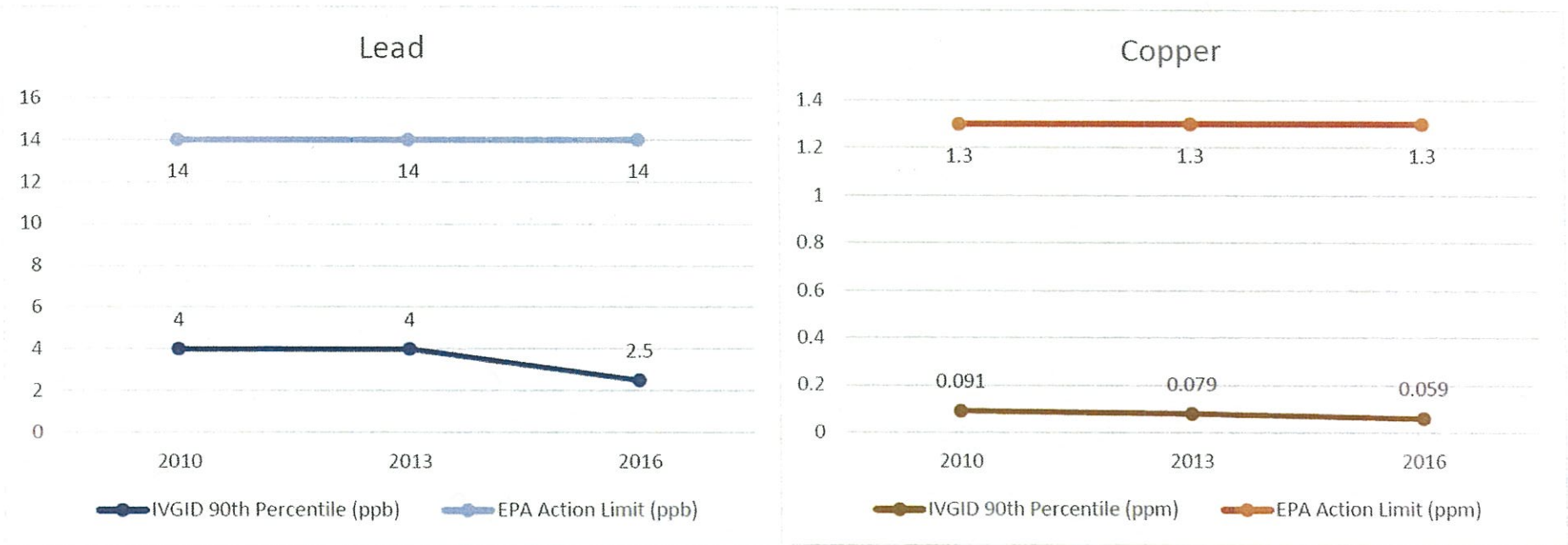
Water Budget	2018-19 Budget	2019-20 Proposed	% Change
<b>Revenue</b>			
Water Revenue	5,136,858	5,316,070	3.5%
<b>Expenditure</b>			
Salaries and Benefits*	1,793,027	1,875,600	4.6%
Professional Services	46,050	46,200	0.3%
Services and Supplies	911,518	939,000	3.0%
Insurance	93,720	92,000	-1.8%
Utilities	472,414	477,100	1.0%
Central Services Cost	154,300	174,000	12.8%
Fuels Management	50,000	50,000	0.0%
<b>Expenditures</b>	<b>3,521,029</b>	<b>3,653,900</b>	<b>3.8%</b>
<b>Debt Service</b>			
Principal	230,534	237,000	
Interest	76,486	67,000	

# Utility Customer Experience

- Reliability – 100% Service Goal
- Consistent product
- Customer conveniences and information
  - On-line accounts, e/bills and e/pay
  - Speak to a person, not a machine
  - Move in and Move out
  - Designating a tenant or agent for the account
  - Leak notification by email and bill

# Protecting our Water - Lead and Copper

- U.S. concern with Lead in water because of Flint Mich.
- Compliance with Federal Lead and Copper Rule
- Sampling at 20 Single Family Homes
- Sampling in 2019



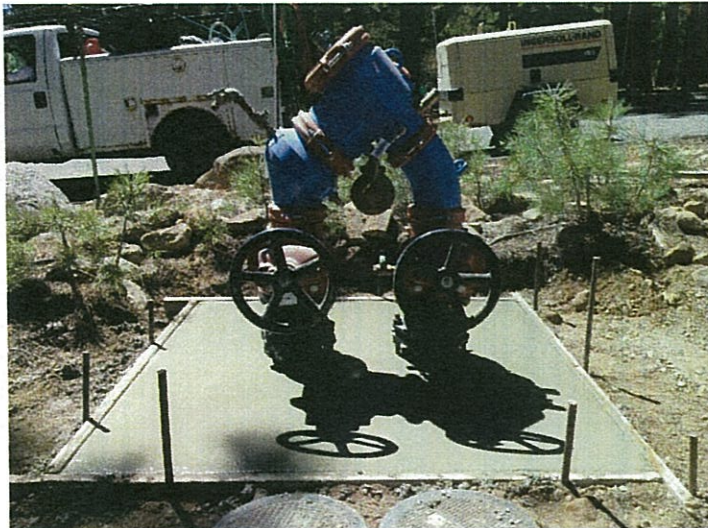
# Water Budget – Chemicals

<b>Chemical</b>	<b>Budgeted Expense</b>
Liquid Oxygen to Make Ozone for Water Disinfection	\$26,000
Sodium Hypochlorite for Water Disinfection	\$19,000
Calcium Thiosulfate Disinfection Process Chemical	\$7,500
Sodium Silicate for Corrosion Control and Control of Lead and Copper	\$84,000
<b>Total</b>	<b>\$136,500</b>



# Protecting our Water - Backflow

- Protect the consumer
- Protect the water supply
- Educate the consumer
- Revenue of \$105,000 (1,700 tests)



# Sewer Budget Summary

Sewer Budget	2018-19 Budget	2019-20 Proposed	% Change
<b>Revenue</b>			
<b>Sewer Revenue</b>	<b>6,714,622</b>	<b>6,970,645</b>	<b>3.8%</b>
<b>Expenditures</b>			
Salaries and Benefits*	1,925,890	2,014,400	4.6%
Professional Services	52,200	52,400	0.4%
Services and Supplies	819,318	843,900	3.0%
Insurance	113,520	105,600	-7.0%
Utilities	446,339	450,800	1.0%
Central Services Cost	154,300	174,000	12.8%
Fuels Management	50,000	50,000	0.0%
<b>Expenditures</b>	<b>3,561,567</b>	<b>3,691,100</b>	<b>3.6%</b>
<b>Debt Service</b>			
Principal	279,144	287,000	
Interest	56,970	45,000	

# Sewer Budget – Chemicals

<b>Chemical</b>	<b>Budgeted Expense</b>
Solids Dewatering Polymer	\$76,000
Sodium Hypochlorite for Effluent Disinfection	\$26,000
Odor Control Chemicals	\$29,000
Sewer pH Adjustment Chemical	\$27,000
<b>Total</b>	<b>\$158,000</b>

# Sewer Budget – Sewer Mains

<b>Sewer Main Activity</b>	<b>Budgeted Expense</b>
Sewer Main Cleaning 120,000 feet of hydroflush	\$66,000 (\$0.55/foot)
Sewer Main CCTV Inspection 30,000 feet of inspection	\$45,000 (\$1.50/foot)
Sewer Main Repairs	\$40,000
<b>Total</b>	<b>\$151,000</b>

# Utilities Personnel

Budget Year	Full Time	Part Time	Total
2006-07	31.2	0.7	31.9
2016-17	31.2	3.3	34.5
2017-18	31.2	3.4	34.6
2018-19	32.2	2.4	34.6
2019-20	32.2	2.2	34.4



## Budgeted Expenses 2019-20

<b>Budget Item</b>	<b>Budgeted Expense</b>
Customer Service (Billing, meter reading, front office)	\$398,000
Fleet Maintenance Services	\$344,000
Buildings Maint. Services	\$109,000
Fuel	\$65,000
Regulatory Permits (NDEP, NDSL, BSDW)	\$32,000

# Utility Budget Summary

Utility Budget	2018-19 Budget	2019-20 Proposed	% Change
<b>Revenues</b>			
<b>Water and Sewer Revenue</b>	<b>11,851,480</b>	<b>12,286,715</b>	<b>3.7%</b>
<b>Expenditures</b>			
Salaries and Benefits*	3,718,917	3,890,000	4.6%
Professional Services	98,250	98,600	0.4%
Services and Supplies	1,730,836	1,782,900	3.0%
Insurance	207,240	197,600	-4.7%
Utilities	918,753	927,900	1.0%
Central Services Cost	308,600	348,000	12.8%
Fuels Management	100,000	100,000	0.0%
<b>Expenditures</b>	<b>7,082,596</b>	<b>7,345,000</b>	<b>3.7%</b>
<b>Debt Service</b>			
Principal	509,678	524,000	
Interest	133,456	112,000	
<b>Debt Service Total</b>	<b>643,134</b>	<b>636,000</b>	

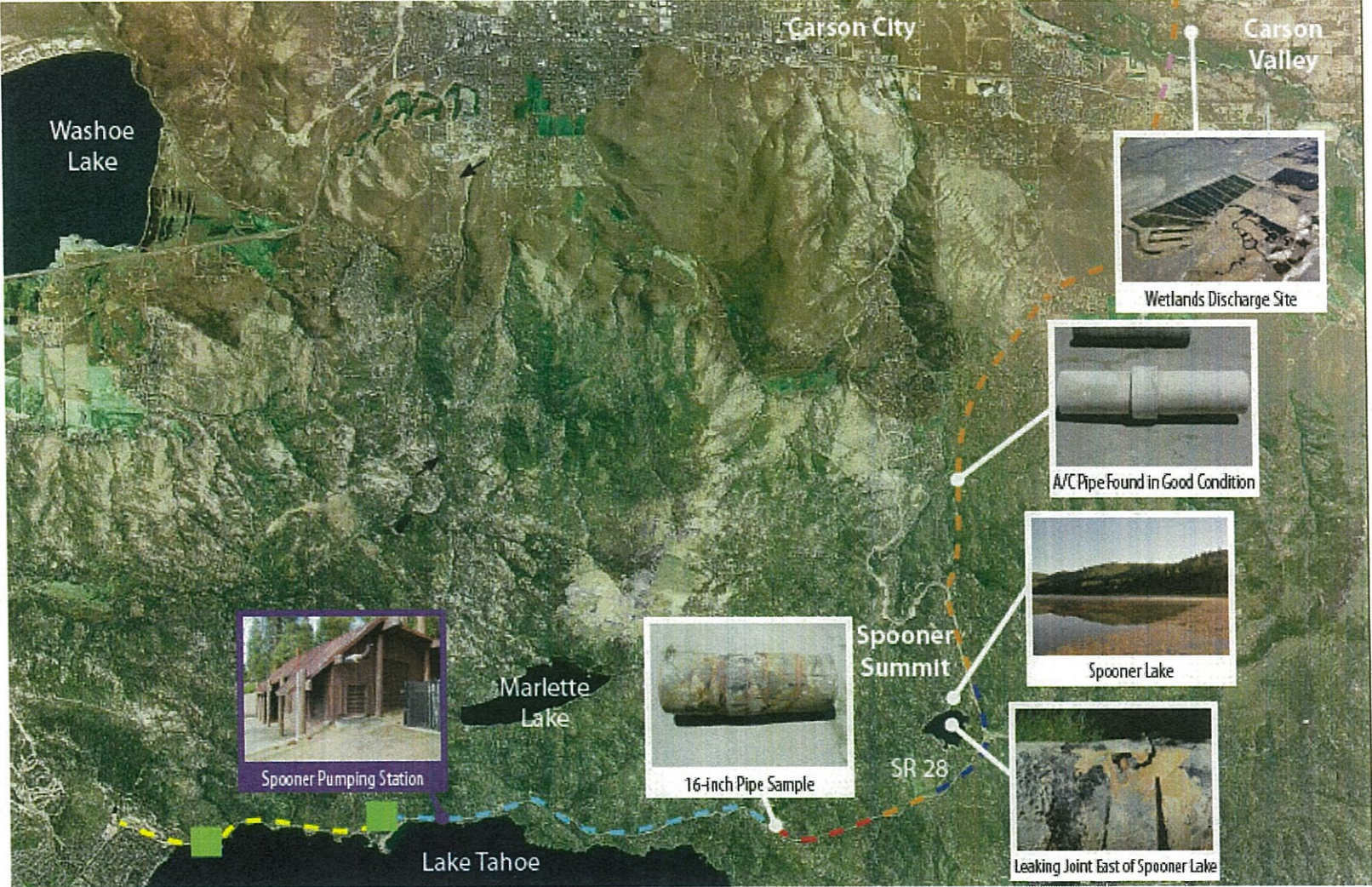
# 2019-20 Capital Projects

- Effluent Export Funding
- SPS-1 Pump Drive Replacement
- Water Reservoir Safety Improvements
- Burnt Cedar Electrical Improvements
- WRRF Aeration Project
- Preliminary Estimate \$4.32 M
- New Dump Truck

# Effluent Export Pipeline Phase II

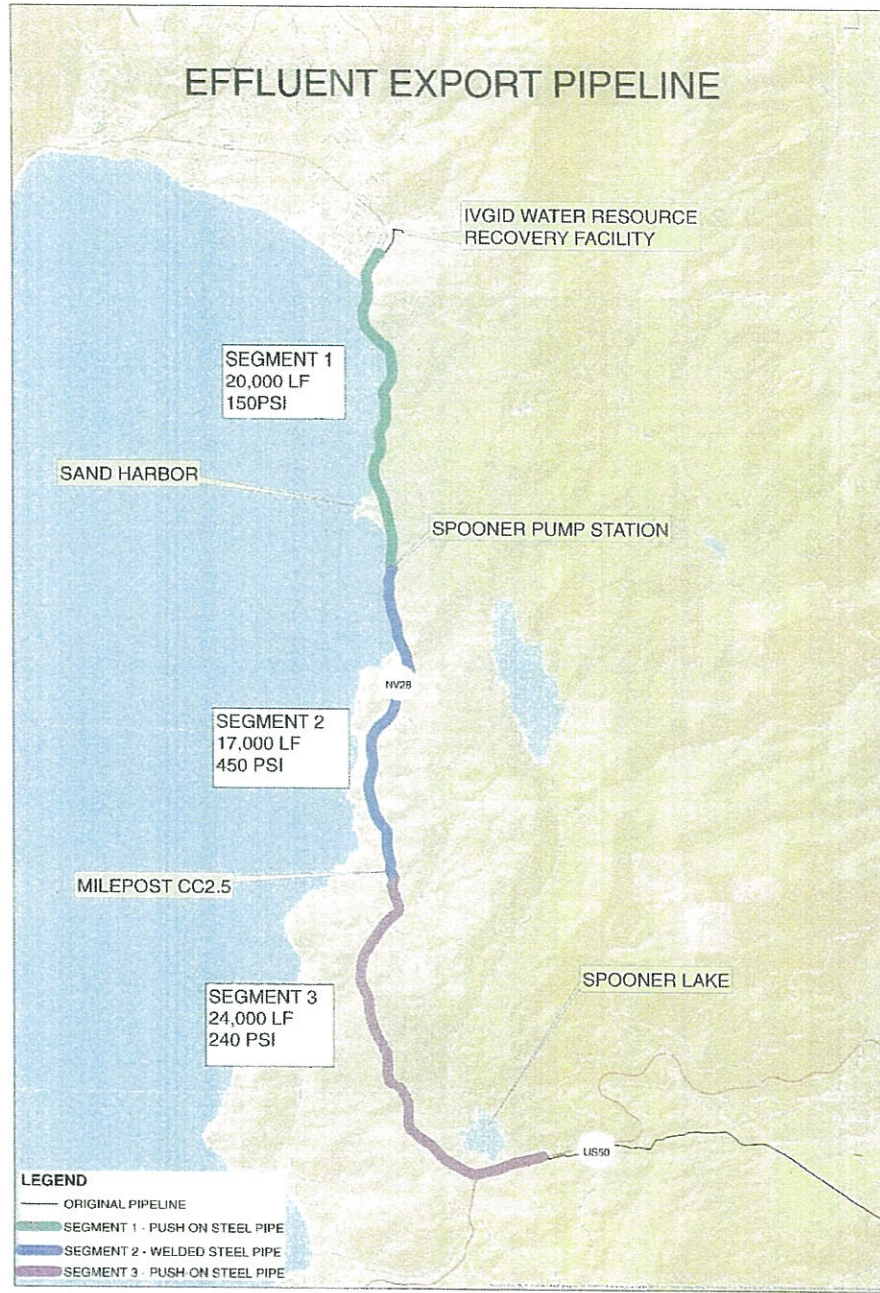
- Phase 1 Years 2006 – 2009
  - Replaced 29,700 linear feet
  - Total Cost - \$15,300,000
  - District Share - \$3,700,000
  - USACE Share - \$11,600,000
- Phase 2 Years 2014 – 2024
  - Replace up to 31,000 linear feet
  - Total Project Cost Estimated at \$23,000,000
  - Accumulate \$2,000,000 per year

# Export Pipeline Segment Map



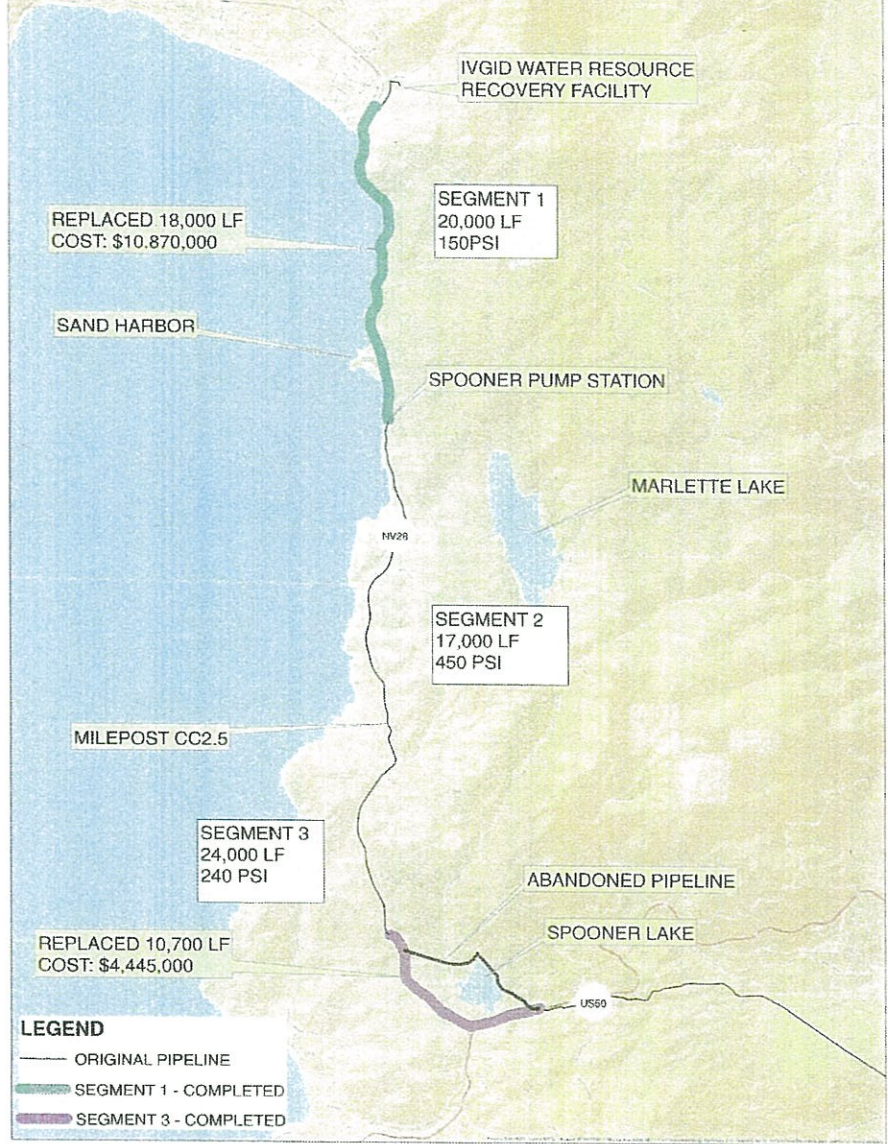


# EFFLUENT EXPORT PIPELINE



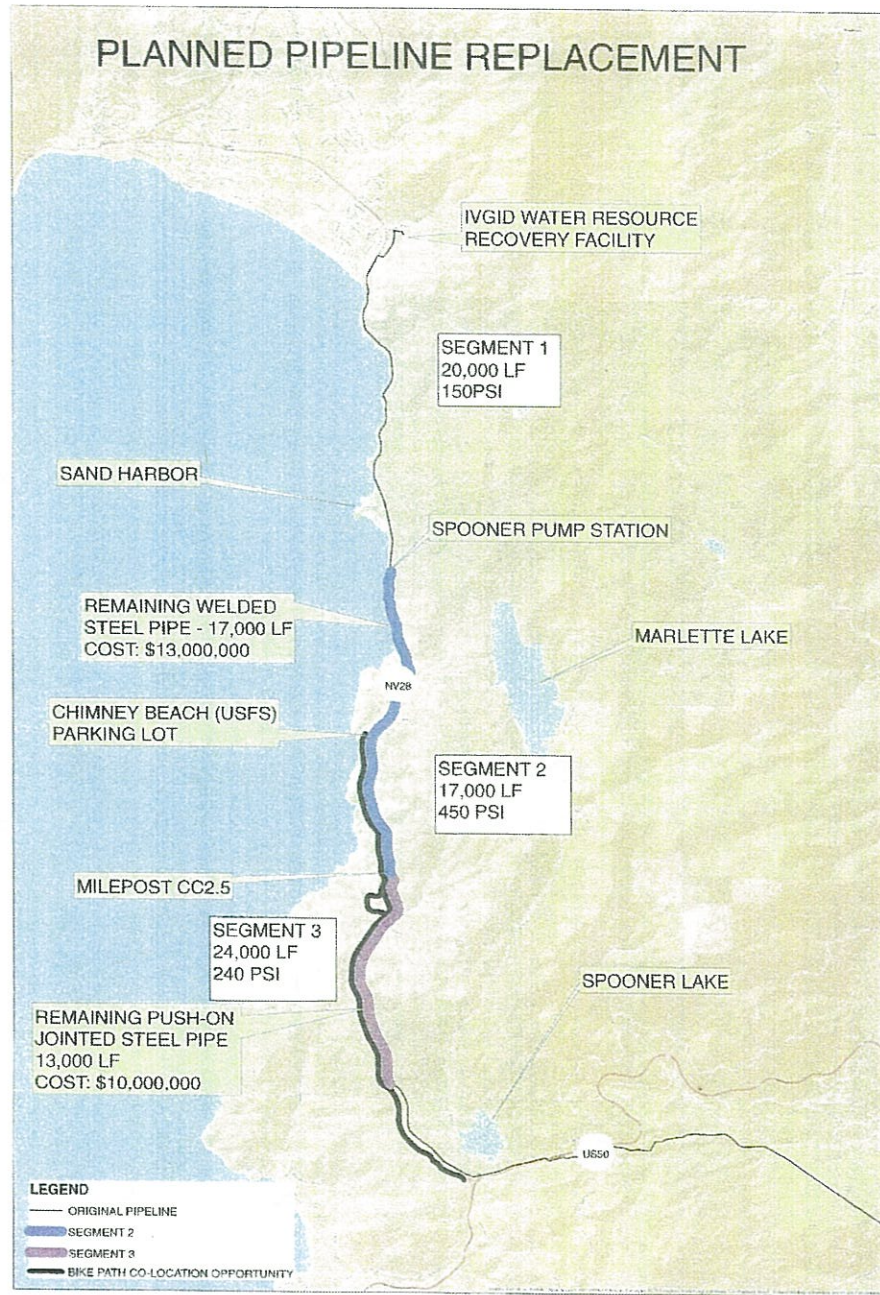
Scale: 1" = 2000' (0 1000 2000 Feet)

# COMPLETED PIPELINE REPLACEMENT 2006-2009





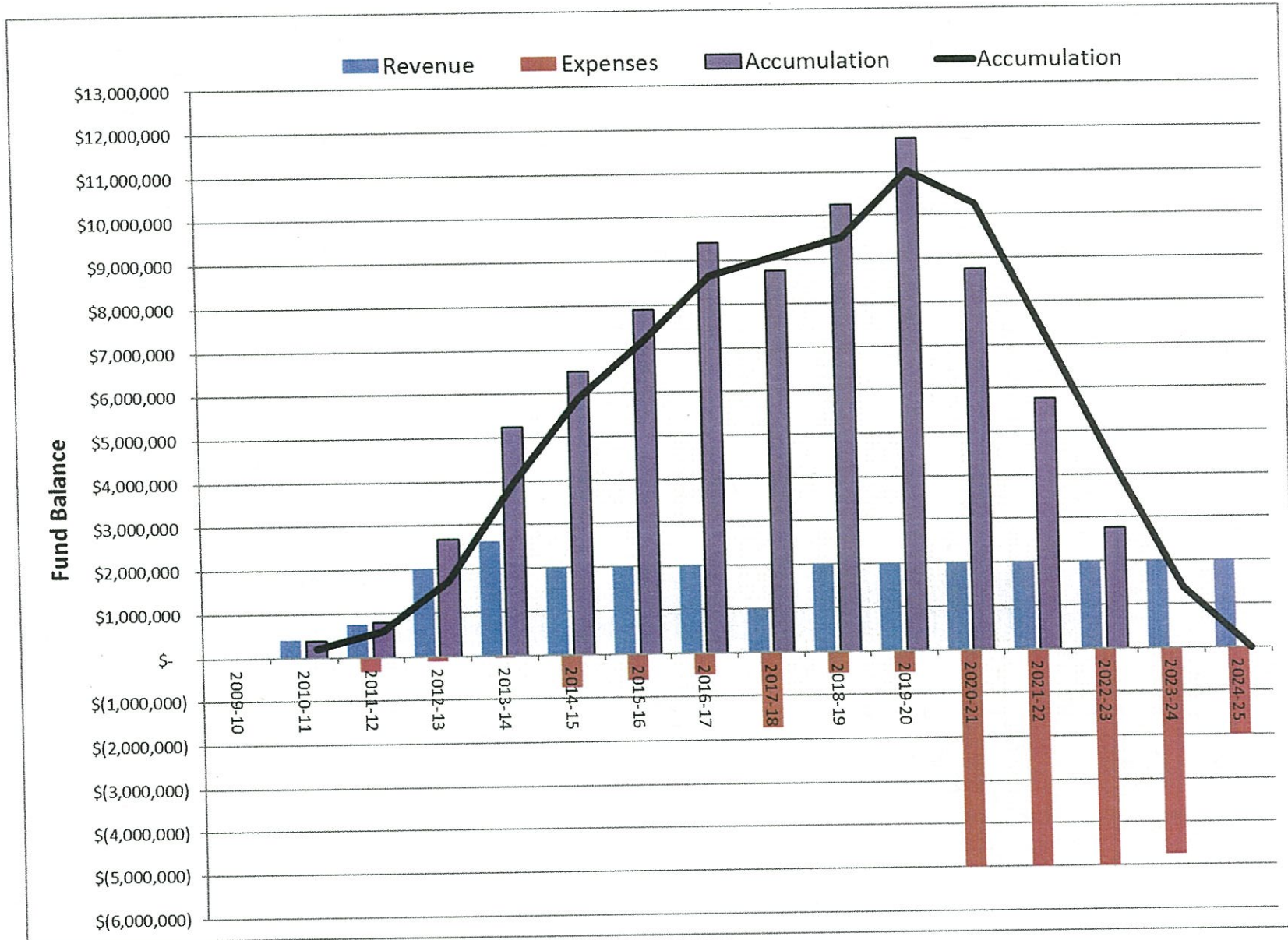
# PLANNED PIPELINE REPLACEMENT



# Export Pipeline Phase II

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

# Export Project CIP Funding





# Export Pipeline Replacement Cost Reduction Strategy

- USACE Funding Support
  - 50% – 75% potential funding support
  - Lobbying efforts in DC via Marcus Faust continue
  - Discussions with USACE Sacramento District continue
- Bike Path Co-Location
  - \$7M potential cost savings
  - Work with TTD continues
  - NEPA effort underway
- Reduction in Pipeline Replacement
  - \$2M - \$4M per mile of pipe
  - Based on outcome of condition assessment

# 2019 5-Year Rate Study

- Water Rates - ↑ 4.0%
- Sewer Rates - ↑ 4.0%
- Overall Rates - ↑ 4.0%
- Increase is Spread Across Rate Components
- Average 3.5% Increase for Next 5 Years
- Commodity-Demand Model (fixed, variable, and CIP components)

# Operating Revenues and Expenses

5-Year Plan	2019-20	2020-21	2021-22	2022-23	2023-24	5-Yr Sum
Operating Revenue	7,360,000	7,650,000	7,952,000	8,265,000	8,591,000	\$39,818,000
Operating Expense	(7,348,000)	(7,598,000)	(7,856,000)	(8,122,000)	(8,398,000)	(\$39,322,000)
					<b>Subtotal</b>	<b>\$496,000</b>

Does not include depreciation

# Capital Revenues and Expenses

5-Year Plan	2019-20	2020-21	2021-22	2022-23	2023-24	5-Yr Sum
Capital Revenue	5,047,000	5,139,000	5,253,000	5,371,000	5,491,000	26,301,000
Capital Expense	(4,860,000)	(4,727,000)	(4,885,000)	(4,638,000)	(4,543,000)	(23,653,000)
					<b>Subtotal</b>	<b>\$2,648,000</b>

Note 1 - Capital Expense is net of grants and debt proceeds.

Note 2 – Include Bond Payment ~\$640,000 per year.

Note 2 – All Capital is from Current 2018-19 5-Year CIP

# Total Revenues and Expenses

<b>2019 Five Year Rate Study</b>	<b>5-Year Total</b>
Operating and Capital Revenues	\$66,119,000
Operating and Capital Expenses	\$62,975,000
<b>Net increase in reserves</b>	<b>\$3,114,000</b>

# 2014 5-Year Rate Study

- How did we do on our projections over the 5 year period from 2014 to 2019?

<b>Component</b>	<b>Projected In 2014</b>	<b>Actual Looking Back</b>
Annual Average	3.9 % / yr	3.6 % / yr
Total Increase	21.1 %	19.4 %



# Proposed 2019 Water Rates

Current 2018 Rate Component	2018 Rate		Proposed 2019 Rate Component	2019 Rate	Change
Base Rate	\$ 11.23		Base Rate	\$ 11.97	\$0.74
Capital Improvements	\$ 14.80		Capital Improvements	\$ 15.10	\$0.30
Customer Account Fee	\$ 3.76		Customer Account Fee	\$ 3.97	\$0.21
Defensible Space	\$ 1.05		Defensible Space	\$ 1.05	-
<b>Monthly Water Bill</b>	<b>\$ 30.84</b>		<b>Monthly Water Bill</b>	<b>\$ 32.09</b>	<b>\$1.25</b>
Consumption	\$ 1.50		Consumption	\$ 1.55	\$0.05
1st Tier	\$ 0.93		1st Tier	\$ 0.96	\$0.03
2nd Tier	\$ 1.30		2nd Tier	\$ 1.34	\$0.04

Consumption, Tier 1 and Tier 2 is cost per 1000 gallons of water use

# Proposed 2019 Sewer Rates

Current 2018 Rate Component	2018 Rate		Proposed 2019 Rate Component	2019 Rate	Change
Base Rate	\$ 18.30		Base Rate	\$ 19.54	\$ 1.24
Capital Improvements	\$ 30.70		Capital Improvements	\$ 31.45	\$ 0.75
Customer Account Fee	\$ 3.76		Customer Account Fee	\$ 3.97	\$ 0.21
<b>Monthly Sewer Bill</b>	<b>\$ 52.76</b>		<b>Monthly Sewer Bill</b>	<b>\$ 54.96</b>	<b>\$ 2.20</b>
Sewer Use Rate	\$ 3.10		Sewer Use Rate	\$ 3.20	\$ 0.10

Sewer Use is cost per 1000 gallons of water use.

Residential sewer consumption is capped in summer months.

# Utility Bill History – Median User

Year	Monthly Water Charge	Monthly Sewer Charge	Total Monthly Water and Sewer Charge
2014	\$35.41	\$55.75	\$91.16
2015	\$36.15	\$57.96	\$94.11
2016	\$37.15	\$60.24	\$97.39
2017	\$38.47	\$62.22	\$100.69
2018	\$39.79	\$63.88	\$103.67
Proposed 2019	\$41.35	\$66.44	\$107.78

The breakdown of the **\$16.62** Rate Increase from 2014 to 2019

- **\$5.18** for CIP Revenue Increase, average increase of **2.4%** per yr
- **\$10.44** for Operating Revenue Increase, average increase of **4.2%** per yr



# Utility Bill – Median User

<b>Charge</b>	<b>Amount</b>	<b>% of Bill</b>
Variable	\$20.73	<b>19%</b>
Fixed	\$39.45	<b>37%</b>
Capital	\$46.55	<b>43%</b>
Defensible Space (watershed protection)	\$1.05	<b>1%</b>
Total	\$107.78	100%

# Commercial Rates

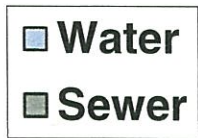
Meter Size	Water and Sewer Base Rates Monthly Base Bill
3/4"	\$87.05
1"	\$139.35
1 1/2"	\$268.93
2"	\$425.05
3"	\$789.59
4"	\$1,310.25
6"	\$2,610.73
8"	\$4,171.93

# Full Cost Pricing

<b>Customer Class</b>	<b>2019-20 Budgeted Expense</b>	<b>2019-20 Budgeted Revenue</b>
Water Rate Fixed	\$1,899,000	\$1,952,000
Water Rate Variable	\$1,763,000	\$1,699,000
Water Rate CIP	\$1,187,000	\$1,663,000
Sewer Rate Fixed	\$2,370,000	\$2,406,000
Sewer Rate Variable	\$1,290,000	\$1,303,000
Sewer Rate CIP	\$3,030,000	\$3,262,000

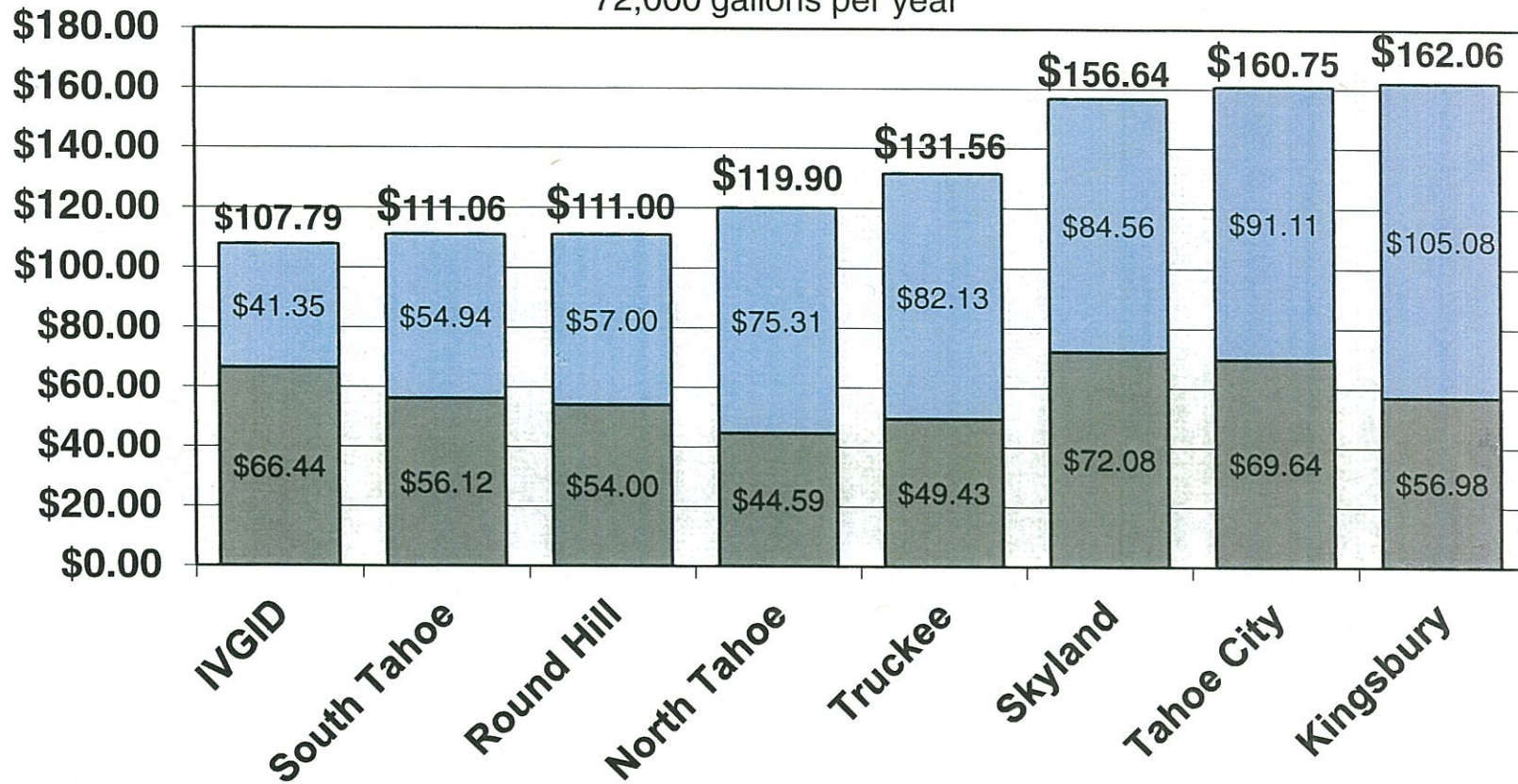


# 2019 Utility Bill Comparison



**Single Family Average Monthly Bill Rates Applied to the Median User**

6,000 gallons per month  
72,000 gallons per year



# 2019 5-Year Rate Study

- Water Rates - ↑4.0%
- Sewer Rates - ↑4.0%
- Overall Rates - ↑4.0%
- Increase is Spread Across Rate Components
- Average 3.5% Increase for Next 5 Years
- Commodity-Demand Model (fixed, variable, and CIP components)

# Other Changes

- Changes proposed to user fees (backflow, service calls, inspections)
- 5% Increase to connection fees for water and sewer

# Utility Rate Timeline

Activity	Date
Utility Rate Study Presentation	January 23, 2019
Utility Rate Study Revisions if Directed by Board	February 6, 2019
Set Date for Public Hearing to Adopt New Utility Rates – if no major revisions	February 6, 2019
Notice of Public Hearing Published in Newspaper	March 8, 2019
Courtesy Ad for Public Hearing Published in Newspaper	April 5, 2019
Conduct Public Hearing and Adopt New Utility Rates	April 10, 2019
New Utility Rates become effective pending approval	May 20, 2019

# Recommendation

- That the Board of Trustees provide direction and comment to Staff on the 2019 Five Year Utility Rate Study and proposed utility rate increase for 2019.
- Direct staff to prepare documents and Utility Rate Schedules for a one year average 4.0% utility rate increase in accordance with the 2019 Utility Rate Study.

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Kendra Wong  
Chairwoman, IVGID Board of Trustees

**SUBJECT:** Review, discuss and possibly take action on Board's Work Plan: Set a date to reassess priorities

**DATE:** November 30, 2018 (*carried over from December 12, 2018 meeting*)

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At the March 8, 2017 Board of Trustees meeting, the Board of Trustees undertook a conversation about what their work plan should be for 2017/2018. The following list represents the consensus of this conversation:

### **Ordinance 7**

- Review feedback from the community sessions
- Staff report updating progress
- Identify areas of Ordinance 7 to address

### **Master Plan/Capital Plan**

- Create a structure for Master Planning
  - o How do all of our Master Plans fit together
  - o Create a timeline for regular review
  - o Leverage public/private partnerships (e.g. ITF)
- Relationships with non-IVGID entities
  - o Washoe County
    - Pedestrian paths
    - Left turn signals
    - Lighted crosswalks
    - Scenic Tahoe Blvd.
    - Regional Plan
  - o Explore options with respect to town/city/county

### **Communication**

- IQM2
  - o Staff report on software functionality
  - o Staff report on required resources to implement



Review, discuss and possibly take action on Board's Work Plan: Set a date to reassess priorities -2-

November 30, 2018

### **Financial Reporting**

- Performance metrics
  - o Financial
  - o Non-financial/qualitative
- Committee on Popular Reporting
- Continue to improve Fixed Cost/Variable Cost Analyses
- Policies & Procedures – IVGID Code

As we embark on another two-year cycle, it is a good idea to assess our progress related to these items and determine if we need to add items, remove items, or continue to work on items. Our objective is to set a date to reassess our priorities. I have provided a template that you can use to help facilitate our discussion on the date we set.

Incline General Improvement District  
Board Work Plan

	Current Status	Comments	Recommendation Remove/Keep/Maintain
<b>Ordinance 7</b>			
Review feedback form community sessions			
Staff report updating progress			
Identify areas of Ordinance 7 to address			
<b>Master Plan/Capital Plan</b>			
Create a structure for Master Planning			
How do all of our Master Plans fit together			
Create a timeline for regular review			
Leverage public/private partnerships (e.g. ITF)			
Relationships with non-IVGID entities			
Washoe County			
Pedestrian paths			
Left turn signals			

	Current Status	Comments	Recommendation Remove/Keep/Maintain
Lighted crosswalks			
Scenic Tahoe Blvd.			
Retional Plan			
Explore options with respect to town/city/county			
<b>Communication</b>			
IQM2			
Staff report on software functionality			
Staff report on required resources to implement			
<b>Financial Reporting</b>			
Performance metrics			
Financial			
Non-financial/qualitative			
Committee on Popular Reporting			
Contineut to improve Fixed Cost/Variable Cost Analyses			

	Current Status	Comments	Recommendation Remove/Keep/Maintain
Policies & Procedures - IVGID Code			

Add recommendations for additional priorities below:

**M E M O R A N D U M**

**TO:** Board of Trustees

**FROM:** Kendra Wong  
Chairwoman, IVGID Board of Trustees

**SUBJECT:** Review, discuss and possibly take action on Title 1 of the IVGID Code

**DATE:** January 10, 2019

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At the December 12, 2018 Board of Trustees meeting (the minutes are a part of this Board packet) the Board had a discussion about the IVGID Code and the Board collectively decided to review Title 1 and discuss it at its first meeting in January. This General Business item is the opportunity to do this activity.



## M E M O R A N D U M

**TO:** Board of Trustees

**THROUGH:** Steven J. Pinkerton  
General Manager

**FROM:** Susan Herron, CMC  
District Clerk

**SUBJECT:** Election of Board of Trustees Officers for the 2019 Term

**DATE:** November 29, 2018 (*carried over from December 12, 2018 meeting*)

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In accordance with IVGID's Policy 3.1.0, Section 0.11 as follows:

**0.11 Officers of the Board.** The officers of the Board shall be elected as provided by Nevada Revised Statutes 318.085 and shall consist of a Chair of the Board, Vice Chair of the Board, Treasurer, and Secretary. The term of office shall be for one (1) year or until a reorganization of the Board is required.

District Clerk Susan Herron will conduct the elections of officers and the term of the elected officers will be January 1, 2019 through December 31, 2019 *and effective at the end of the meeting held on January 23, 2019.*

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

## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Steven J. Pinkerton  
General Manager

**SUBJECT:** General Manager's Status Report  
Prepared for the meeting of January 23, 2019

**DATE:** January 15, 2019

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### Financial Transparency

The Monthly District Financials are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency>.

Through the first six months of the Fiscal Year, District-wide revenues are \$1,560,237 ahead of projected budget and District-wide operating uses are \$1,208,873 below projected budget. In total, we are \$2.77 million to the good for halfway through the Fiscal Year. For the month of December, we were \$774,261 to the good primarily due to a strong holiday season at Diamond Peak. While skier visits were slightly above average, revenues set a new record for December – \$3,379,513.

The Capital Improvement Report for the first quarter of the Fiscal Year is now available on the Financial Transparency page.

Also a reminder that the Month and Year Ending June 30, 2018 (Pre-Audit) is now posted as well. As June 30 is the end of the Fiscal Year, these financials provide the final pre-audit numbers for the 2017-18 Fiscal Year.

### Venue Status Reports

Venue Status reports are available on a monthly basis for key venues and operations. Reports are prepared for Public Works, Parks & Recreation, Finance/Accounting, Risk Management, Human Resources and Ski and Golf when they are in season.

These reports are used to provide the Board of Trustees and the community with a summary of the activities for each venue, including significant expenditures performed under the General Manager's authority. For example, the Public Works

status report for October notes that two new construction contracts were issued that month valued at \$24,783 and \$53,400.

In addition, it provides real time updates of construction in progress. For example, the September Public Works Status Report provides detailed information on the one major project currently underway. It notes the Original Contract Amount, Change Orders to Date, Current Total Contract Amount, Total Payments for Work Completed to Date, and Current Balance to Completion (including retainage). It also includes updates on two Sewer Pump Replacement projects.

This report also includes monthly updates on Public Works benchmarks. For example, customer service requests in October numbered 101, slightly below the three-year average of 105. There were only 4 Trash Complaints (actual call-outs) in October; well below the 60 last October. Wastewater flow was at 24 million in October, just below the 25 million for the three-year average.

Additionally, the report includes an update on activities related to Waste Not and the Tahoe Water Suppliers Association—for which the District provides management oversight. This section of the report provides a link to the 2016 IVGID Public Works Sustainability Report (<https://www.yourtahoepace.com/public-works/waste-not/waste-not-programs/sustainability>). This report features a sustainability metrics evaluation system and documents Public Works program milestones.

The Finance/Accounting and Risk Management Status Report for November provides an update on the District's annual audit, the Sales Tax Refund by the State of Nevada and a number of other timely issues. It also outlined the District's latest Risk Management and Safety Initiatives.

The Venue Status reports are typically posted by the middle of each month and can be accessed on the District's "Resources" web page.

### **Bidding Opportunities**

The District's "Resources" web page also includes a Bidding Opportunities link for businesses and the community.

Invitations to Bid, a quarterly update of projects awarded in excess of \$25,000 in value since April 30, 2015 along with a link to pertinent Nevada Revised Statutes (NRS) code sections related to procurement and contracts are included in this section of the web page.

In addition, it includes a link to planetbids.com, which is where interested parties can search for District bid opportunities and review all bid documents. For recent bidding opportunities, it includes a list of prospective bidders and bid results.

## **Capital Projects Update**

### **WRRF Aeration System Improvements**

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The age of the equipment, the number of hours of operation, and condition assessment indicates the existing centrifugal blowers are at the end of their serviceable life. Jacobs is working on the design documents and ultimately construction documents. Final Plans are scheduled to be completed in the spring, 2019. The Engineering staff will then bid the construction project for completion in the fall 2019.

### **Park Ballfields Renovations**

This project to replace the scoreboard and dugouts on all three ballfields, the infield on field #3, and irrigation and drainage upgrades was bid in the fall of 2018. The project received one bid. District staff is negotiating to determine whether the bid can meet the project's budget limitations.

### **Sewer Pump Station #1**

Sewer Pump Station #1 collects and transports 50% of the raw sewage and transport to the wastewater treatment plant on Sweetwater Road. Constructed in the early 1970s this station has provided reliable service. The age of the equipment, the number of hours of operation and other equipment analyses dictate replacement or rehabilitation of the equipment to maintain this reliability to provide continuous service. Jacobs is in design for the replacement of the 3 variable frequency drives (VFD's) and replacement of the motor control center (MCC). Construction is anticipated for the fall 2019.

### **Water Pump Station 2-1 Incline**

Water Pump Station 2-1 (WPS 2-1) is located at the Burnt Cedar Water Disinfection Plant (BCWDP) and pumps the disinfected potable water into the water distribution system to serve Incline Village and Crystal Bay. WPS 2-1 was largely constructed in 1972 with minor upgrades in 1995 and 2012. The electric motor control centers (MCCs) and switchgear at WPS 2-1 date to the original 1972 installation. This equipment does not meet modern OSHA requirements for Arc Flash safety and the MCCs and switchgear is at the end of its service life and no longer supported by the respective manufacturers. Jacobs has completed

preliminary engineering and will be scoping and moving into final design in the spring 2019 with construction scheduled for January 2020.

### Burnt Cedar Pool

Recently, the District retained Terracon to perform an evaluation of the existing shells for both pools at Burnt Cedar to determine prospective cause(s) of potential differential settlement, and to develop recommendations for additional testing. In addition they conducted a geophysical inspection of the exposed pool deck, pool shells, walls and floors. We will be meeting with the consultant this week in order to receive an update on the results of the evaluation.

### Other Projects

Ongoing projects including the Recreation Center Deck/Stairwell will be bid in early February. The Water Reservoir Safety and Security Improvements will be bid in January, 2019.

### IVGID Quarterly – Upcoming Editions

IVGID property owners should all be in receipt of the October and December editions of the IVGID Quarterly. Along with the traditional high quality editorial content, the October special edition included a 2018-2019 wall calendar, suitable for posting in all homes and businesses.

The calendar is filled with information about IVGID venues and the dates for hundreds of events and activities are listed on every calendar page.

The next IVGID Quarterly will be mailed out next month.

### Washoe County Federal Lands Bill

On September 12, 2018 I sent you a letter from the Chair of the Washoe County Board of County Commissioners regarding the status of the Washoe County Economic Development and Conservation Act (also referred to as the Washoe County Federal Lands Bill).

The letter informed IVGID that they would not be able to include any of our parcels in their request for federal legislation.

In each case, the land was removed in part, due to opposition from the U.S. Forest Service. The County did indicate that the Forest Service would be willing to entertain proposals for potential lease of the parcels by IVGID, which has always been our understanding.



On October 5, 2018, Commissioner Berkbigler and Jamie Rodriguez, Washoe County Government Affairs Manager toured the Forest Service Parcel across from Incline High School. This is one of the parcels included in IVGID's December 2016 request for inclusion in the Washoe County Lands Bill.

Commissioner Berkbigler and Ms. Rodriguez were educated about the benefits that could accrue to both the Forest Service and IVGID from a potential transfer of this property.

Ms. Rodriguez volunteered to facilitate a meeting between IVGID and the Forest Service to discuss the potential benefits in more detail. The Forest Service has not yet provided a time for a potential meeting.

### **Director of Golf**

As noted in the last update, Michael McCloskey's last day with the District was November 17, 2018. Championship Golf Pro Kyle Thornburgh is serving in the interim role until a permanent replacement is hired.

Staff worked with the Professional Golfers Association (PGA) and Borders Golf Group to develop an updated job description. Borders is taking the lead role in the recruitment, with interviews scheduled for early February. The goal is to have the position filled by February and the new Director on site by April 1, 2019.

### **Legal Services Contract Extension**

In late August, the Board authorized the General Manager to proceed with a process of identification, review, selection and proposed appointment for District Legal Counsel effective January 1, 2019. Vice Chairman Horan was selected to serve on the selection committee.

The Selection panel has completed the interview process and expects to provide a recommendation to the Board of Trustees at the February 6, 2019 meeting.

### **Mountain Golf Course Clubhouse Fire**

At the December 12, 2018 Board of Trustees Meeting, the Board of Trustees reviewed and approved a conceptual design for the Mountain Golf Course Clubhouse Fire Damage Repair and Renovation.

As noted that evening, staff was hoping to execute multiple tasks simultaneously. Otherwise, there would be little chance of reopening the Clubhouse meal service facilities for the upcoming season.



To meet this deadline, Staff was expediting the design and bid process concurrent with ascertaining the available insurance proceeds. The best case scenario was hoping to put the project out to bid by early January.

At the time of this report, staff continues to work on parallel paths, working with the architect to complete construction plans that are ready for submittal to Washoe County and working with the insurance company to come up with a final number for available proceeds for repair.

While each path is taking longer than hoped, we are still attempting to execute the project in the current year. I will be providing more up to date information at the Board of Trustees Meeting.

## MINUTES

### **REGULAR MEETING OF DECEMBER 12, 2018 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 Chairwoman Kendra Wong on Wednesday, December 12, 2018 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

Swearing in of candidates for Incline Village General Improvement District (Tim Callicrate and Kendra Wong) by Washoe County Clerk Nancy Parent was conducted at 5:45 p.m. just prior to the start of this meeting.

Chairwoman Wong announced that Margaret Sylvester passed away on December 4, 2018 and stated that we owe a lot to them for this community, please keep the Sylvester family in your thoughts and prayers.

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

The pledge of allegiance was recited.

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

On roll call, present were Trustees Tim Callicrate, Phil Horan, Peter Morris, and Kendra Wong. Trustee Matthew Dent was absent.

Also present were District Staff Members Director of Finance Gerry Eick, Director of Parks and Recreation Indra Winquest, Director of Public Works Joe Pomroy, Director of Human Resources Dee Carey, Diamond Peak Ski Resort General Manager Mike Bandelin, Principal Engineer Charlie Miller, and Communications Coordinator Misty Moga.

Members of the public present were Pete Todoroff, Gene Brockman, Wayne Ford, Judith Miller, Aaron Katz, Elyse Gut, Dale Smith, Steve Dolan, Claudia Andersen, Mike Abel, Frank Wright, Kaye Shackford, Shirley Altick, Denise Cash, and others.

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

#### **B.2. ROLL CALL OF THE TRUSTEES-ELECT FOR IVGID BOARD OF TRUSTEES\***

On roll call, present were Trustees-Elect Tim Callicrate and Kendra Wong.

**C. PUBLIC COMMENTS\***

Elyse Gut read from a prepared statement which is attached hereto.

Harry Swenson read from a prepared statement which is attached hereto.

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

Mr. Hubbard was called upon but was not present.

Claudia Anderson, Chief Executive Officer of Parasol Tahoe Community, thanked the Board of Trustees for their commitment and service to our community and said that they are appreciated by us and their members. Thank you to the District Staff for their dedication and hard work. We wish you all happy holidays and we look forward to a wonderful 2019.

Aaron Katz said he has two written statements that dovetail into his comments. When one lies and then does so again and again, one has created a wave of lies, and this describes two persons at dais; Trustee Horan and District General Manager Pinkerton. He used to have respect for Trustee Horan however he has not been truthful about his occupancy; Mr. Katz then went over various items related to Trustee Horan's residency on Cristina. Mr. Katz said that he speaks the truth. As to District General Manager Pinkerton, former Trustee Joe Wolfe had your pegged from the start – sleazy. You have come up with information about the pond lining and you are not being truthful about expenditures on the effluent pipeline nor being truthful about staff time.

Steve Dolan said on a lighter note, on November 19, initiated by the National Conservation District, there was a great walk through and he would like to thank Mr. Miller and Mr. Winquest for walking through the project, listening to the issues, making suggestions, and thank you for accessibility. Another thank you is crow, the assumption he had about Mr. Brockman and the draft IVGID draft code was incorrect and he has corrected that with him and with Staff via his e-mails. Mr. Brockman was kind enough to suggest that I have eaten enough crow and that I should enjoy turkey. This is part of something that he tried to initiate and that was to give two years of civility, he is trying. He would like to suggest to everyone to be a little more civil.

Judith Miller said that she does agree with the last speaker about civility and notes that she tries to keep most of her comments civil but that it works in both directions. Ms. Miller said that she had the opportunity to review the Livestream from last month and that she knows that from time to time, some people get their time extended thus the Board should treat everyone the same. What she does have a problem with is when the Chair cuts off the microphone, which is like saying bravo for me I did it, but it is very inappropriate behavior. If we are going to have civility, then let's have it on both sides of this event. In reading through the item about popular reporting, she really thinks a better effort could be made to the people of Incline Village/Crystal Bay a report of profitability or lack thereof and she would draw attention to agenda packet page 167 which is the history of the facility fee. The graph is just one horizontal line and it would be much more effective to have a series of bar graphs with a line connecting the levels. What has happened, over the year, is our capital needs have shifted over to operations and our Recreation Fee is not supposed to support operations to the level that it does. She would like to have that graph revised. She does hope to see much more reporting on natural classifications as well as the programs themselves.

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

Mr. Hippman said he is for civility and the abuse you face from residents is something. Happy holidays as we appreciate what you do and this continued abuse is something we need to address as a community. His main point is that he was in the user advisory group for the Mountain Golf Course and he made some suggestions, heard some feedback, and he thinks Staff is on the right track with where we are going. He knows some of the Board has given input and thus this has been a collaborative thing for which he says thank you. The user advisory group challenged a few things and with cost of construction and availability, there are not a lot of options. The Board did a great thing with wanting to make it better by all parties, encourage everyone to look at plans, support all plans to make positive changes, and keep on the same path. Thank you for being on the same path.

Pete Todoroff said he just got back from his chemo therapy and he is exhausted. He drove by the bike park and noticed the mounds are not protected from erosion. This needs to be addressed as he took photos of it when it rained, the erosion was considerable. It needs to be protected so it doesn't erode and wanted to make sure everyone know about it. At his every other Friday meeting, we need to have a pier for the Sheriff and he would like to make sure it is a collaborative effort with District, Washoe County, and Sheriff. He has talked to the District General Manager and

he wants to see if Mr. Balaam can come up and the District General Manager agreed to that.

Frank Wright said it is amazing to him how someone who doesn't have any facts, figures, or information can disrupt the meeting and not listen to what has been said at other meetings. There are so many things coming out about the illegalities as we have a person who is a hypocrite and asks for civility and says something so rude and so inaccurate. Had others sit up here and say there is a minority, it is not, it is a group that pays the Recreation Fee and that the books be accurate and given to them when asked and that the Board performs for us. And not like Trustee Horan who doesn't live here. Or Chairwoman Wong who is an active member of TrueBlueFacts as all those mailers came from Chairwoman Wong, who when asked if she was a part of it, she wouldn't admit to it. How can you sit there as Chair when you did that. Ask for civility, this guy says you are doing a great job. Our community, you don't live here Trustee Horan and you shouldn't Chairwoman Wong. These people who show up and don't come to all these meetings - they shouldn't be allowed to speak. Don't talk about civility, when Chairwoman Wong did what she did.

Hearing no further public comments, Chairwoman Wong closed public comments. Trustee Horan asked to make a comment.

Trustee Horan said he is a full time resident of Incline Village and that anyone that says otherwise is unaware and he is glad to know that Mr. Abel is scouting his house as another member of that group, Ms. Linda Newman, toured his house. He is a full time resident of Incline Village.

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

Chairwoman Wong asked for changes to the agenda; and then stated that she would like to remove Items E.10 and E.12 due to the absence of Trustee Dent. Trustee Callicrate said that the agenda item he requested in not included and he would like that to be included. Chairwoman Wong said it is on this agenda as General Business Item E.11 and that we can discuss it when that item comes up and then we can make a decision after that.

**E. GENERAL BUSINESS (for possible action) PART 1**

- E.1. Review, discuss and possibly approve the design concept for the Mountain Golf Course Clubhouse submitted by Smith Design**

**Group (Requesting Staff Member: General Manager Steve Pinkerton)**

District General Manager Pinkerton gave an overview of the submitted memorandum and noted that the design boards are in the back of the room.

Trustee Morris said that he would like to make a note of appreciation for what has been done to date as it seems more prudent to rebuild as should be. He also wants to make sure there is no misunderstanding, this item is not committing to any money but rather to continue with design and that we are not spending \$900,000 today. District General Manager Pinkerton said we are absolutely not spending any money tonight. Trustee Morris said he thought that was important to clarify. District General Manager Pinkerton said he understood and that he wanted to give to the Board an order of magnitude. Trustee Morris asked if Staff knew when the insurance pool will come up with their number. District General Manager Pinkerton said Staff is hoping to get clarity before January 23, 2019. Trustee Morris asked if by that time, Staff will have reasonable estimates. District General Manager Pinkerton said Staff will have no hard bids but we will be closer as we are looking at different delivery methods. The goal is to give you updates until the next step in the process. Depending on delivery process, Staff may solicit bids so it could take a couple of meetings and Staff will bid out the components, come back with alternatives such as here is what insurance will pay for and provide the Board with the options from \$0 to greater number of out of pocket. We definitely want to take advantage of this opportunity and would note that we are in a prolonged period of increased construction costs especially with what is happening in Reno. He thinks there is a 5 year pipeline for construction, real opportunity to try and make do with what we have but will try and give you the alternates and understanding that we want to continue to deliver high quality service at the golf course. Trustee Morris said, as someone who hasn't spent a lot of time up there, as you continue the refinement of these, will the involvement of the golfers continue. District General Manager Pinkerton said that he thinks the best input was the need to keep the space flexible as the golfers want to have the ability to have as many large flex spaces as possible. There are always things that happen from drawing to operation and one example is the check in desk – we don't want to put in permanent one. Another example is when we have one hundred Mountain Niner golfers we want to have a pro shop that we can change around to accommodate a rain event. This flexibility strengthens club and the opportunity of revenue growth as well as having more self-contained functions at the Mountain Course. With some expansion and



modification, we can increase uses at the Mountain Course. When Staff looks at the trends in golf courses, it is more dining than more rounds of golf.

Trustee Callicrate thanked Staff and thank Dale Smith and his group for putting together a great set of plans. He would like to know what the number is that we are getting from the insurance company and another concern is with opening up an old building like that. The building is wreck and noted that he worked up there two summers ago and that in addition to the plans that we have, we should be discussing a new facility or combined facility as the cart barn is a dismal wreck as well. If we were to have another unfortunate fire, it would be to our benefit. He is not opposed to what the golf community says and commented that we did bring a trailer up and were still able to provide a level of service but that we didn't have inside seating. He would like to look at the bigger picture or entertain it and the combination so let's build for 50 to 70 years instead of 15 years. District General Manager Pinkerton said Staff will have updated costs when we bring it back.

Chairwoman Wong said that she recognizes that this is starting this process before we get the proceeds from our insurance provider so she understands the waiting. Do we have contingency plans and how is that fitting in with the rest of it. District General Manager Pinkerton said if we have to do what did at the end of the season, which was the food service was outside, we still did pretty good with rounds however there were a lot of inconveniences so we will explore this opportunity and let you know more next month. We want to give this the old college try but it is still a coin flip about us being able to do this or not. If we have the opportunity, our professional staff is ready to do what it can as we know we have groups that are dedicated to this golf course/facility and we will do everything we can for them.

Trustee Morris said when you do bring this back, would it be possible to do an estimate of potential increases/decreases in revenues therefore offsetting the capital expenditure and then another one with do nothing and providing the decreases, etc. as well as the numbers of golfers who use this course. District General Manager Pinkerton said Staff will give you a good number of loss and a range on the revenue impact.

Trustee Morris made a motion to approve the proposed conceptual design for the Mountain Golf Course Clubhouse Fire Damage Repair and Renovation. Trustee Horan seconded the motion. Chairwoman Wong asked for further comments.

Trustee Horan said that the time we spent up there did give us some good ideas but he wants to be cautious but that he will support this motion.

Trustee Callicrate said that the concerns that he has is not knowing what the insurance offer is going to be and that we have to be very cautious on this and to not invest a whole bunch of money on a conceptual effort that we can't realize as well as he doesn't want us to shortchange ourselves. He has a little bit of remiss in moving forward on this without having a broader scope of the property itself as he doesn't want to short change this tremendous asset by moving forward at a rapid clip and then we get the contractors, etc. and opening a whole Pandora's box on a building that is 45 years old; he has some real reservations thus he is a little concerned about moving forward at this time.

Trustee Morris said as a follow up to Trustee Callicrate's comments, he understands his concerns however we would be failing in our duties in doing nothing but we don't' now what it is going to end up and that this is trying to figure out our alternatives and that Staff will be coming back in a month's time so it is sensible that we are continuing on especially with regards to construction. For this step and only this step, he thinks it is a good thing to do.

Chairwoman Wong said thank you to the community members who have given their input as this is our clubhouse and our golf course and that whatever suggestions you have, we want to hear. Also thank you to Dale Smith and our Staff members especially those from Food and Beverage who have evaluated what it is going to feel like and that impact and to our Engineering Staff on this project and all others. She recognizes that this is moving forward without dollars and that we owe it to our community to be open and functioning come summer. The best way to do that is to continue the design and put pen to paper and get to figuring out the costs.

Trustee Callicrate asked what Staff will be bringing back to the Board in a month. District General Manager Pinkerton said we will have an update that either we need more time, here are your alternatives, or never mind. The time spent is well spent as it has a real value going forward. Trustee Callicrate said as long as we have something concrete in a month, he will support this motion as we need to have more of the dollars and cents upfront. The District has a lot of facilities that have been overlooked and not maintained for thirty to forty years so let's get more of the money items upfront and more defined.

Trustee Morris asked if Staff had a very rough estimate of the net new build. District General Manager Pinkerton said once we have the numbers, we will include that information.

Chairwoman Wong said about two years ago, Staff gave the Board a presentation on the high priority projects and that she recalls that the Mountain Golf Course was one of those projects so we are now faced with the opportunity to address one of those projects now and to do that in the most responsible way. She wanted to remind everyone of those five major projects and what guides her in her decision making process.

Hearing no further comments, Chairwoman Wong called the question- the motion was passed with all Trustees present voting in favor of the motion.

**E.2. Review, discuss, and possibly approve a Sole Source Finding and authorize a Procurement Contract for a Replacement Combination Sewer Cleaning/Vacuum Excavation Truck – 2018/2019 Capital Improvement Project: Fund: Public Works; Division: Shared; Project #2097HV1732; Vendor: Atlantic Machinery, Inc. in the amount of \$419,594 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

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

Trustee Callicrate asked if this equipment was on a ten year replacement cycle. Director of Public Works Pomroy said that the vector is on a seven or eight year cycle as it excavates sand and gravel which has destroyed many of the parts. The other one is used for the sewer and it has been extended to ten years. Trustee Callicrate said he appreciated the clarification.

Trustee Morris said this is a good chunk of money – a half a million dollars – and is this something that we have to purchase rather than lease. Director of Public Works Pomroy said that we have collected the funds for the purchases and that leasing would cost the District more. District General Manager Pinkerton added that this equipment is not something that has a big residual value so leasing it doesn't make sense.

Trustee Callicrate said on agenda packet page 136, it says ten years but it is lasting for seven or eight years so what is the upside and downside of going an additional year. Director of Public Works Pomroy said that the upside is we are earning seven percent on our money and that the downside has two problems – one is regenerating as the converter needs thirty minutes to recycle and if we have a sewer issue we would have to wait. It is our primary piece of equipment for response and it is his recommendation that we not take that risk on this piece of equipment.

Chairwoman Wong said every year the Board does a CIP tour and we talk about all of these projects and it was pretty amazing to see our Public Works employees drive this piece of equipment out and then back it in and noted that this truck is pretty impressive and that she would invite anyone to go along on the CIP tour. Trustee Horan agreed that the District has some pretty neat equipment.

Trustee Morris made a motion to:

1. Make the following findings:

IVGID's purchase of a replacement Vac-Con Combination Sewer Cleaning Vacuum Excavation Truck from Atlantic Machinery, Inc. is exempt from competitive bidding for the following reasons:

- A. This purchase is for items which may only be contracted from a sole source (NRS 332.115.1.a). Atlantic Machinery, Inc. is the exclusive Sourcwell national supplier for Vac-Con equipment.
- B. Items, supplies, materials, or equipment that are available pursuant to an agreement with a vendor that has entered into an agreement with the General Services Administration (GSA) or another governmental agency located within or outside the State of Nevada (NRS 332.115.1.m). The pricing received from Atlantic Machinery, Inc. is through Sourcwell. Sourcwell, authorized under the Minnesota State Statute, is a Minnesota based municipal contracting agency that provides nationally leveraged, competitively solicited, and cooperatively shared procurement contracts to its member agencies.

Trustee Horan seconded the motion. Chairwoman Wong asked for further comments, receiving none, called the question – the motion was unanimously passed by the Trustees who were present.

Trustee Morris made a motion to authorize a procurement contract with Atlantic Machinery, Inc. totaling \$419,594 for a Vac-Con Combination Truck and authorize Staff to execute all purchase documents. Trustee Horan seconded the motion. Chairwoman Wong asked for further comments, receiving none, called the question – the motion was unanimously passed by the Trustees who were present.

**E.3. Review, discuss and possibly authorize a Design Services Contract for the Water Resource Recovery Facility Aeration System Improvements Project – Fund: Utility; Division: Sewer; Vendor: CH2M Hill, Inc. in the amount of \$80,000 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

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

Trustee Callicrate said, being a resident of the Mill Creek area, will this help to eliminate the incredible aroma in that area. Director of Public Works Pomroy said no and that this is about degrading wastewater. Trustee Callicrate asked if there was any way to alleviate the stench that comes down as at times is gets overwhelming. Director of Public Works Pomroy said that Staff does do more odor control projects and that about fifty percent have it and that we can discuss this during the CIP process.

Trustee Morris asked if this was for design services only. Director of Public Works Pomroy said it is to create the drawings and specifications of what we will bid and then we will have the engineer answer questions and that Staff will bring back the full project to the Board at a later date.

Trustee Callicrate said, referencing agenda packet page 150, there is a total budget of \$150,000 – is that for design and components or is that for design only. Director of Public Works Pomroy said that there is \$114,000 in that capital project right now and that \$80,000 is with CH2Hill and then Staff time will be charged and that will be between \$80,000 and \$114,000. Following that the construction contract will come forward and it is more than likely it will be a one million dollar project that will come forward.

Chairwoman Wong said that Staff does do tours and that it is pretty cool to see all these operations and how they work. She said she appreciates all the time Staff spends educating us and the public.

Trustee Morris made a motion to authorize a design services contract with CH2M Hill, Inc. (CH2M) totaling \$80,000 for engineering design services and bid period assistance for the design of the Water Resource Recovery Facility Aeration System and authorize Staff to execute the contract documents. Trustee Horan seconded the motion. Chairwoman Wong asked for further comments, receiving none, called the question – the motion was unanimously passed by the Trustees who were present.

The Board took a break at 7:25 p.m.; they reconvened at 7:35 p.m.

**F. DISTRICT STAFF UPDATES\***

**F.1. Verbal Update – 2018/2019 Ski Season – A Preview – General Manager Diamond Peak Ski Resort Mike Bandelin**

A PowerPoint presentation was given by General Manager Diamond Peak Ski Resort Mike Bandelin which is incorporated herewith by reference.

Trustee Horan said that there is a real risk with uphill activity if they don't stick within the boundaries. General Manager Diamond Peak Ski Resort Bandelin said that it true and that there is also a risk with everyday activity.

Chairwoman Wong said that she likes that you are engaging with the local group whose main concerns is that they want to be able to use Diamond Peak and that considering the people on the mountain as well as our operations people so that at the end of the day we have to be able to open our ski resort the next day. General Manager Diamond Peak Ski Resort Bandelin said that this is a refresh and another look at this issue.

Chairwoman Wong asked on the grades, is it any report cards. General Manager Diamond Peak Ski Resort Bandelin said it is the August and January, first semester ones.

Chairwoman Wong thanked Staff and said that she hopes you have a great season and event this coming Friday.



**E. GENERAL BUSINESS (for possible action) PART 2**

**E.4. Presentation and Acceptance of June 30, 2018 Comprehensive Annual Financial Report including an Unmodified Report by the District's Auditor (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Gerry Eick gave an overview of the submitted memorandum. Trustee Horan gave an overview of the Audit Committee meeting that occurred today. Trustee Horan asked Staff to go over the Table of Contents and point out areas of interest; Staff accomplished that request.

Trustee Morris said, as a non-CPA, it was quite a pleasant read and that a ton of work has been put into it; he compliments you and your team. We have a partner that says that we got the cleanest opinion that we can get and that is a tremendous accomplishment and that he would like that recorded in this meeting as we did in the Audit meeting. Further, he asked Eide Bailly about the comments that the public has made and he did say that in his professional opinion while that might flag the need for a deeper dive, it didn't and that everything was good so all of this is a wonderful commendation to you and your team. Director of Finance Eick said that it is expressed in one of the pages in the introduction and that it wouldn't be possible if all of the District hadn't been operating properly. We had zero comments about internal controls, etc. which is very pleasing to all of us to get this kind of report.

Trustee Horan said in following up on Trustee Morris' comments, he too followed up about the letters from the public and the auditors said that they definitely took that into consideration regarding our status and in some respects there is a benefit to having people challenge us as we get extra attention because they don't want to get caught short. He knows we talk about this a lot during the year and he knows that you and your team work hard.

Chairwoman Wong said there is always the comment that we should have a forensic audit. The CAFR that we put out is a full audit and similar to what a public company goes through and the only difference is the governmental standards which Eide Bailly specializes in. They also audit Sparks and Washoe County and are of the most respected firms so we have the best of the best and that speaks highly not only of Eide Bailly but of our team and the work and support you give to the entire organization.

Trustee Morris made a motion, with concurrence by the District's Audit Committee, to accept the June 30, 2018 unmodified audit report, and direct Staff to file the Comprehensive Annual Financial Report (CAFR) with the State of Nevada and make it generally available for public use. Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Callicrate said is in the public record that he has not supported the District's budget for the past four years nor the audit and that he will be concurrent with that record. Trustee Morris said that he would like to ask Trustee Callicrate to explain a little more as he knows about the budget but he needs help to understand why he is not supporting a good audit report. Trustee Callicrate said that he thinks that the audit is too limited in its scope and that he has expressed that over the past four years as he wants a deeper dive into the financials. One of the things was the effluent pond which was an anomaly in our financials so where is that listed or where are any of those specifics. We have professional accountants in our communities and they have gone to our auditors and there were given piecemeal information or not given it at all so with those concerns he is not going to vote in favor of this motion. He has no more specifics, and in speaking with professional auditors who have worked with a variety of companies that followed up and expressed concerns, he shares those concerns. It will pass and he doesn't want to get into an argument with anyone rather he is just being consistent with his feelings of the past four years. He does appreciate the work that Eide Bailly and Staff has done but that he shares the concern that a more in depth audit needs to be done versus the narrow scope that Eide Bailly has done. Trustee Morris said he wants to include people and the challenge he has gotten, to the abstract in your comments, that we need a deeper dive, you are saying that the audit done is not sufficient yet you are unable to articulate in what way thus there is nothing that the Board or the Staff can do to answer your concerns about it not being good enough. It is important to the communities to understand the specific concerns so is there something that you can say is wrong and that the auditor/Staff doesn't do. This audit is similar to what they do with Washoe County and other governmental agencies so do they do less for us. For you to say it is not good enough doesn't tell us anything. Trustee Callicrate said that we have had this discussion last year and the year prior and the audit has a very narrow scope/perimeter. It is not here is everything, all the information, because we don't call for that. It has been expressed to him that there are specific narrow scopes that are giving to the auditing firm. Director of

Finance Eick said that the auditor can have anything they want and that the process starts wide and narrows over time. At the start of the audit, everything is in the field of play but they can't check everything so they look at selected items. They do tests in a manner that identifies critical and the most important items of significance. It is the application of materiality and some things of a certain size are tested no matter what and some are not automatically tested. It is not driven by him or the District as the auditors have access to everything. It is their process and they tell us the work they are doing in selected areas. For instance, cash and investments, they tie them out to the penny. For other things, they look at those items that are over \$50,000. The auditors understand your concern so the auditors read the minutes, look at correspondence, look for items that are not normal and they deal with standard and concern and then decide if it needs further work. Trustee Callicrate asked about internal controls and the issues of last year that we stated we didn't have. Director of Finance Eick said for last year's audit that matter was corrected and dealt with immediately. A big part of their study is to look at internal control to ensure financial statements are fairly presented. They don't test them to death and they can't look at everything and test it as that would be a very extensive process. Trustee Callicrate asked if the issues brought up by Mr. Dobler and Ms. Newman were addressed. Director of Finance Eick said yes and the auditors met with the Audit Committee. A comment was made about the \$788,000 and later tonight you will have a CIP report however the Utility Fund is made up of two numbers which are the same numbers that are in the CAFR. The auditors looked at the \$788,000 very carefully and they found the accounting to be proper and properly presented.

Trustee Horan said that this was a good spirited discussion and that each Trustee is going to vote one way or another and that we are not always all going to agree.

Hearing no further comments, Chairwoman Wong called the question – Trustee Callicrate voted opposed to the motion and Trustees Horan, Morris and Wong voted in favor of the motion; the motion passed.

**E.5. Selection of Audit Firm for Audit Services for Fiscal Year Ending June 30, 2019: Eide Bailly, LLP in the amount of \$57,000 (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Gerry Eick gave an overview of the submitted memorandum.

Trustee Horan reviewed what was discussed by the Audit Committee about the auditor and they support this designation.

Chairwoman Wong said that continuity is good because one of things the audit firm does is dig in and understand what you do. Having to re-teach that to another set of auditors is hard to do.

Trustee Morris made a motion, in concurrence with the Audit Committee, to designate Eide Bailly, LLP as the District's audit firm for the fiscal year ending June 30, 2019, under their multiyear contract as outlined under the financial section (\$57,000 for Fiscal Year Ending June 30, 2019). Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question – the motion was passed by all Trustees present.

**E.6. Review, Discuss, Comment, and Possibly Adopt a Popular Report format (2018 Board Work Plan, Financial Report) (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Gerry Eick gave an overview of the submitted memorandum.

Trustee Callicrate said in looking at this, it is easier to digest and that he would like to combine the tabular with the graphic and that with the backup on opengov and the natural classifications, this will help with explanation. We have been talking about this since he got on the Board and he thinks it came out quite well.

Trustee Morris said thank you for the good work and, referencing agenda packet page 167, that for the graphs on the facility fee, he would like to be able to see this a little better and that perhaps a separate bar chart would be good with the same data. As to agenda packet page 166, he loves this chart as it is great to see revenues and expenses on each of these different areas and asked if it would be a huge job, for each of these revenue types, to have an ongoing bar chart for the past five years. Director of Finance Eick said that Staff has played with this a bit and that when we added another set of numbers the page got really ugly. We have been testing it graphically and we can do a comparison of two years. They won't size very well but he does believe there is that opportunity. Trustee Morris said he will leave it to Staff to design a series of graphs. Director of Finance Eick said one of the other

alternatives is that one can go to opengov for a comparison and there one can get a five year chart/graph. We could include a link to that feature on this page. Trustee Morris asked if once something like this becomes live, it will flow through our system. Director of Finance Eick said yes as it is from the same source of data and it takes the human element out of it with a different method of presentation.

Chairwoman Wong said she likes the numbers as they make sense to her; these numbers are great and tell a great story but some are missing the story which is that we need to try and communicate i.e. need to communicate what we are accomplishing as a District thus maybe a box could be added with three points that happened/accomplishments at each of our venues. Director of Finance Eick said that Staff didn't try to do this as we wanted to stick with the stated outline but that we can add that.

Trustee Callicrate said that this also goes to the District's Strategic Plan, etc. that these were our priorities and we met those in each of these areas. He likes numbers in small doses and he does like the narratives, achievements, etc. – he likes that idea a lot.

Chairwoman Wong said when you look at the capital expenditure charts, it is missing that we did the Skier Services Building, etc. and that is the explanation that words can tell. Director of Finance Eick said that he agrees and that it is a great way to record history and accomplishment in a fairly condensed form. Chairwoman Wong asked if this report had been run by community members yet. Director of Finance Eick said not yet as Staff wanted to make sure that the Board was good with it. Some of his natural classifications were inspired by Floyd Kuehnis as part of a faction that liked that it added up. You, as a Board, can invite comments to be submitted and you could set that as a target for January or February. He would like the opportunity to write it up one more time and then do that process. Chairwoman Wong said she was open to that idea. Director of Finance Eick said we can do it that in the January meeting. Chairwoman Wong asked that Staff get with Trustee Dent and share this discussion. Director of Finance Eick agreed that he would like to hear from him.

**E.7. Review, discuss and possibly approve entering into a professional services contract with Tri-Strategies, Ltd. for Legislative Advocacy Services beginning December 13, 2018 and ending June 30, 2018 in the amount of \$30,000 (Requesting Staff Member: General Manager Steve Pinkerton)**

General Manager Pinkerton gave an overview of the submitted memorandum.

Chairwoman Wong said she is torn on this as to needs as we have gone the last two cycles without it and that she does understand the arguments for having an independent representative so she does see both sides of this issue and that she would love to have everyone else's input.

District General Manager Pinkerton said that there will probably be something in the session about an audit and that would require us to spend like one million dollars to do it so he sees this as a low cost insurance policy.

Trustee Morris said in his previous businesses, he created a business association that went a couple of cycles without advocacy and it cost us dearly and in the end, we hired a small company to do that for us which resulted in a couple of unexpected activities that we were able to get on top of and ahead of so he is in favor of this advocacy as he knows that during the last session there were a couple of things that we were concerned about which we did have our District General Counsel act on our behalf so he would like to get ahead of the curve. He does realize that this is not an insignificant amount of money but he does think it is a good investment. He did notice that they proposed a set rate rather than a per hour rate and asked if Tri-Strategies have given any estimates. District General Manager Pinkerton said that was discussed and that they were the most cost effective of those that proposed. There is a lot of work that has to be done by their firm and frankly the cost is a low cost. They have multiple clients and we did check for conflicts, there are none. What we are paying for is getting to know the legislature team, tracking bills, acting on our behalf when some wild cards make statements, and dodging some bullets. He can almost guarantee that you will get what you pay for and they are at the low end of the spectrum. They will be going to meetings and being at the Legislature every day and that this is doing a cost share with their other clients and that they will be spending between one hundred and two hundred hours at the Legislature and that we are paying for about twenty hours of their time. Trustee Morris said so this is about being proactive versus reactive and he understands that and while he can't think of a single thing we want to try or get something introduced to our benefit, would this contract cover that. District General Counsel Guinasso said that every legislator has five bill draft requests (BDR's) and they have all been used so it is limited to suggested amendments. You are getting ahead of the curve by deploying a good



defense and a little behind for initiating which is typically done in July. This would be the beginning of a possibly long term relationship and a starting point for the future. Trustee Morris said thank you for that information.

District General Manager Pinkerton said that this was prompted by not being represented during the last session and that he thinks there are bills coming out and that Staff wants to have people there who have those benefits. This is a five to one cost benefit and we are the largest entity that doesn't have regular coverage but that did, in the past, up until 2013. During the last two sessions, we didn't have but we did have a similar cost in the past.

Trustee Callicrate said he is along the lines of Chairwoman Wong. We have access to our legislators and the fact that our Washoe County Commissioner was a lobbyist provides us with fairly good access to what is going on down there. He doesn't see this as being a necessity but maybe as something to be done down the road. There are perimeters for notification and it is a small enough State to find out what is going on. At this time, this is an unnecessary expense. He understands the rationale however right now we are not introducing legislation so we have adequate opportunities to monitor and he is not that concerned with legislation being detrimental to the District.

Trustee Horan said that we have to look at the fact that the governmental process has fundamentally changed and there are real risks of unintended consequences that could have a very significant impact on us. The legislative process has changed and there is a lot more pushing and pulling going on as a general statement. He is not against anybody rather it is the process that he is concerned about as there is a risk there. Thus, this is something that he would support doing.

Trustee Callicrate said he thinks the Board owes Trustee Dent the opportunity to weigh in on this item. Chairwoman Wong said it would be too late. District General Manager Pinkerton said that the session starts on February 1. Chairwoman Wong said they may not have the capacity to serve us. Trustee Callicrate said he would like to pull this in to get weigh in from all five Trustees as this is adding one more level of consultants or additional personnel to the IVGID pool that people are concerned about. We have a burned out kitchen and a crumbling building at the beach so this is not money we need to be embarking on at this time therefore he can't support this at this time.

Chairwoman Wong said that she appreciates everyone's point of view and in reasoning this through, two years ago, we were scrambling. District General Counsel Guinasso said he asked for five thousand dollars in authority however his firm never charged that money. Chairwoman Wong said we have to spend some money to be prepared and to start being prepared for two years from now. She does understand Trustee Callicrate's point and that these are the same two people that left us behind the ball two years ago. That is the part that she struggles with in seeing both sides of this item. We need to invest in the Mountain Golf Course now and we need to invest in this now and get prepared for the future and at least we will get to see the BDR's for this legislative session.

Trustee Morris made a motion to approve entering into a professional services contract with Tri-Strategies, Ltd. for Legislative Advocacy Services beginning December 13, 2018 and ending June 30, 2018 in the amount of \$30,000. and authorize Staff to execute the contract documents upon review by District Counsel. Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Callicrate said that thirty thousand dollars may not seem like a lot of money but that money could be used to hire an individual for the District so it is a sizeable amount of money and money not well spent. He wishes that Trustee Dent was here to share his opinion but once again, we are down to the wire and we have to do something because we are behind the eight ball and he doesn't like being put in this position of act now or lose out; he will be voting against this motion.

Chairwoman Wong said as a bit of history that back two years ago when we were in a fire drill situation we asked Staff to bring a proposal forth and we discussed the timing this summer and when was the appropriate timing so that's on this Board as we can't blame our Staff because this is the timeline we gave them; this is on this Board. She thinks it is right on time and that after the legislative session, we can have a post mortem to see if it was the right place to spend our dollars.

Trustee Morris said that he concurs and that he thinks the timing was as the Board set it because we didn't want to spend the money six months' prior to the session. Given that our two representatives cover our area, we are the ones that could have cost us a lot of money and while he doesn't know if this is insurance, he is against the costs we don't know therefore he will be voting in favor of this motion.

Trustee Horan said that he thinks this discussion that we have had is what people expect of us and that we can agree or disagree and then move. It is no sign of disrespect rather it is an example of having a discussion and moving on.

Hearing no further comments, Chairwoman Wong called the question – Trustees Morris, Horan and Wong voted in favor of the motion and Trustee Callicrate voted in opposition of the motion; the motion passed.

The Board took a break at 9:03 p.m.; they reconvened at 9:13 p.m.

**E.8. Review, discuss and possibly approve process for reviewing the proposed IVGID Code (Requesting Trustee: Chairwoman Kendra Wong)**

Chairwoman Wong said that she wanted to have a conversation with the Board as we have a draft of the IVGID Code and we got the e-mail today with the links as requested. She recognizes that some like a hard copy and if you want that, let the Clerk know. We need to break this up and we can do this by chapter, section, topics so what does the Board want to do.

Trustee Callicrate asked if this was taking everything from inception to now and that he is a quick reader that can comprehend and that for the community he wants this to feel that this isn't something that is being ramrodded through and rather done very methodically so one at a time is the way to go. He would like to progress that way and then reassess and move onto to the next item. He would like to maybe figure out what would make sense with community involvement or do we need to get our heads around it before we get it out to the community. This is not meant in a disparaging way but do we roll it out in sections to the community or say here is the draft of the whole document.

Chairwoman Wong said we will all be working together for the next two years and that she would like to have this done in those two years. In six months, we should be done with our reviews and then take a step back and get community feedback with another six months to work through those items. Also, we would have our Senior Staff work through it with us and as we hear rumblings, we can bring those back.

District General Manager Pinkerton said for the sewer and water ordinances that we are just putting them into the code with no change and restating what we have. You will decide as a lot of this is just recataloging and that as we go through this, it will all be done in publicly noticed meetings.

Trustee Morris said he definitely agrees that we will find out as we go on with the process. He is a little concerned with the two year time frame and that he is hopeful that things will get more efficient as we go along. He does like the idea of seeking public comment early because we have got the first draft and this will help to serve up questions which he wants to include so seeking that commentary would be good. Seeking comments would be good as we go along and the other thing is he is concerned about having a lot to do. And just to check his understanding, this first go around is to take it out or just cataloging. Chairwoman Wong said that this is coming from what exists and it is our responsibility to update and get input at the end so we can get to saying that this something that we are going to adopt and put in place for future Boards.

Trustee Morris said he can imagine something where there are conflicts even though we break it down into chunks and that he is a little reluctant to suggest having a series of separate work session on this item. He is worried about taking on this extra workload.

Chairwoman Wong said we have on workshop and one business meeting a month and asked if we are at a place where we can do a workshop dedicated to the IVGID Code and then a business meeting. District General Manager Pinkerton said once we hit June, it is not as challenging, and that during the first six months it is harder. Post budget, it is easier, however we can see how it goes on January 23. It might end up being a combination.

Trustee Morris asked if this was something Staff was willing to try on for size. District General Manager Pinkerton said the challenge with a special meeting is maybe there are time when we don't have a lot of items. Trustee Callicrate suggested instead of meeting at 6 p.m. perhaps we could meet at 4 p.m. or 5 p.m. or make certain we have a situation where we don't have ten other items on the agenda. We have to look at spacing items out and the number of items on the agenda. This then begs the question that we should think about some possibilities for the Consent Calendar and using that.

District General Counsel Guinasso then gave an overview of the document as it exists today.

Trustee Morris said that the ultimate end result is that we have one document that doesn't link to others. District General Counsel Guinasso said yes, it is a one stop shop with references to appendixes and that he would like to be able to have all the related documents readily available and easy to navigate.

Chairwoman Wong said that Title 1 is twenty eight pages so let's start there and put that on the January 23, 2019 agenda and see how it goes/see what happens.

**E.9. Nomination of a Board Member to possibly represent General Improvement Districts to the Washoe County Debt Management Commission (Requesting Trustee: Chairwoman Kendra Wong)**

Chairwoman Wong gave an overview of the submitted memorandum and asked if any Board member was interested.

Trustee Morris said that it sounded interesting and asked how often they meet. Director of Finance Eick said that they schedule a meeting every August which they absolutely do because they review everyone's indebtedness report and then they meet as required which is usually not more than two meetings in the year. Trustee Morris said his interest remains.

Chairwoman Wong made a motion to nominate Trustee Peter Morris as IVGID's Board Member to possibly represent General Improvement Districts to the Washoe County Debt Management Commission. Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments; receiving none, called the question and the motion was passed with all Trustees present voting in favor of the motion.

**E.10. Review, discuss and possibly take action on Board's Work Plan: Set a date to reassess priorities (Requesting Trustee: Chairwoman Kendra Wong) - *REMOVED FROM THIS AGENDA***

**E.11. Review and discuss CIP and Debt Service Expenditures for the Fiscal Year Ending June 30, 2018 (Requesting Trustee: Chairwoman Kendra Wong)**

Chairwoman Wong said, as a preface, that Trustee Callicrate requested an agenda item specifically related to the pond lining item. In taking a step back and talking to the District General Manager, she thought it was a good idea to get a report on all of our projects especially those that we talked about on the CIP project tour.

Trustee Morris said that he read this and that he really appreciates this update and that given that the whole pond lining matter is a hot topic, he didn't want it to get lost in the whole discussion and that it is his desire that this would be able to respond to all of Trustee Callicrate's questions.

District General Manager Pinkerton said that there is a good opportunity, during the budget process, for the Board to get all of our estimated numbers and then at the end, particularly with CIP, to give you an estimate of spending and carryover. On things like the effluent pipeline, those are estimates because we never know how much we are completing. Further, the hardest part of budgeting is much cross over is there into multiple years and that once we get the final audit, we don't get the change to have that dialogue. This gives us more opportunity to highlight these numbers and then the final numbers get put on the website however knowing that while the document is available on the website, some numbers do change. We had \$705,000 estimated to be spent and lo and behold we have spent \$788,000. and we can't predict what we will spend near the end of the fiscal year. On all of the CIP, there is a lot of different things that go into expenditures such as contractors, other agencies, dollars charged against our Staff, having to hire a third party to do the exact same things and then there is the frustration with public records in having to answer them literally which puts our District Clerk into the position of answering what is written which means looking at the request which only asks for y and z but then getting a reply that she didn't supply x which wasn't asked for. All of the District's expenditures are public information and they are always available but no one can read the requester's mind on invoices and expenditures. One of the things we tried to point out, on agenda packet page 183, is talking about how we can better communicate how the effluent pipeline is budgeted, accounted for, etc. The first thing to remember that if it is Project 2524SS1010, there is a whole series of different things charged to or not charged to that project. Back in 2010 or 2011, the Board, at that time, directed Staff to begin planning for Phase II because we issued a bunch of bonds and at that moment they wanted to do more pay as go and wait a couple of years to further discuss cash management. Staff set aside money in the budget to deal with ongoing expenses and also have an accumulation



of money. It is noted, at the top of agenda packet page 183, that this year the decision was made that we only needed to set aside one million dollars for 2017/2018 so why don't we have all the twenty three million dollars set aside today which would be a ten percent increase instead of one or two percent each year. Staff is trying to extend the project and work hard to find more Federal money. Staff will talk about that in detail next year or start dipping in so we don't have an over accumulation of cash. In 2017/2018, we had all this money set aside and then set one million dollars aside this year and this year we had the opportunity to do some work when the road was opened up. The Board awarded a \$1.1 million dollar project that only cost us \$955,000 which was deducted from the fund balance and we expended \$788,000 for all this planning and that is where the \$705,000 estimate came from and that is now \$788,000 that was all the discussion. Staff put the pond lining reference in there to reference back to the capital project tour. It said pond lining in the narrative and had the same project number; he apologizes if there was confusion but that pond lining was put in to remind the Board of the CIP tour. Hopefully next month we will have great news about monies we might get. It is too bad to have this as an issue when it shouldn't have been.

Trustee Callicrate said so once again, it is in the descriptors, etc. and was the understanding of what the Environmental Protection Agency has mandated. There was no lining which is where this whole thing unraveled as the work hasn't been done. It looked like, on paper, that it had been done and if there were changes in either descriptors or scope or if we have to do an augmentation or call it something different or reappropriate in the process that is where we get into unnecessary trouble. We need to be more upfront because for the longest time we called it pond lining and there was no money spent however everything has to do with the effluent pipeline and that when we had a break, we had to fill that pond. His concern is this is an unnecessary hoopla in calling it what it should have been called. Additional concern he has is when you look through and all the numbers add up and then do we charge for Staff or not. We do so well in so many areas that when we make small mistakes, we give more ammunition to people who want us to be more public in how we put things down on paper. The money has been accounted for in the budget and he appreciates that. Calling something a project that has a title and then saying it is part of the effluent pipeline, well, who knew that. We don't have the history to it and where it is consistent and how things fall between the cracks and he just thinks we can do a better job.

Chairwoman Wong said years ago, when she got on the Board, we kept carrying it over year over year. It was another Trustee that split that out by pump station. Maybe there could be an opportunity here, as different projects arise, in creating a subproject. Staff should think about that idea. District General Manager Pinkerton said that Staff has had a lot of dialogue with the State. Director of Finance Eick said that having subprojects in our system is possible today and that with the first version of our software, there were limitations in the fields as all those characters have a meaning. With the newest version, we can have subprojects and Staff has been talking about that. Isolating those pieces, in the conversations with the State, they are concerned about seeing a turnover of projects and they don't want perpetual projects especially where there are ones that have no action. One thing he does do in the audit report is that we do have a footnote about monies spent on our effluent project. The State takes that and accepts that we are progressing on the project and therefore they are satisfied. If we were to go to subprojects, the State would like us to go into less detail. The State has told us when can do whatever we want but that they want it condensed but not so condensed so we can show progress. District General Manager Pinkerton said that every time we go off the State forms, we get just as much criticism so either way we need to find the right mix.

Trustee Callicrate said he would agree that it is confusing enough when we have our own internal and then what goes to the State and the Feds but that it is understandable because of the requirements. But, for the Board, it has to allow us to be on the same page in having our own categorization that we can mesh into what we have to send to the State. Director of Finance Eick said he is not opposed to the idea to have an explanation and Staff will slice and dice it every way but we don't want to get clobbered and ask for the courtesy of cover and not be handed to the wolves as someone will start screaming. District General Manager Pinkerton said that this is where a lot of Staff's time is spent. Chairwoman Wong said that this is the same conversation that your tax return is not your bank statement.

Trustee Morris said he is all for being able to break things out and that he knows, for a fact, that Staff spends a lot of time on these and if the Board asks Staff to break it out further and say they have got to be right one hundred percent of the time and we have some who pick holes and they don't have to be right any of the time then we have to go into this with open eyes as a Board. Director of Finance Eick said if we want to get the benefits of subparts then we are going to have label things as working documents and we will have to do a good job of labeling and bringing it to you, as a

Board, as that then becomes a public document. We will have to explain what happened and that it only existed for a specific meeting to explain smaller pieces and was never meant to be the overarching document so we have to determine a way to label the pieces. Staff would love to do that but it is frustrating when the bar is set and then the bar is moved. We can deal with it, sustain it and let it become automated as our new system does have numbering for subparts but it does still have to roll up.

Trustee Callicrate said we are calling it the effluent export pipeline, phase II and that is the pipeline itself and that that is about the opportunity to say there are a number of additional aspects that include pumping stations, release valves, different things with pond liners, etc. People that it is the pipeline that goes up and over but there are thousands of other aspects that go into it. Just one example and he knows there are many more examples; however, he doesn't want to create an issue. Chairwoman Wong said that she thinks that when we are talking about this that it is about this one project. Trustee Callicrate said we are only talking about the Utility Fund. Chairwoman Wong said it is a whole system related to the pipeline and that this is about starting to break it down into smaller projects. Director of Finance Eick said that there are maybe thirty to forty projects that get subparts and they are multi-year projects. We do see the opportunity to describe what is pre-design and for the effluent project, it is the pig. There has to be understanding that there will be a certain amount of detail but on others there won't be because we won't know. Staff is not fighting the subparts however it is still fraught with items that we don't know.

Trustee Callicrate said that this is a once in a lifetime item and that the pond lining is a big thing and that the relief valves are not a big deal. The bigger, visual projects that are something is what he is referring to but he doesn't want to get into the weeds. We need to discern with the pipeline and on others, we don't need this kind of detail but maybe see a little more detail. Director of Finance Eick said that Staff would be glad to give the Board some subparts on the effluent pipeline and then if you spot some other projects, we can talk about them. Most of the subparts are already there on the data sheets.

Trustee Horan said that there is a lot of confusion with the words and that our Staff gets abused. On the effluent pipeline, it starts at Sweetwater and ends in Minden and it is not just a pipe. There are misconceptions on that and that the use of the pond lining was just unfortunate as we shot ourselves in the foot and therefore it is up to the Board to give our Staff cover. He

thinks this discussion is good and he thinks we can do a better job of putting that forward. Maybe we need to ask some questions as we move forward.

Chairwoman Wong said it highlights for her the improvements we can make on reporting. We sat down and created this report and it confused everyone and she keeps going back to roll forward and seeing the dollars move from one descriptor to another. Maybe, as we are going through this budget process, what we find lacking and then see what we can come up. When the Board passes something, we understand that is the line that is drawn in the same. More than happy to create detail, once approved, and then that becomes what we are going to do and that becomes the measure.

Trustee Horan asked Trustee Callicrate with what you are getting from Mr. and Mrs. Dobler, do you feel comfortable going back and sharing this with them. Trustee Callicrate said yes and if they are watching via Livestream, hi, and he understands the numbers and it is the descriptors, so yes, he will go back and talk to the Dobler's. This is an opportunity to answer the Dobler's questions with what we talked about and answer their inquiry. Trustee Horan said that he appreciates Trustee Callicrate doing that. Trustee Morris said he does as well and asked that Trustee Callicrate share the outcome with the District General Manager.

**E.12. Election of Board Officers for 2019 (January 1, 2019 through December 31, 2019) REMOVED FROM THIS AGENDA**

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

**G.1. General Manager Steve Pinkerton**

District General Manager Pinkerton gave a verbal update that was about the Burnt Cedar pool and it requiring work. Staff is looking at alternatives for doing this work, this is just a preview, and we will talk about this more during the budgeting process.

Trustee Morris said it seems to him that the Burnt Cedar pool is a you don't know something until you know situation and that Staff is continuing to investigate and then give us the best information they have at that point in time. District General Manager Pinkerton said it is very difficult with pools and that he had pools previously that were older than the Burnt Cedar pool and that the swim clubs had agreements in place that if it stopped working, we were done. You don't want to replace them sooner than you have to so

we will do this in a responsible manner. The problem with our pools is that when it does happen, it will be in a significant manner so we are looking at every option we have. Our Staff is doing a brilliant job of maintenance so we can responsibly plan it out. We will discuss this during the budget season and then talk about again during the Community Services Master Plan session.

As information, the Washoe County Commissioners had on their agenda yesterday, as a consent item, the Incline Village/Crystal Bay Visitors Center lease and in the lease it states they have to let us know six months in advance for the continuation of their lease which would be for thirty five years.

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

**H.1. Regular Meeting of November 13, 2018**

Chairwoman Wong asked for changes, receiving none, she said that the minutes were approved as submitted.

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

**I.1. District General Counsel Jason Guinasso**

District General Counsel Guinasso said, regarding the Katz litigation, that Mr. Katz, by motion, filed an extension to filing his brief, extension was granted, and he will file now on January 16, 2019. The motion stated that he has four volumes with 3,500 pages, as an appendix that he will be filing. He will report back on what we receive as we will have thirty days to respond. Trustee Morris asked if there would be more extensions after that. District General Counsel Guinasso said typically not unless there is a good reason.

**J. 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 Callicrate said that the Dent's had a baby boy on Saturday and they have named him Harvey Madden Dent and that we all congratulate them. Trustee Callicrate continued that as a TRPA representative, they have cancelled the December/January meetings.

**K. 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.**

Steve Dolan said, regarding the CIP topic, that he really doesn't see this as a Staff problem and that it is really the optics and they look like deception under the whole project. You have got all these costs and then all of a sudden it becomes a pond liner. Deadlines with other agencies seems to be an intentional deception which confused the entire community and thus the reason becomes accusatory and this happens a lot. Then when you re-identify it to satisfy something else that kind of guidance needs to be pulled in and managed better as it reeks of deception. It feels like that we are defined by finding the numbers and within the numbers. When you rebuild the pool, please make it deep enough for his diving board.

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

District General Manager Pinkerton went over the long range calendar; January will have one meeting on the 23<sup>rd</sup>, February will have two meetings on the 6<sup>th</sup> and the 27<sup>th</sup>, and March will have two meetings on the 13<sup>th</sup> and the 18<sup>th</sup> with the CIP tour being either the same day or week before.

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

The meeting was adjourned at 10:30 p.m.

Respectfully submitted,

Susan A. Herron  
District Clerk

**Attachments\*:**

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

Submitted by Elyse Gut (1 page)

Submitted by Harry Swenson (1 page): IVGID Trustee Board Meeting Public Comments, Wednesday December 12, 2018



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Submitted by Mike Abel (2 pages)

Submitted by Aaron Katz (21 pages): Written Statement to be included in the written minutes of this December 12, 2018 regular IVGID Board Meeting – Agenda Item C – Public Comments – Staff’s refusal to follow IVGID policy of agendizing written correspondence to the Board, and including that correspondence in the packets of materials prepared in anticipation of public meetings

Submitted by Aaron Katz (20 pages): Written Statement to be included in the written minutes of this December 12, 2018 regular IVGID Board Meeting – Agenda Item C – Public Comments – Staff’s misstatement re expenditures on capital improvement projects (“CIPs”) which allegedly include an allocation for staffing costs advanced

Submitted by Margaret Martini (2 pages) – IVGID December 12, 2018 Board of Trustees Meeting Public Comment By: Margaret Martini – To be included with the Minutes of the Meeting

Here on behalf of the Mountain Niners Golf Club.

I appreciate being included in the focus group for the remodel of the Mountain Course club house. Thank you.

Our club enjoyed 108 members last year, our <sup>3rd</sup>~~4th~~ year in a row of 100 plus members. Previously, 2012 = 68 members, 2015 = 81. You can clearly see the steady growth.

We play the course an average of 900 9-hole games in 3 months. About 10-15% of our members go on to play 18 on our designated play days. I'd guess at least half of our members or more play on non-designated days in addition.

Projected increase for 2019 – 950+ rounds

We hold 2 tournament events, hosting a minimum of 54 golfers for the past 2 years and a minimum of 2 golf education classes (approx. 35-45 attendees) each summer.

We have catered lunch from the Chateau after our tournaments, if we're able to accommodate our players in the space the club house provides. Our educational sessions are scheduled after morning play, therefore including lunch. We'd like to be able to host other events at the club house, such as happy hours, potlucks and the like if we're able to accommodate the number of people.

The Mountain Niners call this course our home. We spend a lot of time here in monthly board meetings, golfing, cocktailing after golf and hosting tournaments. We truly appreciate being asked to participate in the development of the updated club house.

Thank you.

Elyse Gut  
12-12-18

IVGID Trustee Board Meeting Public Comment, Wednesday December 12, 2018

Good Evening, My name is Harry Swenson, I have been coming to Incline Village since the early 70s, my wife and I were fortunate enough to purchase our home here in 2012 and I moved here as a full-time resident in 2014 after retiring from NASA with 32 years of Government Service as a Scientist and Senior Manager.

I come before the board to highlight what appears to be a pattern of arbitrary and capricious burdens placed on a new and successful business in Incline Village known as Brewforia by the North Lake Tahoe Fire Marshal Mark Reagan and Washoe County. I am concerned that this type of heavy handed harassment will limit the success of our Incline Village community.

Brewforia is a new restaurant, tavern and beer store that was brought to Incline Village from Boise Idaho by its owners Rick and Tatiana. In its short tenure here, they have been awarded for their unique flavors and approach to business as well as being a generous contributor to Community Organizations in spite of a continuous pattern of Government harassment, originally by Mark Reagan and later by other Washoe County offices due to complaints by Mark Reagan.

I was one of Rick and Tatiana's first customers and a regular since they opened. I have been shocked and dismayed by what appears as unreasonable and continuous harassment by our local Government, in a way that looks like a cat playing with a mouse! Due to the interest of time I cannot detail the 100s of incidents that defies logic. I will only highlight a recent and very and disturbing incident.

Recently Rick and Tatiana invested \$15,000 in a portable smoker, very similar to the one in the back of the Chateau. They did this since Mark Reagan has said he will not approve any enhancements to their currently inadequate cooking facilities. They operated it for a few weeks until Mr. Reagan called and complained to the county planning offices, who closed the smoker down. Rick and Tatiana had committed to donate 25 smoked turkeys for the Kings Beach Community Center's Thanksgiving Celebration while the smoker was in operation. Luckily they were able to get temporary approval two days before the event, to use the smoker. They started smoking the turkeys on Wednesday morning. 30 minutes after they started cooking, a Washoe County Code enforcement official came and ordered them to stop. He did not seem to care that they were doing it for charity.

I joined Rick and Tatiana at a meeting on December 3<sup>rd</sup> set up by Sarah Tone in the Washoe County offices in Reno, ostensibly to define a path forward. After 1 and ½ hours of government speak by county officials such as Bob Webb and I believe Eva Krause along with several others, neither I nor Rick or Tatiana could discern a path forward to the multiple created issues. Sarah Tone promised to get them in writing a path forward within the week, it has now been 10 days since the meeting and no written guidance.

Rick and Tatiana have been so frustrated by this never ending nightmare. I worry they will give up on our community which would be a significant loss. The board should look into this issue as an example of poor governance by Washoe County and determine if this is pervasive. IVGID should act as a business liaison to assist and encourage good business like Brewforia to stay and flourish in Incline Village.

Thank you for your attention.

When one lies and one's veracity is challenged, often times, one will lie again to cover the first lie. And then again, and again, and before you know, one has created a web of lies.

And this behavior describes two esteemed persons seated at the dias; Trustee Horan and GM Pinkerton.

Let's start with Trustee Horan – I used to have so much respect for you. But now I see you for who you really are. You and your wife were not truthful when you the two of you told your two Cristina refinance lenders that you would occupy that property as your principal residence until July of 2019. Then you and your wife were not truthful when the two of you told your Cardigan Bay Lane lender that you would simultaneously occupy that property as your principal residence. Then when the two of you put your Cristina home up for sale a scant two days after closing on your two Cristina refinances, you were not truthful when you instructed your agent to tell other agents you and your wife were living “full time (t)here.” Then when you got caught because some of us have been monitoring your occupancy of Christina, you were not truthful again suggesting you have the option to choose which property is your principal residence notwithstanding you almost never sleep at Christina. And now by refusing to resign because you are not qualified to serve as IVGID Trustee and you really don't care about the rest of us you've left behind, you're engaged in a number of activities which demonstrate a consciousness of guilty. And you know I speak the truth. Justice is coming.

Let's go to GM Pinkerton – Joe Wolfe had you pegged right from the start; sleazier than a used car salesman. You've come up with this CIP discussion which allegedly explains what the missing \$788,137 was spent on. You were not truthful because the initial representation was that it paid for pond lining when it wasn't. Then you were not truthful again when you stated it paid for phase II of the effluent pipeline project when it did not. Now you are not truthful again because none of the expenditures you outline have anything to do with the effluent pipeline project or pond lining. And finally, you are not truthful again by stating that \$272,500 represents allocated staffing costs when our public records officer has stated staff does not keep track of any of the hours it expends on a particular program or project meaning never is there an allocation.

It's just one truth after another insofar as everything you people do. And if the public doesn't see this as clearly as many of us do, then shame on you. You're paying for it.

*Submitted by Mike Abel*

**Many Incline/CB residents are concerned about IVGID's compliance with NRS requirements for residency particularly as it applies to Trustee Phil Horan**

Nevada statute says say Mr. Horan must be a "qualified elector." 18 years of age, who has *continuously resided* in...the precinct ~~40 days next preceding the day of the next succeeding...General election~~. Phil Horan has physically absented himself from Incline Village apparently with no intent to maintain residency here.

In July – Mr Horan purchased a home at 9805 Cardigan Bay Lane in Reno. He purchased this home with an apparently conforming loan that demanded that he:

1. Occupy the house as his principal residence within 60 days
2. Maintain that home as his personal residence for one year.
3. Over 60 days have elapsed since the July 31, 2018 purchase date
4. It is my feeling and that of many in our community that, the Horans are living at the Cardigan Bay house as their sole principal residence.
5. While electioneering during October and November, I passed by and knocked on the door of the Cristina home. It appeared unoccupied with old papers on the ground. There was one or two campaign signs on the property and a Coldwell Banker "for sale" sign. There were no vehicles parked in the driveway. Presumably because the Horans are living in their Cardigan Bay Lane principal residence.
6. The facts of Mr. Horan's non-residency go on, but I do not want to belabor the points made here in my 3 minutes.

Bill Devine was faced with a similar position to Mr. Horan a few years ago, and as a non-resident, he with great propriety, resigned his position and terminated his \$750 per month stipend.

I guess that I am asking you now. What is true. The loan documents that you signed under oath in order to get a "Principal residence" discount on the Cardigan Bay house. Your apparent occupancy of that house, or some other condition that may exist that would validate your status as a Incline resident and Trustee. I personally believe that you are not qualified to be sitting in your chair tonight, and I also feel that any votes taken by you tonight may not be valid under the laws of the State of Nevada. Perhaps you should consult with Mr. Guinasso on this matter.

I suggest that the proper thing is to resign your position right here and now so that the people in this community know that they are and will be represented properly by IV/CB residents as opposed to a Reno resident.

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
DECEMBER 12, 2018 REGULAR IVGID BOARD MEETING – AGENDA ITEM  
C – PUBLIC COMMENTS – STAFF’S REFUSAL TO FOLLOW IVGID POLICY  
OF AGENDIZING WRITTEN CORRESPONDENCE TO THE BOARD, AND  
INCLUDING THAT CORRESPONDENCE IN THE PACKETS OF MAT-  
ERIALS PREPARED IN ANTICIPATION OF PUBLIC MEETINGS**

**Introduction:** Since the first of this (2018) year, unelected staff with the full cooperation of Chairperson Wong, have begun censoring written correspondence from the public addressed to the IVGID Board from the packets of materials they prepare in anticipation of public Board meetings. And now staff and the Board’s chairperson have taken this censorship to a new level. *They’ve omitted correspondence to the Board from the agenda altogether!* That’s right. I have attached a portion of the agenda for this meeting as Exhibit “A” to this written statement. That is, the portion where “correspondence” to the Board would normally be agendized (between agenda items “J” and “K.” As the reader can see, “correspondence” has now been omitted altogether. *When did the Board vote to eliminate correspondence from the public as an agenda item?*

What's most bothersome, besides the disingenuous effort at censorship, is that: this behavior violates Board policy, it comes after two prior unsuccessful attempts to change that policy, and it comes after explicit instructions against future censorship from at least two Board members. In other words, another example of staff arrogance and the "IVGID Culture"<sup>1</sup> which permeates everything staff does. Since staff have excluded public correspondence from board packets, the only way that correspondence can be legally compelled to include it, is by making that correspondence part of written statements submitted for inclusion in the minutes of Board meetings. And that's the purpose of this written statement.

**Why Do I Continue to Submit Written Statements on Matters Such as These?** Because there are *REAL* problems here in Incline Village/Crystal Bay which are regularly hidden by staffs' deceit, misrepresentation(s), misuse of the vehicles of public communication, and outright propaganda; what staff mislabel "transparency." Every one of my written statements attempts to identify one or more of these problems. And every one includes a detailed discussion about the problem(s), how we got there, and what I view is required to remedy them. And here I provide yet another example.

Board members can stick their collective heads in the sand and deny there are problems (because you can "bring a horse to water, but you can't make him drink"). Or they can defer to the biased responses by a less than forthright staff and attorney *who are part of the problem*. Or they can look for ways to attack and marginalize critics like me who are nothing more than messengers, making us the focus of attention rather than the issues we have identified. Regardless, at the end of the day each of you should be asking yourself:

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<sup>1</sup> A culture where unelected staff care more about themselves, their public employee colleagues, and their "favored collaborators," than the Board and the public they were purportedly hired to serve.



1. How much of the nearly \$7 Million in annual *losses*<sup>2</sup> this and past Boards have racked up, and continue to rack up year-after-year, *have we messengers incurred?*

2. How much bonded indebtedness, which gets involuntarily repaid with our children's and grandchildren's Beach ("BFF") and/or Recreation ("RFF") Facility Fees, in addition to excessive public utility rates, tolls and charges<sup>3</sup>, *have we messengers incurred?*

3. How much pressure have we messengers placed on perpetuating and inevitably increasing the RFF/BFF?

4. And how much *free* recreation and other public privileges *have we messengers taken or given away to others at local property owners' expense?*

When each of you answers these questions, hopefully, you the Board will understand that *we messengers are not the problem. You Board members are* because there is no accountability nor consequence!

**Since the First of This Year Unelected IVGID Staff Have Quietly Omitted Essentially All Written Correspondence From the Public to the Board in the Packets of Material They Prepare in Anticipation of Public Board Meetings:** Since the first of this year there have been sixteen (16) Board meetings. Of those sixteen (16), fourteen (14) of the packets of materials prepared in anticipation, including the packet for this December 12, 2018 meeting<sup>4</sup>, have included no correspondence whatsoever from the public. One packet included a single piece of correspondence from a member of the public who asked her statement either be attached to the minutes of a meeting, or in a future Board packet under "correspondence." Staff elected to include it as correspondence rather than attaching it to the minutes of a meeting. And one packet included what appears to be a normal amount of correspondence. But other than these two examples, there has been nothing.

To prove my point let's go to the board packets for the Board's: January 10, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_1-10-2018.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-10-2018.pdf)), February 21, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_2-21-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_2-21-18.pdf)), March 31, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Special\\_3-13-](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Special_3-13-)

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<sup>2</sup> On several previous occasions I have documented that: the Recreation Facility Fee ("RFF") represents the difference (aka the "subsidy") between revenues and expenses unilaterally assigned by staff to "recreation," and the Beach Facility Fee ("BFF") represents the same insofar as revenues and expenses unilaterally assigned to the "beaches."

<sup>3</sup> Such as the 10% "franchise fee" IVGID imposes on Waste-Management ("W-M") [see ¶12.1 of the solid waste franchise agreement ([https://www.yourtahoeplace.com/uploads/pdf-public-works/2016-10-01\\_Waste\\_Management\\_Franchise\\_Agreement\\_no\\_Exhibit\\_B.pdf](https://www.yourtahoeplace.com/uploads/pdf-public-works/2016-10-01_Waste_Management_Franchise_Agreement_no_Exhibit_B.pdf))] which W-M passes onto each trash customer [see ¶11.2 of the trash franchise {WM's "rates...shall be adjusted (whenever)...the District increase(s)...changes...or adds...new services that result in...cost...increase(s)...to"} W-M].

<sup>4</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_12-12-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-12-18.pdf).

2018.pdf), April 11, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_4-11-2018.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-11-2018.pdf)), April 25, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_4-25-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-25-18.pdf)), May 9, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-9-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-9-18.pdf)), June 13, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_6-13-2018.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-13-2018.pdf)), July 24, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_7-24-2018.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_7-24-2018.pdf)), August 27, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_8-27-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_8-27-18.pdf)), and September 26, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular9-26-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular9-26-18.pdf)) meetings. Although you will see where "correspondence" has been agendized for *all ten* of these meetings, the correspondence itself has been omitted entirely from those packets.

Next Let's go to the board packet for the Board's regular January 24, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_1-24-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_1-24-18.pdf)) and May 23, 2018 [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-23-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-23-18.pdf)) meetings. Although "Correspondence Received by the District" was agendized, you will see where *none* was included in either board packet.

Next, let's go to the board packet for the Board's March 28, 2018 meeting ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_3-28-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-28-18.pdf)). There you will see that only a single page of correspondence was included because Margaret Martini asked her written remarks either be attached to the minutes of the meeting or included as correspondence for a future meeting. In order to "cleanse" the minutes since they are public records<sup>5</sup> and as such must be retained perpetually<sup>6</sup>, Ms. Herron chose to include it as the latter.

Next, let's go to the board packet for the Board's November 13, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_11-13-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_11-13-18.pdf)) and December 12, 2018<sup>4</sup> meetings. There you will see where both the agenda reference to "correspondence" as well as the correspondence itself, have been omitted from these two board packets.

Finally, let's go to the board packet for the Board's regular February 7, 2018 meeting ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Agenda\\_Regular\\_2-7-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Agenda_Regular_2-7-18.pdf)). There you will see that correspondence was included from a number of persons, at pages 190-216.

Summarizing then, there has been no correspondence from the public included in the packets for *any* public Board meeting taking place within at least the last ten months!

**Notwithstanding, the Board Has and For Some Number of Years Has Had a Policy Which Requires Written Correspondence From the Public to Be Included in All of its Board Packets: Since**

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<sup>5</sup> See NRS 241.035(2).

<sup>6</sup> Because "minutes shall be deemed to have permanent value (they) must be retained by the public body for at least 5 years. Thereafter, the(y)...may be transferred for archival preservation."

April 14, 1999 written correspondence addressed to the IVGID Board from members of the public have not only been the subject of a separate Board meeting agenda item, copies of that correspondence have been included in the packets of materials prepared by staff in anticipation thereof<sup>7</sup>. The District has adopted handbooks for its employees as well as its Trustees<sup>8</sup> which speak to its policies. And insofar as correspondence is concerned, let me quote from page 12 of the Trustee "member handbook:"

"Correspondence is *included in the Board packet* if it is received in time for its inclusion. Correspondence received after production of the Board packet is verbally noted as received and *then included in the following Board packet.*"

**On April 25, 2018 Staff Disingenuously Recruited Trustee Horan to Do Their Bidding Insofar as Modifying the Board's Written Correspondence Policy to Omit Communications From the Public:** Unelected staff used Trustee Horan as a tool (the way they use Chairperson Wong and Trustee Morris for similar purposes) to adopt a correspondence policy which differed markedly from the current policy<sup>9</sup>. Under staff's version of "transparency," a policy was proposed whereby:

"2. The District Clerk (i.e., Susan Herron) w(ould)...no (longer)...include...correspondence (from)...members of the public...within the Board packet or successive ones;" and,

"5. If a member of the public (wa)s unable to attend a Board meeting<sup>10</sup>, to...submit their comments...in writing, (although) they are welcome to transmit their comments...via e-mail to the Board...the(ir) transmittals w(ould) be treated as Correspondence." In other words, since "correspondence (from)...members of the public...w(ould)...no (longer be)...include(d)...within the Board packet or successive ones," *neither would* comments submitted by members of the public who requested their comments to be attached to the minutes of those meetings yet were unable to

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<sup>7</sup> See page 104 of the packet of materials prepared by staff in anticipation of the Board's regular April 25, 2018 Board meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_4-25-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-25-18.pdf) ("the 4/25/2018 Board Packet")].

<sup>8</sup> The Trustee's "member handbook" can be viewed at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Handbook\\_working\\_handbook.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Handbook_working_handbook.pdf).

<sup>9</sup> See pages 103-104 of the packet of materials prepared by staff in anticipation of the Board's regular April 25, 2018 meeting ["the 4/25/2018 Board packet" ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_4-25-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_4-25-18.pdf))].

<sup>10</sup> Remember, according to staff, some two-thirds (2/3) of local property owners are absentee vacation and/or second homeowners. In other words, they do not reside in Incline Village or Crystal Bay and therefore likely cannot physically attend more than one or two Board meetings/year at best.

attend Board meetings. Given the Board chose not to modify the current policy, Trustee Horan's efforts were tabled and as a result, no action was taken<sup>11</sup>.

**The Subject Came Up Again at the Board's May 9, 2018 Meeting:** When staff again omitted written correspondence to the Board from the public in the packet of materials prepared in anticipation of that Board meeting. As a result, listen to the colloquy between Trustees Dent, Callicrate and GM Pinkerton<sup>12</sup>:

Trustee Dent: "General Manager Pinkerton, the last couple of board packets haven't included correspondence received, and this one doesn't either...It was my understanding we weren't making any changes (i.e., including written correspondence to the board in the board packet).

GM Pinkerton: That's right. We're not making any changes to the correspondence.

Trustee Dent: So we haven't received any correspondence over the last couple of months? They haven't been in the board packet.

GM Pinkerton: We have, have been including *pertinent correspondence*...I think we're comfortable that any correspondence that hasn't already been communicated to the board and is not in any way, we think derogatory in manner or exposing the district, we've included that correspondence<sup>13</sup>. And we will continue to include that correspondence...The clerk (Susan Herron), myself and legal counsel always review correspondence and determine whether things are appropriate to be included in correspondence.

Trustee Dent: So we're filtering our correspondence rather than just including all the correspondence? We're filtering based upon whether we like or don't like the comments?"

Now listen to Trustee Callicrate's comments on this subject:

Trustee Callicrate: "As I recall, the Board never decided to *not* include the correspondence in our packets. It was brought up (on April 25, 2018) by Vice-Chairman Horan, and the Board decided that we didn't want to take action. So that (agenda item) was pulled...The Board makes the final decision what's going to go in the packet and not go in the packet. And defamatory or not...*these are*

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<sup>11</sup> See page 13 of the minutes of that meeting which appears at page 187 of the packet of materials prepared by staff in anticipation of the Board's regular May 23, 2018 meeting ["the 5/23/2018 Board packet" ([https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-23-18.pdf](https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-23-18.pdf))].

<sup>12</sup> See 3:28:48-3:33:25 of the May 9, 2018 livestream of this meeting (<https://livestream.com/IVGID/events/8198653/videos/174618053>).

<sup>13</sup> This is an untrue statement Mr. Pinkerton. Given the review of all past Board meetings prior to May 9, 2018 given herein, the reader can see for him/herself that when Mr. Pinkerton states staff "*has* been including pertinent correspondence" in board packets, either nothing in his opinion has been "pertinent," or he speaks with forked tongue.

*public records which should be included since we have a correspondence section (on our agendas)... What we receive as an e-mail (or otherwise) is public information. And it should be included in here...I don't think that it's up to us to be filtering or removing or leaving out (any) information. I would vehemently disagree about removing correspondence from our packet. It's inflammatory, it can be defamatory, it can rake each one of us over the coals umpteen days to Sunday. But that's part of being a public body...This just to me this sends a chilling effect and once again opens us up to perception is reality. That we're trying to hide something...filter it...I don't agree with that at all."*

Given the foregoing, one would have expected written correspondence from the public to be included in the board packets for the Board's May 23, 2018, June 13, 2018, July 25, 2018, August 27, 2018, September 26, 2018, November 13, 2018 and December 12, 2018 meetings. But if so, one would be sadly mistaken!

**Since Unelected Staff Have Omitted Written Correspondence to the Board Since its July 25, 2018 Meeting, Attached to This Written Statement For Inclusion in the Minutes of This Meeting is a Series of Correspondence Between Susan Herron and Me I Sent to Chairperson Wong and the Board:** commencing December 4, 2018. Here the reader can see where I asked the Board to take some action to compel Susan Herron to provide access to requested public records within the statutory [NRS 239.0107(1)] five business day time period. And not that I had to ask that my e-mails be included in the packet of materials prepared in anticipation of the Board's upcoming meeting, I have placed an asterisk next to the portions where I expressly made the request. Since my requests were ignored and this e-mail string has been omitted from the Board packet for this meeting, a copy is attached as Exhibit "B" to this written statement.

**So the Board and the Public Understand the Importance of My Public Records Requests,** I have attached the 2017 and 2018 Project Summaries for the Effluent Export Line – Phase II project #2524SS1010 ("the project") as Exhibit "C" to this written statement. I have placed an asterisk next to the 2018 "modification" which now adds lining to the wastewater storage pond; this is the modification which was never presented to nor approved by the Board.

So why should the Board and the public care? Because here this modification took place in order to justify staffs' expenditure of \$788,137 they unilaterally assigned to wastewater storage pond lining and asserted was part of the project, when in reality, it really was not<sup>14</sup>. Additionally, lest not the Board and the public forget that *none* of this \$788,137 was actually spent on wastewater storage pond lining.

**Conclusion:** Maybe most residents don't care about how IVGID staff repeatedly conceal public records. Maybe they don't care about how the IVGID Board does nothing whenever its members are

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<sup>14</sup> I have submitted another written statement to be attached to the minutes of this meeting [captioned "Staff's Misstatement re Expenditures on Capital Improvement Projects Which Allegedly Include an Allocation For Staffing Costs Advanced" (which is incorporated herein)] where I have provided evidence that *none* of this \$788,137 was spent on waste-water pond lining.

put on notice of inappropriate staff action, such as the action the subject of this written statement. But maybe some do care because they are treated similarly, and don't realize they are not alone because staff have chosen to censor the truth from public purview. That's one of the wrongs with staff censorship.

There's a second wrong insofar as censoring written correspondence to the board is concerned. And that's staffs' proclivity to protect staff who are more committed to themselves, their colleagues, and selected "favored collaborators" than the local residents and property owners they were hired to serve<sup>1</sup>. Especially in an election year, members of the public are interested in learning how fellow citizens' requests to the Board for relief are consistently ignored by our Board Chairperson who together with GM Pinkerton, control the agenda and thus the "gateway" to possible Board action.

There's a third wrong insofar as censoring written correspondence to the board is concerned. And that's the public's ability to evaluate the accuracy and sincerity of Chairperson Wong's campaign pledges in an election year. After all, if some members of the public are able to share evidence that Ms. Wong "speaks with forked tongue," others may conclude she is not worthy of continuing as a Board trustee<sup>15</sup>. But by censoring the public's view of such correspondence, it is deprived of this knowledge. And that means Ms. Wong was not fairly re-elected as a Board trustee. And if you think about it, what we really have here is further evidence of staff's discriminatory application of public communication via board packets intended to assist their favored son (here Kendra Wong) in her bid for reelection.

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

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<sup>15</sup> In other words, "consistency matters."



**EXHIBIT "A"**



# NOTICE OF MEETING

Agenda for the Board Meeting of December 12, 2018 - Page 3

6. Review, Discuss, Comment, and Possibly Adopt a Popular Report format (2018 Board Work Plan, Financial Report) (Requesting Staff Member: Director of Finance Gerry Eick)
  7. Review, discuss and possibly approve entering into a professional services contract with Tri-Strategies, Ltd. for Legislative Advocacy Services beginning December 13, 2018 and ending June 30, 2018 in the amount of \$30,000 (Requesting Staff Member: General Manager Steve Pinkerton)
  8. Review, discuss and possibly approve process for reviewing the proposed IVGID Code (Requesting Trustee: Chairwoman Kendra Wong)
  9. Nomination of a Board Member to possibly represent General Improvement Districts to the Washoe County Debt Management Commission (Requesting Trustee: Chairwoman Kendra Wong)
  10. Review, discuss and possibly take action on Board's Work Plan: Set a date to reassess priorities (Requesting Trustee: Chairwoman Kendra Wong)
  11. Review and discuss CIP and Debt Service Expenditures for the Fiscal Year Ending June 30, 2018 (Requesting Trustee: Chairwoman Kendra Wong)
  12. Election of Board Officers for 2019 (January 1, 2019 through December 31, 2019)
- G. DISTRICT STAFF UPDATE *(for possible action)*
1. General Manager Steve Pinkerton
- H. APPROVAL OF MINUTES *(for possible action)*
1. Regular Meeting of November 13, 2018
- I. REPORTS TO THE IVGID BOARD OF TRUSTEES\*
1. District General Counsel Jason Guinasso
- J. BOARD OF TRUSTEES UPDATE **(NO DISCUSSION OR ACTION)** ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA\*

Location for  
correspondence



# NOTICE OF MEETING

Agenda for the Board Meeting of December 12, 2018 - Page 4

- K. 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.
- L. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR *(for possible action)*
- M. ADJOURNMENT *(for possible action)*

### CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, December 7, 2018 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of December 12, 2018) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley's Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID's Recreation Center
7. The Chateau at Incline Village

/s/ Susan A. Herron, CMC

Susan A. Herron, CMC

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

**Board of Trustees:** Kendra Wong, Chairwoman, Tim Callicrate, Peter Morris, Phil Horan, and Matthew Dent.

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

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

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

**EXHIBIT "B"**

## RE: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010 - Follow Up - You Still Have Not Made Available for Examination the Requested Records, or Alternatively, Stated They Do Not Exist

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Herron Susan  
**Cc:** "Wong,Kendra" <Kendra\_Wong@ivgid.org>, "Horan,Phil" <Horan\_Trustee@ivgid.org>, Tim Callicrate <tim\_callicrate2@ivgid.org>, Matthew Dent <dent\_trustee@ivgid.org>, Peter Morris <Peter\_Morris@ivgid.org>  
**Subject:** RE: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010 - Follow Up - You Still Have Not Made Available for Examination the Requested Records, or Alternatively, Stated They Do Not Exist  
**Date:** Dec 6, 2018 10:52 AM

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Thank you Ms. Herron -

But your response is non-responsive and deceitful.

Let's review:

My records request asked to examine records evidencing:

1. Where and when the proposed "draft" project summary you have provided was presented to the Board for its consideration and approval; and,
2. Where and when that proposed project summary "draft" was actually approved by the Board.

You have provided neither.

Instead you have attached excerpts from the written minutes of the Board's May 24, 2017 meeting where the 2017-18 budget was approved, and you have referred me to two other Board meetings (March 23, 2017 and April 12, 2017) where the subject project summary was allegedly presented to the Board and approved.

So instead of simply reporting that no public records exist which respond to my inquiry, you have attempted to make it sound like the subject project summary was in fact presented to the Board and approved when it was not.

And since you continue to respond to record requests with answers to interrogatories rather than making the requested records available for the requester's examination, I will respond to them (in red) below so the Board can clearly see how staff has unilaterally altered a project summary without first obtaining Board approval.

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

**From:** "Herron, Susan"  
**Sent:** Dec 6, 2018 9:10 AM  
**To:** "s4s@ix.netcom.com"  
**Cc:** "Wong, Kendra" , "Horan, Phil" , Tim Callicrate , Matthew Dent , Peter Morris  
**Subject:** RE: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010 - Follow Up

Dear Mr. Katz,

This e-mail shall serve as IVGID's response to your records request of December 4, 2018 which reads as follows:

So as a follow up records request, I would like to examine records which evidence:

Where and when the proposed "draft" project summary you have provided was presented to the Board for its consideration and approval; and,  
 Where and when that proposed "draft" was actually approved by the Board.

The IVGID Board of Trustees were presented with a draft 5-year Capital Budget Summary on 3/23/2017,

A) This item was agenda item E(9). It was a CIP report review. Nowhere was the subject project summary included in the Board packet for this meeting. Moreover, nowhere was there a discussion that phase II of the effluent pipeline project ("the project") would be modified to include wastewater storage pond lining. In fact, nowhere was it discussed that a portion of the \$2M annually which is supposedly being accumulated for eventual construction of the project be diverted to other CIPs, including pond lining. Am I wrong? If so please correct me by pointing to the records which demonstrate otherwise.

which was carried over to 4/12/2017,

A) There was no "carry over" to April 12, 2017. There was a Board meeting on April 13, 2017 and agenda item E(1) involved the 2017-18 CIP budget. And again, nowhere was the subject project summary included in the Board packet for this meeting. Moreover, nowhere was there a discussion that phase II of the project be modified to include wastewater storage pond lining. Although staff did present a proposed CIP which indicated a portion (\$1M) of the \$2M annually which is supposedly being accumulated for eventual construction of the project be diverted to other CIPs, NONE of those other CIPs included pond lining. Am I wrong? If so please correct me by pointing to the records which demonstrate otherwise.

and then presented to them again on 5/24/2017 for adoption.

A) Agenda item H(2) involved final approval of the 2017-18 budget including the CIP budget. Again, nowhere was the subject project summary included in the Board packet for this meeting. Moreover, nowhere was there a discussion that phase II of the project be modified to include wastewater storage pond lining. Am I wrong? If so please correct me by pointing to the records which demonstrate otherwise.

It was approved and an excerpt of those minutes of meeting are attached as the response to your request (specifically Item H.2.).

A) Let's look at that excerpt. Although there is quite a bit of discussion concerning transferring monies to the Community Services Special Revenue CIP fund in anticipation of the Parasol Bldg. purchase, where does it reflect that the Board modify the subject project summary to include wastewater storage pond lining? The answer is NOWHERE!

So what we have here is another example of deceitful staff who modify public records to reflect action they have taken or want to take WITHOUT Board approval to make it look to the casual outsider that everything they have done is "on the up and up," when in reality, it isn't.

And the purpose of my records request was to discover when the Board approved a modification of the project to include a task NEVER before included within that project. After all, rate payers are supposedly funding reserves for a CIP that does not include wastewater pond lining. If it's acceptable to keep adding on projects to an approved project, which ends up extending the number of years rate payers will be accumulating reserves, these increases in sewer rates will become permanent because staff will always be able to concoct some new project to get added on to a former/existing project.

And as we have seen, staff subsequently reported the expenditure of approximately \$788K on pond lining, then justifying their expenditure as part of the project based upon a modified project summary that up to that date had never been approved by the Board.

And then to add insult to injury, we have seen that no pond lining whatsoever was installed. In other words, this \$788K was spent on something else. In other words something else NEITHER included in the former project summary nor the subject one which has been unilaterally modified by staff.


Therefore finalizing Ms. Herron, NRS 239.1017 requires you to either make request records available for examination, or to respond that none exist. So either provide for my examination the requested records (which to



date you have not), or simply respond they do not exist.

And if they do not exist, then the question for the Board is how a former approved CIP project can become modified without express Board approval?

This completes your records request in its entirety.

And please include this latest string of e-mails to what I am asking you to include in the IVGID Board's next board packet. 

Thank you for your cooperation. Aaron Katz

**Susan A. Herron, CMC**

Executive Assistant/District Clerk/Public Records Officer  
 Incline Village General Improvement District  
 893 Southwood Boulevard, Incline Village, NV 89451  
 P: 775-832-1207  
 F: 775-832-1122  
 M: 775-846-6158  
 sah@ivgid.org  
 http://ivgid.org

**From:** s4s@ix.netcom.com <s4s@ix.netcom.com>

**Sent:** Tuesday, December 04, 2018 1:55 PM

**To:** Herron, Susan <Susan\_Herron@ivgid.org>

**Cc:** Wong, Kendra <Kendra\_Wong@ivgid.org>; Horan, Phil <Horan\_Trustee@ivgid.org>; Tim Callicrate <tim\_callicrate2@ivgid.org>; Matthew Dent <dent\_trustee@ivgid.org>; Peter Morris <Peter\_Morris@ivgid.org>

**Subject:** RE: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010 - Follow Up

For the record, Ms. Herron, my records request was NOT dated December 4, 2018 (today). You know this don't you (if not, look at the date and time on my original request which is replicated below)?

My request was November 21, 2018.

And if I didn't have to spend my time following up a second time, I am certain that the time that elapsed from my initial request to your making available for examination, would have been a whole lot longer than it has been.

And the lack of joy is mine. What joy do you think I or any other member of the public experiences in having to unnecessarily follow up with you on something which should have been professionally addressed some time ago?


Maybe as a New Year's resolution suggestion, how about you commit to strictly complying with Nevada's Public Records request? That would be a welcome change.

The project summary you have provided is dated March 10, 2017. It is noted as being a "draft" summary. I have gone back to the board packets for the March 23, 2017 meeting where staff presented a CIP budget review; the April 13, 2017 meeting where the tentative budget was approved; the May 24, 2017 meeting where the final budget was approved, and the final 2017-18 budget which staff have placed on the District's web site. NOWHERE therein do I see the subject project summary. Nor do I see any project summaries for any of the CIP projects approved for 2017-18.

So as a follow up records request, I would like to examine records which evidence:

Where and when the proposed "draft" project summary you have provided was presented to the Board for its consideration and approval; and,  
 Where and when that proposed "draft" was actually approved by the Board.

Please make the requested records available for my examination within the five business days provided by statute.

And please include this latest string of e-mails to what I am asking you to include in the IVGID Board's next board packet. 

Thank you for your cooperation. Aaron Katz

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

From: "Herron, Susan"

Sent: Dec 4, 2018 11:51 AM

To: "[s4s@ix.netcom.com](mailto:s4s@ix.netcom.com)"

Cc: "Wong, Kendra", "Horan, Phil", Tim Callicrate, Matthew Dent, Peter Morris

Subject: RE: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010 - Follow Up

Dear Mr. Katz,

Always a joy to hear from you; this e-mail is IVGID's response to your records request of December 4, 2018 which reads as follows:

2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010

This completes your records request in its entirety.

**Susan A. Herron, CMC**

Executive Assistant/District Clerk/Public Records Officer

Incline Village General Improvement District

893 Southwood Boulevard, Incline Village, NV 89451

P: 775-832-1207

F: 775-832-1122

M: 775-846-6158

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

<http://ivgid.org>

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

**Sent:** Tuesday, December 04, 2018 11:24 AM

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

**Cc:** Wong, Kendra <[Kendra\\_Wong@ivgid.org](mailto:Kendra_Wong@ivgid.org)>; Horan, Phil <[Horan\\_Trustee@ivgid.org](mailto:Horan_Trustee@ivgid.org)>; Tim Callicrate <[tim\\_callicrate2@ivgid.org](mailto:tim_callicrate2@ivgid.org)>; Matthew Dent <[dent\\_trustee@ivgid.org](mailto:dent_trustee@ivgid.org)>; Peter Morris <[Peter\\_Morris@ivgid.org](mailto:Peter_Morris@ivgid.org)>

**Subject:** Re: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010 - Follow Up

Hello Ms. Herron -

Did you not receive the records request below?

If so, why haven't you responded?

You know the PRA requires a response within 5 business days of a request. Its now been nine (9) business days and not a peep.

And this is supposed to be acceptable? And for a public employee being paid nearly \$100K/year is salary plus benefits?

I don't want to hear an apology. And I don't want to here that you need more time to alter existing records to comport with my request.

I want to hear that the requested public record is available NOW and if need be, I can come by your offices before noon today to examine it.

Is that possible?

Anticipating your response, I am forwarding a copy of this e-mail string to the Board. And I am asking they agenda a business item that deals with the professionalism within which you fulfill your duties as IVGID's

Public Records Officer, and what consequences there are for the failure to fulfill those duties in a professional manner.

And I am asking you include this e-mail string in the next Board packet because if you don't, I will in a separate written statement. I want the public and the Board to see the professionalism and conscientiousness within which staff administers its public duties.



Thank you for your cooperation. Aaron Katz

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

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

>Sent: Nov 21, 2018 4:36 PM

>To: Herron Susan

>Subject: Records Request - 2018 Project Summary for the Effluent Pipeline Phase II Project No. 2524SS1010

>

>Hello Ms. Herron -

>

>Another records request.

>

>I would like to examine the record identified in the subject line above.

>

>I have copies of the 2017 and 2019 project summaries. For some reason I don't have 2018. It was not made a part of 2018's operational or capital budgets - at least not the versions I have.

>

>Thank you for your cooperation. Aaron Katz

**EXHIBIT "C"**



## Project Summary

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

<b>Project Description</b>	<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.</p> <p>The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.</p>
<b>Project Internal Staff</b>	<p>The Engineering Department will manage all phases of this project.</p>
<b>Project Justification</b>	<p>The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin.</p> <p>The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.</p>

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<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
<b>2017</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
<b>2018</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
<b>2019</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
<b>2020</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
<b>2021</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
<b>2022</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
<b>2023</b>				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
	<b>14,000,000</b>	<b>0</b>	<b>14,000,000</b>	
<b>Year Identified</b>	<b>Start Date</b>	<b>Project Partner</b>	<b>Manager</b>	<b>Est. Completion Date</b>
2012			Director of Asset Management	





### Project Summary

Project Number:	2524SS1010	
Title:	Effluent Export Line - Phase II	
Asset Class:		
Division:	24 - Transmission	
Budget Year:	2018 ★	
Scenario Name:	Main	Active: Yes
Budget Status:	Data Entry	
Locations:		
Project Something:	SS - Sewer System	

<b>Project Description</b>
<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.</p> <p>The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.</p> <p>The wastewater treatment plant operates two large pond/basins for emergency storage. The primary pond is the Upper Pond located directly south of the Wastewater Treatment Plant (WWTP). This man made basin is capable of holding approximately 2.8-million gallons. It is primarily used to store treated effluent during emergency periods when the effluent export system has been shut down for an extended period. The Nevada Division of Environmental Protection requires a lining of the upper Pond, that work will be covered under the Phase II.</p>
<b>Project Internal Staff</b>
The Engineering Department will manage all phases of this project.
<b>Project Justification</b>
<p>The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin. Phase 2 will also include upper pond improvements to meet NDEP regulations for storage of effluent.</p> <p>The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.</p>

<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	
<b>2018</b>				
Internal Services	100,000	0	100,000	
Pond Lining Costs	900,000	0	900,000	
Year Total	1,000,000	0	1,000,000	
<b>2019</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2020</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2021</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2022</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2023</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
	11,000,000	0	11,000,000	
<b>Year Identified</b>	<b>Start Date</b>	<b>Project Partner</b>	<b>Manager</b>	<b>Est. Completion Date</b>
2012			Director of Asset Management	



**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
DECEMBER 12, 2018 REGULAR IVGID BOARD MEETING – AGENDA ITEM  
C – PUBLIC COMMENTS – STAFF'S MISSTATEMENT RE EXPENDITURES  
ON CAPITAL IMPROVEMENT PROJECTS ("CIPs") WHICH ALLEGEDLY  
INCLUDE AN ALLOCATION FOR STAFFING COSTS ADVANCED**

**Introduction:** At pages 181-184 of the packet of materials prepared by staff in anticipation of this December 12, 2018 Board meeting ("the 12/12/2018 Board packet"), our General Manager ("GM") has submitted a memo disclosing alleged CIP and Debt Service expenditures for the fiscal year ending June 30, 2018<sup>1</sup>. At pages 183-184<sup>2</sup> of the 12/12/2018 Board packet the GM has highlighted \$955,028 of expenditures allegedly devoted to phase II of the effluent pipeline project. There he tells the Board and the public that this \$788,137 was spent as follows: \$244,028 with "outside vendors;" \$190,148 towards the Tahoe Transportation District's ("TTD's") proposed shared use pathway's Environmental Impact Statement ("EIS"); \$81,461 with "third party costs associated with (pipeline) repair(s);" and, \$272,500 towards IVGID staff's operational costs allegedly devoted and thus allocated to this particular project. To those of us familiar with staff's financial reporting, here we have more lies. And that's the purpose of this written statement.

**Why Do I Continue to Submit Written Statements on Matters Such as These?** Because there are *REAL* problems here in Incline Village/Crystal Bay which are regularly hidden by staffs' deceit, misrepresentation(s), misuse of the vehicles of public communication, and outright propaganda; what staff mislabel "transparency." Every one of my written statements attempts to identify one or more of these problems. And every one includes a detailed discussion about the problem(s), how we got there, and what I view is required to remedy them. And here I provide yet another example.

Board members can stick their collective heads in the sand and deny there are problems (because you can "bring a horse to water, but you can't make him drink"). Or they can defer to the biased responses by a less than forthright staff and attorney *who are part of the problem*. Or they can look for ways to attack and marginalize critics like me who are nothing more than messengers, making us the focus of attention rather than the issues we have identified. Regardless, at the end of the day each of you should be asking yourself:

1. How much of the nearly \$7 Million in annual *losses*<sup>3</sup> this and past Boards have racked up, and continue to rack up year-after-year, *have we messengers incurred?*

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<sup>1</sup> Go to [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_12-12-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-12-18.pdf).

<sup>2</sup> Copies of these pages are attached as Exhibit "A" to this written statement.

<sup>3</sup> On several previous occasions I have documented that: the Recreation Facility Fee ("RFF") represents the difference (aka the "subsidy") between revenues and expenses unilaterally assigned by staff to "recreation," and the Beach Facility Fee ("BFF") represents the same insofar as revenues and expenses unilaterally assigned to the "beaches."

2. How much bonded indebtedness, which gets involuntarily repaid with our children's and grandchildren's Beach ("BFF") and/or Recreation ("RFF") Facility Fees, in addition to excessive public utility rates, tolls and charges<sup>4</sup>, *have we messengers incurred?*

3. How much pressure have we messengers placed on perpetuating and inevitably increasing the RFF/BFF?

4. And how much *free* recreation and other public privileges *have we messengers taken or given away to others at local property owners' expense?*

When each of you answers these questions, hopefully, you the Board will understand that *we messengers are not the problem. You Board members are* because there is no accountability nor consequence!

**Exactly What Tasks Are Encompassed Within Phase II of the Effluent Pipeline Project?** Staff prepare "Project Summary" statements for each CIP approved by the Board. These summaries are supposedly intended to describe the parameters of the project. I have attached the 2016-17 Project Summary for phase II of the effluent pipeline project as Exhibit "B" to this written statement. Let me quote: "the proposed project...will replace...two remaining sections...of 16-inch Export Pipeline ...a total length of approximately 6 miles."<sup>5</sup> Page two of the Project Summary includes a "forecast" of costs. For 2017 staff has represented a total of \$2M in costs allocated: \$1.9M to "construction costs;" \$100,000 to "internal services;"<sup>6</sup> and, **\$0.00 to reimbursement of staffing costs<sup>5</sup>.**

**Staff Wrongly Asserts That the Tasks Encompassed Within Phase II of the Effluent Pipeline Project Encompass More Than the Above:** For 2017-18 staff have unilaterally modified the "Project Summary" for this project to include "lining of the upper (wastewater) Pond...located directly south of the Wastewater Treatment Plant." This modification is reflected by the asterisk placed on the 2017-18 Project Summary for phase II of the effluent pipeline project which is attached as Exhibit "C" to this written statement. But this change to the project *has never been approved by the Board*. And whether or not it does, page two of this Project Summary includes a "forecast" of costs. And for 2018 staff has represented a total of \$1M in costs allocated: \$900,000 to "pond lining costs;" \$100,000 to "internal services;"<sup>6</sup> and, **\$0.00 to reimbursement of staffing costs<sup>5</sup>.**

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<sup>4</sup> Such as the 10% "franchise fee" IVGID imposes on Waste-Management ("W-M") [see ¶12.1 of the solid waste franchise agreement ([https://www.yourtahoepace.com/uploads/pdf-public-works/2016-10-01\\_Waste\\_Management\\_Franchise\\_Agreement\\_no\\_Exhibit\\_B.pdf](https://www.yourtahoepace.com/uploads/pdf-public-works/2016-10-01_Waste_Management_Franchise_Agreement_no_Exhibit_B.pdf))] which W-M passes onto each trash customer [see ¶11.2 of the trash franchise {WM's "rates...shall be adjusted (whenever)...the District increase(s)...changes...or adds...new services that result in...cost...increase(s)...to"} W-M].

<sup>5</sup> An asterisk has been placed next to the quoted language.

<sup>6</sup> Exactly what "internal services?" Staff have never explained.

I have submitted another written statement to be attached to the minutes of this meeting<sup>7</sup> (which is incorporated herein) where I have provided evidence that I have made pointed records requests to staff to produce evidence of the Board's approval of the aforementioned changes to this project for my examination. But as the reader can see, staff have been unable to provide the same for the simple reason *they do not exist!*

**Nevertheless, And For Purposes of This Written Statement, Staff's Pond Liner Modifications to Phase II of the Effluent Pipeline Project Are *Immaterial* Because *NONE* of the Expenses Our GM Has Attributed to This Project Were Actually Spent on This Project:** Staff's expenditure of \$190,148 towards TTD's proposed shared use pathway's EIS was *NOT* part of Phase II of the Effluent Pipeline Project. Nor was it part of the Pond liner. Rather, and as our GM admits, this expense was independently approved by the Board "via a January 2013 Interlocal Agreement with TTD amended October 2014."<sup>8</sup>

Staff's expenditure of \$81,461 with "third part(ies)...associated with (pipeline) repair(s)" was *NOT* part of Phase II of the Effluent Pipeline Project. Nor was it part of the Pond liner. Rather, this expense was part of the \$1,002,600 in repairs to Segment 3 of the effluent pipeline<sup>9</sup> independently approved by the Board at its August 22, 2017 meeting<sup>10</sup>.

Staff's expenditure of \$244,028 with "outside vendors" was *NOT* part of Phase II of the Effluent Pipeline Project. Nor was it part of the Pond liner. On August 28, 2018 resident Cliff Dobler made a records request to examine invoicing associated with installation of the Pond liner. On September 20, 2018 IVGID's Public Records Officer ("PRO") responded with eighty-one (81) invoices from various vendors she represented was invoicing for lining of the pond. But at the IVGID Board's regular November 13, 2018 meeting, under agenda item C<sup>11</sup>, local resident Iljosa Dobler gave testimony that the invoices provided by the PRO revealed they had nothing to do with Pond lining *per se*. Rather, approximately \$114,000 was paid to three engineering firms associated with repairs to the effluent pipeline mandated by the Nevada Department of Environmental Protection ("NDEP"), and the

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<sup>7</sup> Captioned Staff's Omission of Written Correspondence to the Board From the Packets of Materials Prepared in Anticipation of Public Meetings.

<sup>8</sup> See page 183 of the 12/12/2018 Board packet.

<sup>9</sup> "13 locations were identified to require immediate replacement and cannot wait for a final approach for pipeline replacement to be developed...The proposed improvements will replace...1,080 linear feet of Segment 3 pipeline...The repair work is proposed to be completed over approximately four weeks...starting in late September" of 2017.

<sup>10</sup> See pages 260-306 of the packet of materials prepared by staff in anticipation of the Board's August 22, 2017 meeting ["the 8/22/2017 Board packet" (<https://www.yourtahoepace.com/uploads/pdf-ivgid/0822-small.pdf>)].

<sup>11</sup> See [https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT\\_Agenda\\_Regular\\_11-13-18.pdf](https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT_Agenda_Regular_11-13-18.pdf).

balance was essentially spent on thirty-five (35) air release valves for the eastern portion of the pipeline flowing from Spooner Summit into the Carson Valley wetlands.

**Staff's Explanation of Staff Costs Allocated and Charged to Particular CIPs:** Here our GM told the Board and the public that since staff "spend...the vast majority of its time working on CIP projects, their...costs are (allegedly) allocated to (CIP) projects based on the amount of time spent on... particular projects." And here the GM has told us that \$272,500 of staff time was allegedly expended on the above \$325,489 of engineering and other costs incurred with outside vendors<sup>12</sup>. In other words, for every \$1 spent on direct costs with outside vendors, staff wants the Board and the public to believe that it expended an additional \$0.84 of their own compensation and benefit costs.

**Liar, Liar Pants on Fire:** This is a description I have used in the past to describe staff's idea of financial transparency. And here it has again reared its ugly head. On September 11, 2014 I made a records request upon the PRO "evidenc(ing) the amount of staff time, broken down by each staff member who devoted such time, to the preparation and selling of the Diamond Peak Master Plan Update."<sup>13</sup> The PRO's response on September 12, 2014, at 8:27 A.M. was as follows:

"We do not keep our time records by project thus I have nothing to provide to you in response to (your) request."<sup>14</sup>

In other words, either Susan Herron was lying, which would be a criminal offense (see NRS 239.310), or GM Pinkerton is lying. I submit it's the latter and here's why:

On May 23, 2018, IVGID staff represented that for 2017-18, \$705,369 was expended on Pond lining<sup>15</sup>. On October 5, 2018, IVGID staff represented that number had grown to \$788,137<sup>16</sup>. And subsequently IVGID staff asserted that this sum had been spent on phase II of the effluent pipeline

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<sup>12</sup> Although another \$190,148 was paid towards TTD's EIS, IVGID staff are not required to devote any management nor other costs to this expenditure. An outside firm is creating an EIS, and IVGID is paying its agreed upon portion pursuant to the Interlocal Agreement referenced above.

<sup>13</sup> This is a CIP identified by #3653BD1501 (see page 4 at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/FY\\_18-19\\_5-year\\_CIP\\_Book\\_-\\_FINAL\\_5.23.18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/FY_18-19_5-year_CIP_Book_-_FINAL_5.23.18.pdf)).

<sup>14</sup> My public records request and the PRO's response are attached as Exhibit "D" to this written statement.

<sup>15</sup> See page 128 of the packet of materials prepared by staff in anticipation of the IVGID Board's May 23, 2018 meeting ["the 5/23/2018 Board packet" ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-23-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-23-18.pdf))].

<sup>16</sup> See page 18 of IVGID's CIP and Debt Service Expenditures report for the Three Quarters Ending June 30, 2018 ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/2018\\_10\\_04\\_11\\_40\\_03\\_CIP\\_Report\\_as\\_of\\_6.30.18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2018_10_04_11_40_03_CIP_Report_as_of_6.30.18.pdf)).

project; the very same project the subject of this discussion. Yet now according to GM Pinkerton, only \$244,028 of alleged pond liner expenses have been identified, and *none* has anything to do with the pond, nor phase II of the effluent pipeline project. **So where is the roughly missing \$544,109?**

At the IVGID Board's regular November 13, 2018 meeting, under agenda item C<sup>17</sup>, local resident Iljosa Dobler gave the following public comment<sup>18</sup> and had the following interaction with the Board:

Ms. Dobler: "I'm still trying to figure out where the \$788,137 is...We have received...81 invoices that account for \$259,000 of it but...the balance of the charges...over \$500,000 have not been accounted for. And I would like to know when, Ms. Wong, are we going to get an accounting of that figure?"

Chairperson Wong: "Public comment is not a question and answer period."<sup>19</sup>

Ms. Dobler: "Mr. Horan, when do you think we can get, I'm just asking for a time frame, its been since 5 of June?"

Mr. Horan: "I'll ask Mr. Pinkerton after the meeting."

Ms. Dobler: "Okay. And Mr. Morris. I know you were checking and you gave me an answer on Facebook that it's not missing, which I know...as its been spent. So no one ever said its missing. We just want to know where it was spent, on what, and to whom? An invoice would be nice."

Mr. Morris: No response.

Ms. Dobler: "Mr. Callicrate?"

Mr. Callicrate: "As far as I know (inaudible)...I would like to hear something from our general manager maybe at the break. There might be an opportunity to get an update. I don't know the answer to that question."

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<sup>17</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Agenda\\_Regular\\_11-13-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Agenda_Regular_11-13-18.pdf).

<sup>18</sup> IVGID livestreams its Board's meetings (see <https://livestream.com/accounts/3411104>). Ms. Dobler's public comment can be viewed at 3:31-5:38 of the livestream of that meeting at <https://livestream.com/IVGID/events/8453938>.

<sup>19</sup> This was not an accurate response. According to the advisory contained in the IVGID Board's agendas<sup>1</sup>, "public comment...is not necessarily a question and answer period...If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time." Apparently Ms. Wong did not feel that Ms. Dobler was entitled to a response, nor that or GM should be directed to provide one.



Ms. Dobler: "Mr. Pinkerton."

Mr. Pinkerton: "I don't respond to public comment."

Ms. Dobler: "Well you don't respond to written ones either. It's good to know we can get information from you. You have it advertised everywhere, just ask, we're totally transparent. But you may not get any answers. Thank you very much."

**Now We Have GM Pinkerton's Answer to Ms. Dobler's Question Where the \$788,137 Was Spent:** Add up GM Pinkerton's \$244,028 of "costs incurred with outside vendors," \$190,148 of "reimbursements to TTD," \$272,500 of "direct charges by CIP staff," \$81,461 of "third party costs associated with repair contract," and what do you get? **\$788,137!**

**Conclusion:** On October 5, 2018 IVGID staff represented that for 2017-18, \$788,137 was expended on Pond lining<sup>16</sup>. In GM Pinkerton's November 30, 2018 memo, he now tells us where this \$788,137 was allegedly spent. And now that the reader can see the particulars of the phase II of the effluent pipeline as well as Pond lining projects, we learn *none* of this \$788,137 was spent on either. Basically Mr. Pinkerton has identified every expenditure he possibly can that can in any way be pointed to the effluent pipeline (as opposed to phase II of the effluent pipeline project) and when he's finished, he's left with \$272,500 he cannot account for. **So he has made up a lie:** since staff "spend... the vast majority of its time working on CIP projects, their...costs are (allegedly) allocated to (CIP) projects based on the amount of time spent on... particular projects(s)."

When people lie and are called to the carpet, typically, they're forced to continue lying. So to catch Mr. Pinkerton in his series of lies, on December 11, 2018, I made a records request, in part, as follows:

"On page 187 of the Board packet for tomorrow evening's (December 12, 2018) Board meeting, Mr. Pinkerton states that 'staffing costs are allocated to projects based on the amount of time spent on (a) specific project.' I would (therefore) like to examine records which evidence...4...each staff member whose cost was allocated to the effluent pipeline project, phase II, for 2017-18, his/her total time and cost so allocated, a breakdown as to how that total time and cost was computed per such staff member, all of which total the \$272,500 represented."<sup>20</sup>

Now what kind of response do you think I am going to get to this request? It's not going to evidence \$272,500 of staff operational costs. And it's not going to evidence a like reduction insofar as employee salaries and benefits assigned to the Utility-sewer sub-fund is concerned.

Maybe most residents don't care about how IVGID staff repeatedly lie to and deceive the Board and the public insofar as the public's financial matters are concerned. Maybe they don't care about how the IVGID Board does nothing whenever its members are put on notice of inappropriate

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<sup>20</sup> This e-mail is attached as Exhibit "E" to this written statement.

staff action, such as the action the subject of this written statement. But maybe some do care because they have similar questions and don't know they are not alone because staff have chosen to censor the truth from public purview.

There's a second wrong insofar as staffs' lies are concerned. And that's staffs' proclivity to protect favored staff who are more committed to themselves, their public employee colleagues and select special interest groups, than the public and property owners they were hired to serve<sup>21</sup>. Especially in an election year, members of the public are keenly interested in learning what "financial transparency" means to staff. They are keenly interested in learning why requests to the Board for relief are consistently ignored by our Board Chairperson who together with GM Pinkerton, control the agenda and thus control the "gateway" to possible Board action.

There's a third wrong insofar as staffs' lies are concerned. And that's the public's ability to evaluate the accuracy and sincerity of Chairperson Wong's campaign pledges in an election year. Pledges insuring real transparency in the public's financial affairs. After all, if some members of the public are able to share evidence that Ms. Wong "speaks with forked tongue," others may conclude she is not worthy of continuing as a Board trustee<sup>22</sup>.

So now that you know the truth Board members, what do you propose doing about GM Pinkerton's lies (or as Mr. Pinkerton characterizes them, "the devil lies in the details")?

And insofar as the public is concerned, is it any wonder then that ***the RFF/BFF are as High as They are?***

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

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<sup>21</sup> I have labeled this behavior "the IVGID culture."

<sup>22</sup> In other words, "consistency matters."

**EXHIBIT "A"**

#### IV. COMMENT

##### Effluent Export Line – Phase II

There has been a great deal of interest in the expenditures for the Effluent Export Line – Phase II. This project has two lines in the Project Report. The 2017-18 \$1,000,000 project was for the continuing pre-design, along with study of pond lining, and other improvements.

However, after the budget was adopted, the District had the opportunity to make Effluent Pipeline Repairs by joining a State Contract for work on State Route 28. The Board of Trustees approved a \$1,152,000 contract and of that amount \$955,028 was expended in 2017-2018 and applied to the multi-year carryover for the project.

The multi-year carryover arises from the Board of Trustees approved funding towards the eventual replacement project.

Of the \$1,000,000 approved for 2017-18, \$788,137 was expended. This number is higher than the \$705,369 that was estimated to be expended when the District Budget was adopted in May. This type of variance is not unusual since estimated expenditures have to be done well advance of the end of the fiscal year.

The narrative for the line item which estimated the carryover referenced “Pond Lining”. This descriptor was not meant to indicate that the current year expenditures were focused on the pond lining element of the overall project. It was merely to note that pond lining is a component of the overall project.

The \$788,137 in expenditures was focused in four key areas:

**Costs incurred with outside vendors:..... \$244,028.**

District staff has been leading small construction, repair and rehabilitation projects to the Effluent Export System from Incline Village to the disposal site at the Wetlands. The District has hired outside contractors, purchased pipe materials, vaults, air relief valves, pumps, rented equipment, and performed construction work to improve and replace aging infrastructure.

**Reimbursements to Tahoe Transportation District (TTD):..... \$190,148.**

As you are aware, IVGID is one of 13 project partners for the State Route 28 Shared Use Pathway. IVGID is providing \$300,000 in funding, via a January 2013 Interlocal Agreement with TTD (amended October 2014), for the current Environmental Analysis which is on track to be completed this year.

**Direct Charges by CIP Staff..... \$272,500**

The District's CIP Staff spends the vast majority of its time working on CIP projects. Their staffing costs are allocated to projects based on the amount of time spent on the specific project.

**Third Party Costs Associated with Repair Contract..... \$81,461.**

Engineering, construction management, construction inspection and special inspection costs associated with the SR 28 repair contract.

## **V. CONCLUSION**

The full year end Fiscal Year report is attached. It is also available on the District's website via the Capital Improvement Projects Section of the Financial Transparency page. Quarterly Reports are available for the three most recent fiscal years as are the annual reports for the past four years.

**EXHIBIT "B"**



### Project Summary

Project Number:	25242 51010	
Title:	Effluent Export Line - Phase II	
Asset Class:		
Division:	24 - Transmission	
Budget Year:	2017	
Scenario Name:		Active: Yes
Budget Status:	Data Entry	
Locations:		
Project Something:	SS - Sewer System	

<b>Project Description</b>	<p>As part of the original Effluent Export Pipeline Project, IVGID replaced approximately 6-miles of 16-inch Export Pipeline. These included approximately 18,000 linear feet (LF) in Segment 1 and 11,000 LF in Segment 3. During planning and design of the first phase approximately 13,700 LF of Segment 3 and all 17,300 LF of Segment 2 were identified to be in good condition and were not identified for replacement. In August 2009, a pipe break within the unreplaced portion of Segment 3 washed out State Route 28. Investigation of the leak by IVGID staff and an IVGID-hired corrosion consulting engineer revealed areas of advanced corrosion on the damaged pipeline section, indicating that unreplaced portions of the export line may be nearing the end of their service and replacement of the remaining pipeline should be planned and budgeted.</p> <p>The proposed project, Effluent Export Pipeline Project - Phase II, will replace these two remaining sections within the Tahoe Basin (a total length of approximately 6 miles). Segment 2 is comprised of approximately 17,300 LF of welded, cement mortar lined, high pressure steel pipe. The remaining 13,700 LF of Segment 3 is comprised of bell and spigot, cement mortar lined, low pressure steel pipe. The project will be completed over multiple years in a manner similar to the original Effluent Export Pipeline Project. Like Phase I, the Export line will be replaced using open-cut construction, moving the pipeline to the center of the Southbound travel lane.</p>
<b>Project Internal Staff</b>	<p>The Engineering Department will manage all phases of this project.</p>
<b>Project Justification</b>	<p>The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin.</p> <p>The current Project Cooperation Agreement with the US Army Corps of Engineers will expire with the completion of the Phase I work. IVGID will look to enter into an expanded Project Cooperation Agreement with the US Army Corps of Engineers for 55% funding of all construction costs. The current political climate and financial issues in Washington D.C. make it unlikely that any future funding will be secured for this project. All grant funding has been removed for this project. IVGID will also place the project on the list for the Nevada State Revolving Loan Fund. Funding for this project will be the utility rates.</p>

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Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
2017				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
2018				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
2019				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
2020				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
2021				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
2022				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
2023				
Construction Costs	1,900,000	0	1,900,000	
Internal Services	100,000	0	100,000	
Year Total	2,000,000	0	2,000,000	
	14,000,000	0	14,000,000	
Year identified	Start Date	Project Partner	Manager	Est. Completion Date
2012			Director of Asset Management	

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**EXHIBIT "C"**



# Project Summary

Project Number:	2048501117	
Title:	Effluent Export Line - Phase II	
Asset Class:		
Division:	24 - Transmission	
Budget Year:	2018	★
Scenario Name:	Main	Active: Yes
Budget Status:	Data Entry	
Locations:		
Project Something:	SS - Sewer System	

### Project Description

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

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

The wastewater treatment plant operates two large pond/basins for emergency storage. The primary pond is the Upper Pond located directly south of the Wastewater Treatment Plant (WWTP). This man made basin is capable of holding approximately 2.8-million gallons. It is primarily used to store treated effluent during emergency periods when the effluent export system has been shut down for an extended period. The Nevada Division of Environmental Protection requires a lining of the upper Pond, that work will be covered under the Phase II.

### Project Internal Staff

The Engineering Department will manage all phases of this project.

### Project Justification

The effluent export line transports treated wastewater from Incline Village General Improvement District's (IVGID) wastewater treatment plant to the disposal point at the wetlands southeast of Carson City. This line was constructed in the early 1970's as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin. The effluent export line has been in continuous service since that time. Approximately 6 miles of line was replaced as part of the Effluent Export Pipeline Project - Phase I. Phase II will pursue the replacement of the remaining 6 miles of pipe within the Tahoe Basin. Phase 2 will also include upper pond improvements to meet NDEP regulations for storage of effluent.

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

Forecast				
Budget Year	Total Expense	Total Revenue	Difference	
<b>2018</b>				
Internal Services	100,000	0	100,000	
Pond Lining Costs	900,000	0	900,000	
Year Total	1,000,000	0	1,000,000	
<b>2019</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2020</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2021</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2022</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
<b>2023</b>				
Internal Services	100,000	0	100,000	
Pipeline Construction Costs	1,900,000	0	1,900,000	
Year Total	2,000,000	0	2,000,000	
	<b>11,000,000</b>	<b>0</b>	<b>11,000,000</b>	
Year Identified	Start Date	Project Partner	Manager	Est. Completion Date
2012			Director of Asset Management	

**EXHIBIT "D"**

**Subject:** RE: Records Request - Staff Time Expended in Pursuit of the Diamond Peak Master Plan Update

**From:** "Herron, Susan" <Susan\_Herron@ivgid.org>

**Date:** 9/12/2014, 8:27 AM

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

Aaron,

We do not keep our time records by project thus I have nothing to provide to you in response to this request.

Susan A. Herron, CMC  
Executive Assistant/Clerk to the Board of Trustees  
Incline Village General Improvement District  
893 Southwood Boulevard, Incline Village, NV 89451  
P: 775-832-1207  
F: 775-832-1122  
M: 775-846-6158  
[sah@ivgid.org](mailto:sah@ivgid.org)  
<http://ivgid.org>

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

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

Sent: Thursday, September 11, 2014 10:16 AM

To: Herron, Susan

Subject: Records Request - Staff Time Expended in Pursuit of the Diamond Peak Master Plan Update

Hello Susan -

Another records request.

I would like to examine records which evidence the amount of staff time, broken down by each staff member who devoted such time, to the preparation and selling of the Diamond Peak Master Plan Update which was received last night.

Thank you for your cooperation. Aaron

## Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects

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**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Herron Susan  
**Cc:** Wright Frank <alpinesportss@gmail.com>, Newman Linda <linda@marknewman.net>  
**Subject:** Records Request - Direct Charges by CIP Staff to Time Spent Working on CIP Projects  
**Date:** Dec 11, 2018 4:40 PM

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Hello Ms. Herron -

A records request.

On page 187 of the Board packet for tomorrow evening's Board meeting, Mr. Pinkerton states that "staffing costs are allocated to projects based on the amount of time spent on (a) specific project."

I would like to examine records which evidence:

1. When this policy of allocating staffing costs was first implemented by staff to any CIP project because that did not used to be the case.
2. The allocation of such costs for the first such CIP project where staffing costs were allocated, by identifying the individuals whose costs were allocated, and their total allocated cost.
3. The Board's approval of the policy identified in question 1 above;
4. Records which evidence each staff member whose cost was allocated to the effluent pipeline project, phase II, for 2017-18, his/her total time and cost so allocated, a breakdown as to how that total time and cost was computed per such staff member, all of which total the \$272,500 represented;
5. For 2017-18 the Board budgeted \$1,222,000 for selective watermain replacement as a CIP. I would like to examine records for this specific project which evidence allocated staffing time to this project.

Thank you for your cooperation. Aaron Katz



IVGID December 12, 2018 Board of Trustees Meeting Public Comment  
By: Margaret Martini – To be included with the Minutes of the Meeting

Tonight's agenda deprives each and every citizen and Trustee from making informed decisions. It is packed with too many items requiring far more time for review and discussion. The supporting material is in some cases incomplete or inaccurate and the options provided are far too limited.

NO ONE could possibly approve a conceptual design with a conceptual price tag of \$900,000 for remodeling the Mountain Golf Course clubhouse without a complete understanding of the details and the other options available. This matter is important enough to warrant a separate Board meeting to consider whether a remodel is optimum or a new clubhouse is preferable and more cost effective.

As for the approval of the Audit and the retention of our auditor for another year –these are material matters which you are being asked to rubber stamp. This is unacceptable. Although Audit Committee Policy requires the Committee to provide a written report to the Board –there is no written report. As the Committee hasn't met since last year, this Board is in the dark on any Audit Committee matters. This includes the investigations and/or resolutions of complaints from citizens and/or employees on allegations of fraudulent accounting and reporting practices and deviations from Board policies and practices. Management says the Audit is great and you should approve it. Should you? What due diligence have you done to insure that ALL users of our financial statements are receiving complete and accurate information? Is Eide Bailly the best auditor for our District? Is the current scope of our audit sufficient? You need to know the answers to these questions to make informed decisions.

You cannot approve the hiring of a lobbyist for \$30,000 who will report to the General Manager. Positions on legislative matters are the responsibility of the Board. That is in Policy 3.1.0. If you wish to delegate this authority to the General Manager – place this item for approval at a future Board Meeting.

As for a review of the CIP and Debt Service Expenditures –there are significant misstatements which warrant your correction. Lacking time, I'll highlight the false explanations for the expenditure of \$788,000 for the Utility Fund. This was first

reported as \$705,000 for a pond liner. Then it grew to \$788,000 and is referred to as part of the expenditures for Phase 2 of the Effluent Pipeline. It is neither. Allowing these false representations to multiply on how our money is actually being spent violates your fiduciary responsibilities to the citizens you were elected to serve.

A handwritten signature in cursive script, reading "Margaret Marteni". The signature is written in black ink and is positioned in the lower-left quadrant of the page.

DATE	DAY OF THE WEEK	TIME	LOCATION	MEETING	ITEMS SLATED FOR CONSIDERATION
TBD	TBD			2019	
			Chateau	Community Services Master Plan Workshop	
02/06	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Award construction contract for the Incline Park Improvements ( <i>Consent Calendar</i> ) Verbal Presentation by Tahoe Prosperity Center ( <i>put first on the agenda if possible</i> ) Legal services recommendation Tri-Strategies (Legislative Update) Land policy (review, discuss and possibly adopt) Set budget hearing dates, etc. Set rate study hearing date Review, discuss, and possibly approve the granting of a utility easement across IVGID lands at 687 Wilson Way (Requesting Staff Member: Director of Public Works Joe Pomroy) Popular Reporting
02/27	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Budget Introduction (IW, GE, SJP) Review, discuss, and possibly approve the granting of a utility easement to NV Energy on Incline Beach Parcel (Requesting Staff Member: Director of Public Works Joe Pomroy) Tentative: July 4 <sup>th</sup> and Beach Update Land Policy
03/13	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Operating Budget presentation
03/18	Monday	6 p.m.	Chateau	Regular Board Meeting	Capital Budget presentation
04/10	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Media services Tentative draft budget Utility rate hearing
05/01	Wednesday	6 p.m.	Chateau	Regular Board Meeting	CSMP (may move to a Saturday)
05/22	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Approve District budgets and Recreation Roll
06/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
06/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
07/17	Wednesday	6 p.m.	Chateau	Regular Board Meeting	<b>CONFLICT – need to reschedule – CHATEAU not available</b>
07/31	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
08/14	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
08/28	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/13	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	

DATE	DAY OF THE WEEK	TIME	LOCATION	MEETING	ITEMS SLATED FOR CONSIDERATION
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<i>Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar</i>					
					RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware
					TRPA EIS Contract at Diamond Peak
					WCSD Joint Agreement
					Accept grant for the Burnt Cedar Beach Water Quality Improvements Project
					Contract Award – Championship Golf Course Creek Restoration
					Contract Award – Mountain Golf Course Restrooms