



NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6:00 p.m. on **Wednesday, December 11, 2019** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

RECOGNITION OF THE INCLINE VILLAGE HIGH SCHOOL GIRLS' GOLF TEAM

- 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.

- E. DISTRICT STAFF UPDATE *(for discussion only)*
 - 1. Interim District General Manager Indra Winquest – **pages 5 - 28**
- F. REPORTS TO THE BOARD OF TRUSTEES*

Incline Village General Improvement District

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

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

www.yourtahoeplace.com

NOTICE OF MEETING

Agenda for the Board Meeting of December 11, 2019 - Page 2

G. CONSENT CALENDAR (*for possible action*)

Excerpt from Policy 3.1.0, Conduct Meetings of the Board of Trustees

0.15 Consent Calendar. In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of "Consent Calendar." A memorandum will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section. Any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the general business section of the meeting.

1. Review, discuss and possibly adopt the District Boundary Map as presented by the Washoe County Registrar of Voters – Map dated April 1, 2019 – **pages 29 - 31**
2. Review, discuss and possibly approve the designation of Audit Firm for Audit Services for Fiscal Year Ending June 30, 2020 – Eide Bailly, LLP at a cost of \$58,500 (the last year of a five year contractual obligation) (Requesting Trustee: Chairman of the Audit Committee Phil Horan) – **pages 32 - 33**

H. GENERAL BUSINESS (*for possible action*)

1. Review, discuss and possibly approve the Presentation and Acceptance of June 30, 2019 Comprehensive Annual Financial Report including an Unmodified Report by the District's Auditor (Requesting Staff Member: Director of Finance Gerry Eick) – **pages 34 - 140**
2. Review, discuss, comment and provide direction to Staff regarding "Popular Report" format for District Capital Improvement Projects (Requesting Staff Member: Director of Finance Gerry Eick) – **pages 141 - 170**
3. Review, discuss, and possibly authorize a new Capital Improvement Project 3241LI1903 for the Mountain Golf Cart Path Replacement for 2019-2020 fiscal year, Pre-Design Phase for an amount not to exceed \$161,500 by reallocation of \$161,500 from CIP Project 3242LV1899 Mountain Course Cart Fleet (Requesting Staff Member: Director of Golf/Community Services Darren Howard) – **pages 171 - 174**
4. Review, discuss and possibly approve 2020 Key Rates for the Championship Golf Course, Mountain Golf Course and Resident Play Passes (Requesting Staff Member: Director of Golf/Community Services Darren Howard) – **pages 175 - 212**
5. Review, discuss, and possibly direct to develop operational alternatives to the Guest Access Ticket process (**Discussion Only**) (Requesting Staff Member: Interim District General Manager Indra Winquest) – **pages 213 - 221**
6. Review, discuss, and possibly provide direction for the next step in the process to possibly revise Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District (Requesting Staff Member: Interim District General Manager Indra Winquest) – **pages 222 - 224**

NOTICE OF MEETING

Agenda for the Board Meeting of December 11, 2019 - Page 3

7. Review, discuss and possibly approve the General Manager's job description (Requesting Trustee: Chairwoman Kendra Wong) – **pages 225 - 248**
8. Review, discuss, revise and possibly approve the questions for Trustee Candidates (Requesting Trustee: Chairwoman Kendra Wong) – **pages 249 - 250**
9. Review, Discuss, and Possibly Authorize Multiple Contracts for the Water Resource Recovery Facility Improvements Project; 2019/2020 Capital Improvement Project: Fund: Public Works; Division: Sewer; Project # 2599SS1707; Vendors: K.G. Walters Construction Co., Inc., in the amount of \$1,508,500 and Jacobs Engineering in the amount of \$60,000. **and** Acknowledge the additional use of \$466,500 of Utility Fund cash to complete the project (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 251 - 258**

10. Case No. CV11-01380 Aaron L. Katz v. IVGID – **pages 259 - 282**
 - (1) Receive and discuss a verbal status report from litigation counsel, Thomas P. Beko, Esq., regarding litigation involving Aaron Katz Case No. CV11 01380 under Nevada Supreme Court Appeal Nos. 70440 & 71493
 - (2) Review, discuss and possibly approve the filing of a motion to recover costs accumulated between the payment of \$241,046.11 made by the Plaintiff and the time of the order, which is estimated at up to \$150,000, with the cost of filing this motion to be not exceed \$25,000

(Requesting Staff Member: Interim District General Manager Indra Winquest with assistance from Thomas Beko, Esq.)

11. Case No. CV18-01564 Mark E. Smith v. IVGID – **pages 283 - 311**
 - (1) Receive, review and discuss status report from litigation counsel, Thomas P. Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District ("IVGID"), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.
 - (2) Review, discuss and possibly approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization).
 - (3) Authorize litigation counsel, Thomas P. Beko, Esq., to pursue a motion to remove IVGID Board Chair Kendra Wong and District Legal Counsel Jason Guinasso from this lawsuit (estimated budget \$10,000.00).

(Requesting Staff Member: Interim District General Manager Indra Winquest with assistance from Thomas Beko, Esq.)

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

1. Regular Meeting of November 13, 2019 – **pages 312 - 394**

J. REPORTS TO THE IVGID BOARD OF TRUSTEES*

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

NOTICE OF MEETING

Agenda for the Board Meeting of December 11, 2019 - Page 4

- 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* – ***page 395***
- 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*) – **page 396**
- N. ADJOURNMENT (*for possible action*)

CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, December 6, 2019 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of December 11, 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/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.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.

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

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of December 11, 2019

DATE: December 3, 2019

Capital Projects Update December 3, 2019

Design

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 plant has six-200,000-gallon aeration basins with two jet aeration clusters per basin. These clusters utilize pressurized air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms. The pressurized air is delivered by multistage centrifugal blowers that are metered by electronically operated valves in order to keep the correct balance of oxygen in the aeration basins at all times. This project funds the design and replacement of the aeration system equipment at the WRRF. 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. Additionally, the blowers are no longer supported by the manufacturer and replacement parts are difficult to acquire. Jacobs Engineering has completed the design. Bid opening was October 24, 2019 and Board action will be on December 11.

Tennis Center Renovation

The Board approved on June 19 for staff to begin the design of the tennis center renovation. The architectural, design and permitting services scope of work was approved at the August 14 BOT meeting with the removal of Bocce Courts. The key project objectives are renovation of the pro-shop buildings and surrounding site to renovate aging restrooms, expand the pro-shop by enclosing outdoor kitchenette area, expand and enhance the deck area, improve wayfinding and flow of traffic through the Tennis Center. The Board selected a design development alternative on November 13. Engineering will complete design, submit for permits, and bring the final design back to the Board prior to advertising for bids.

Construction

Water Reservoir Safety and Security Improvements

This project would replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices. The exterior access to the roof area is required to meet the needs of the District to monitor the water quality in the reservoirs and perform routine repairs to radio communication

equipment. The ladders also need to be secured from access by the public. The reservoir ladders, fall protection, platforms, and protective railings will meet the current Occupational Safety and Health Administration (OSHA) safety standards. The Board awarded the contract to Resource Development Company on April 10, 2019. Construction began this summer and is expected to be substantially complete by June 30, 2020.

Incline Park Ballfields Renovations

The project was awarded to Rapid Construction at the March 18, 2019 District Board meeting. The project is substantially complete. All field and dugout work is complete. The scoreboard was modified by the donor and is being manufactured and will be installed at a later date. A new footing will need to be installed to support it. Final clean-up items are being completed and the project is buttoned up for the winter.

WPS 2-1 Incline – (Adjacent to Burnt Cedar Beach)

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 Engineering completed the design. The Board awarded the contract on August 28, 2019 to San Joaquin Electric. Notice to proceed was issued on September 9 and project completion is April 2020. Site mobilization is scheduled for late January with a February construction period.

Mountain Course Clubhouse Renovation

On August 11, 2018 a fire occurred in the Mountain Course Clubhouse which led to the closing of the kitchen area. The Board approved renovation plans include a revised allocation of floor space, changes to access and substantial change to customer flow. A new ADA accessibility to the lower level for food service and construction of a new and expanded deck and the installation of new windows and doors. The Board approved the design on May 22, 2019 and authorized advertising for bids which then occurred on June 21, 2019. The Board awarded the construction contract to Houston Smith Construction at the August 14 BOT meeting. Project is currently in construction with grading, utilities, decking and paving complete. Winter work will be the interior renovation.

Items of Note

Recruitment of New Director of Finance

The Director of Finance position was posted on Wednesday, October 23 with a three week response time. The deadline to apply was November 14. We received 29 total applications. Through a screening process, the list of applicants has been reduced to 6 candidates. Staff has developed an interview process that will include panels representing staff, community & professional peers. The job description includes duties and responsibilities related solely to

managing the District's financial operations. It currently does not include any additional areas of responsibility. Staff will provide a verbal update on December 11.

2020-22 Strategic Plan

Attached to this report is the Draft Strategic Plan for 2020-2022. I have provided this document in a draft format so that you can read through it at your leisure. It will be presented, as a General Business Item for action at either the first or second meeting in January 2020. If anyone has any feedback on this draft document, please do not hesitate to let me know.

Diamond Peak Opening

Diamond Peak will begin operating for the 2019/2020 season on Saturday, December 7. We will open with top to bottom terrain with four lifts operating including Lakeview, Schoolhouse, Lodgepole and Crystal Express. Our Ski Schools, Equipment Rentals, Food and Beverage and Guest services will be in full operation. Friday, December 13, we will be hosting our community Kick Off and pass holder appreciation party beginning at 4:30 pm at the Main Lodge providing free food for season pass holders and live music. On December 24 and 25, Santa and Penguin Pete will be visiting from 11:00 am to 1:00 pm and on January 8, the 55+ ski clinic series begins. Visit diamondpeak.com for up to date information for community event details and current conditions.

Burnt Cedar Pool Project Update

Staff is in the final stages of creating an advisory committee that will include staff, board and members of the community. There will be several meetings to discuss the future of the project as well as to determine a range of possibilities for replacement of the pool. Staff is planning to bring back recommendations over the winter with the hope to send out an RFQ for potential firms interested in the design process in the spring of 2020. Staff will continue to update the board and community.

No Smoking Policy Development

In coordination with the North Lake Tahoe Fire Protection District, Staff is working on developing a potential "No Smoking" policy that could apply to all IVGID facilities and venues. There has been recent legislation that refers to smoking near vegetation and this has been a topic of discussion in the community for quite some time. Staff is hoping to bring this proposed policy to the Board of Trustees this winter.

Update on meeting with the United States Forest Service (USFS)

The meeting with the USFS took place on November 13, 2019 regarding the parcel across from Incline High School as well as other community related items. USFS staff has indicated that they support the concept of moving forward collaboratively on a special use permit to potentially gain access to the parcel(s) for outdoor public recreation, fire prevention, and environmental stewardship. Staff will continue to update the board and community as new developments occur.

Lake Tahoe Basin Management Unit OSV Proposal

As presented by a resident of our community, the USFS/LTBMU has a proposal regarding expansion of over snow vehicle use adjacent to the 5 acre Incline Lake parcel, near and above the Apollo Way neighborhood, and around Third Creek tributaries. I have written a letter to the USFS asking them to sit down and discuss alternatives. In addition, IVGID allowed the use, under our agreement with the Parasol Tahoe Community Foundation, of a room at the D.W. Reynolds building on November 13, 2019 for a public informational session put on by the USFS/LTBMU. The informational session was very well attended and a significant amount of feedback was given to members of the USFS staff. Several community members have asked IVGID to take a position on this proposal representing the best interest of the community. The letter is included in the board packet for the November 13, 2019 board of trustees meeting.

District Records Retention Schedule

The District Clerk has submitted the first draft of the District Records Retention Schedule to the State of Nevada Archives who is presently reviewing it. This document is not a public record at this time as it is a draft and will not be released until it is finalized with the State of Nevada which is the first step with the second step being it will be agendized for approval, by the Board of Trustees, once ready. As of today, it remains in the review process with the State of Nevada. The District Clerk will follow up with them after the holidays.

Financial Transparency

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

The October financial reports are posted online. Several items noted before remain. Our revenues are above budgeted levels of charges for services year to date, while internal services are under due to Staff vacant positions causing reduced services. The extra miscellaneous items are in large part of the insurance proceeds for the Mountain Course fire. Expenses for personnel are under budget including the effects of vacancies. Capital Expenditures noted are only for the General Fund and are over budget because of the extra spent on the approved server replacement.



Strategic Plan

FISCAL YEARS 2020 – 2022



yourtahoeplace.com

Board of Trustees



Kendra Wong
CHAIRWOMAN



Phil Horan
VICE
CHAIRMAN



Peter Morris
TREASURER



Matthew Dent
TRUSTEE

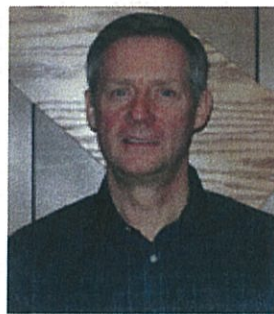


Tim Callicrate
SECRETARY

Senior Management Team



Dee Carey
Director of Human
Resources



Gerry Eick
Director of
Finance



Joe Pomroy
Director of Public
Works



Susan Herron
District Clerk/
Executive Assistant



Indra Winquest
Interim District
General Manager

Introduction

The Incline Village General Improvement District Strategic Plan provides direction and a planned pursuit of the mission, vision, values, long range principles and objectives and actions of the District from July 1, 2020 to June 30, 2022.

This plan reflects the District's desire to become more strategic and less tactical as the next logical step in the organization's life cycle and planning evolution.

Strategic Planning is a systematic approach to defining longer term principles and identifying the means to achieve them. It provides the District with the ability to channel resources in a direction that yields the greatest benefit to residents, constituents and guests.

The intent of the plan is to identify long range principles that align activities of the District to the strategy of the District. It provides a framework to ensure that a balanced approach toward addressing objectives of District residents, finances, internal processes and learning and growth of employees is integrated into the plan.

The strategic planning process enables the District to plan and execute continuous improvements throughout the organization.

The benefits of strategic planning include:

- Focuses the District's resources on activities that are essential to increasing customer satisfaction, lowering costs, increasing value and achieving measurable outcomes.
- Creates a planning and implementation system that is responsive, flexible, and disciplined.
- Encourages cooperation and support among all District functions.
- Reinforces the continuous improvement culture of the District.
- Empowers managers and employees by providing them with the authority to fulfill planned activities.
- Provides for more seamless internal and external customer service.
- Defines and describes the District's key strategies. As a result, employees and residents know where the District is headed.

Strategic Planning Process

Board of Trustees Policy 1.1.0 states:

The Incline Village General Improvement District recognizes the importance of using some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps:

- 0.1 Initiate the Strategic Planning Process*
- 0.2 Prepare a Mission Statement*
- 0.3 Assess Environmental Factors*
- 0.4 Identify Critical Issues*
- 0.5 Agree on a Small Number of Long Range Principles*
- 0.6 Develop Strategies to Achieve Long Range Principles*
- 0.7 Develop Objectives*
- 0.8 Create an Action Plan*
- 0.9 Incorporate Performance Measures*
- 0.10 Obtain Approval of the Plan*
- 0.11 Implement the Plan*
- 0.12 Monitor Progress*
- 0.13 Reassess the Strategic Plan*

Key Dates in the History of the Strategic Plan

The Board of Trustees initiated the process in February 2015. After a lengthy and exhaustive process, the Board finalized updated Mission, Vision, Value and Mantra statements. The Board reviewed revised long range principles and objectives. On September 3, 2015 the Board reviewed the Final Draft Strategic Plan.

The 2015-2017 Strategic Plan was adopted at the September 23, 2015 Board of Trustees meeting.

The 2018-2020 Strategic Plan was adopted at the May 9, 2018 Board of Trustees meeting.

Statements

IVGID's Vision Statement

With passion for quality of life and our environment, Incline Village General Improvement District will enhance the reputation of our community as an exceptional place to live, work, invest, and play.

IVGID's Mission Statement

The Incline Village General Improvement District delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability.

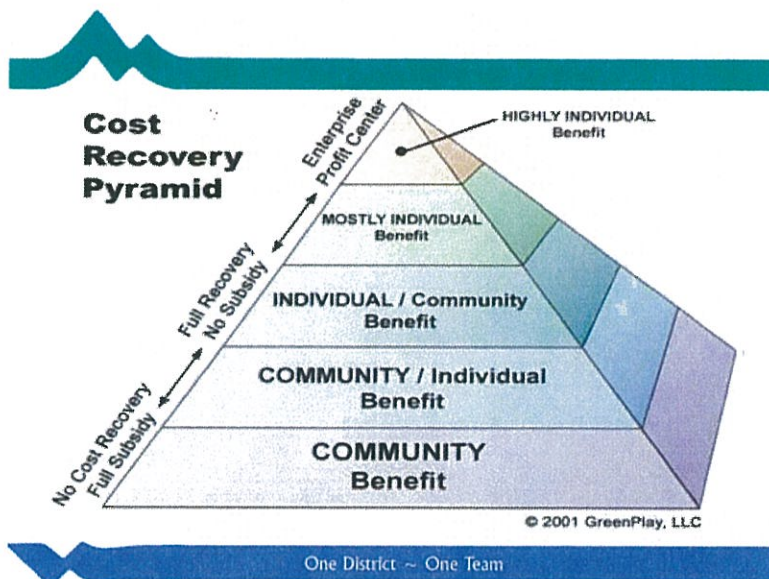
IVGID's Value Statement

We are dedicated people providing quality service, for our community and environment, with integrity and teamwork.

IVGID's Mantra Statement

One District • One Team

IVGID's Cost Recovery Pyramid



Long Range Principles


LONG RANGE PRINCIPLE #1 Resources and Environment

Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Promote and protect Lake Tahoe and other water sources in the Basin as viable sources of drinking water. Promote responsible use of water as a valuable natural resource.
- Develop, implement and maintain an effective watershed control program in order to satisfy recommendations in watershed sanitary surveys, advocate for the protection of Lake Tahoe as a viable source of drinking water and to satisfy additional State and Federal requirements
- Encourage integrated regional strategies for the planning, design, construction and implementation of water system infrastructure for fire suppression

Objectives for 2020-2022

1. Maintain an active watershed management control program and execute the goals of the Tahoe Water Suppliers Association to meet Federal and State requirements for filtration avoidance and other requirements; promulgated by the Surface Water Treatment Rule and its amendments.
2. Enter into available Grant Agreements with the South Tahoe Public Utility District as a member of the Lake Tahoe Community Fire Prevention Partnership. This partnership was formed out of the member agencies of the Tahoe Water Supplier's Association and its purpose is to obtain appropriations from the Federal Government through the United States Forest Service for planning, design, and construction of water system improvements that have a direct relationship to wildland fire suppression.
3. Continue Legislative Advocacy efforts at the Federal Government level to support appropriations for water and wastewater infrastructure improvements that support Principle 1 and Principle 5.
4. Participate in the Tahoe Water for Fire Suppression Partnership. This Partnership will be working with the Regional Fire Districts to submit water system projects for improving fire suppression in the Tahoe Basin.

- 
5. In partnership with the North Lake Tahoe Fire Protection District, protect District lands and the Lake Tahoe Basin watershed by performing defensible space best management practices.

Budgeted Initiatives for 2020-2022

- A. Operate a residential drop-off household hazardous waste and electronic waste facility or events to reduce the amount of hazardous materials entering the waste stream and landfills and to provide our residents with a convenient local facility. This program will be funded by the Solid Waste Franchise Fee.
- B. Continue membership in the Tahoe Water Suppliers Association and provide the services of Association Director by IVGID staff to execute the goals of the Association for 2020-2022 including the completion of the Annual Watershed Control Program Report.
- C. Submit District Fireflow Enhancement Projects to the Tahoe Water for Fire Suppression Partnership (which the District is a member) for prioritization and ranking. The Tahoe Water for Fire Suppression Partnership submits the priority projects to the United States Forest Service for consideration to obtain funding through the Lake Tahoe Restoration Act.
- D. Provide bear shed rebates for new homeowners in the service area to contain putrescible waste in a safe manner.
- E. Provide water efficiency rebates to customers for the installation of a high efficiency toilet or washing machine.



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.


- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long-term plan to sustain financial resources.

Objectives for 2020-2022

1. Utilize Annual and Interim financial reports, including the OpenGov website, to build understanding of the different aspects between operations, capital improvement and debt service.
2. Prepare Annual Budgets that demonstrate the balance of allocated resources, with service expectations, and the capability to deliver.
3. Prepare a five-year projection of financial results for each fund for operations, capital improvement and debt service as a part of budget deliberations.
4. Continue the evolution of appropriate performance measurement to demonstrate quality as well as quantity.
5. Consider revision of Board Policies and Practices relating to Adequate Fund Balance and, if changed, plan implementation to meet the new targets by June 30, 2022.

Budgeted Initiatives for 2020-2022

- A. Prepare a Comprehensive Annual Financial Report to provide financial position and results of operations to a variety of users and information needs, with an independent auditor opinion.
- B. Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process, indebtedness reporting, and the annual audit.
- C. Maintain the allocation of Facility Fee components for operations, debt service and capital expenditure, with prioritization for debt service, then capital asset replacement and last operations.

- 
- D. Actively manage planning and financial reporting to inform users for decision making to sustain a strong financial base for operations, while increasing net assets, and maintaining care and condition of capital assets and infrastructure.
1. Prepare standard format and popular reporting presentations of financial position and activity results about budget to actual to inform users on:
 - a) Operations and Programming
 - b) Capital Project Expenditure Status
 - c) Fund Balance, actual and projected, in relation to budgets and Board direction
 - d) Relevant Performance Measures
 2. Utilize OpenGov on the District's Financial Transparency website to provide ready access to a variety of reports and information to support a greater level of detail than standard reports allow.
 3. Present annual results and planned budgeted activity to the community through presentations consistent with the Board of Trustees' direction.
- E. Analyze and evaluate the future effects of changes to Governmental Accounting Standards Board Pronouncements on the Reporting Model requiring pre-planning for budgeting or system revisions.



LONG RANGE PRINCIPLE #3 Workforce

Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues:


- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and levels of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low workers compensation incidents.
- Identify individuals for retention and growth for management succession within the District.
- Work with Staff to improve employee engagement and culture through focused performance management goals, engagement participation and incentives.

Objectives for 2020-2022

1. In order to remain competitive, use the rotating schedule for evaluating each position to ensure District is competitive with its total compensation and benchmarks.
2. Finalize selection and begin implementation of new Human Resources system for better efficiencies and automation.
3. Identify potential changes of status, costs and retention for year round Operations at various summer locations throughout the District.
4. Continue goal setting that encompasses employee engagement participation for measured performance measurement goals and objectives with set increases that correlate directly with goals and engagement measures.
5. Educate Management Staff through specific trainings on how to engage, educate and foster better communication.

Budgeted Initiatives for 2020-2022

- A. Review budget, number of positions to salary and benefits and conducts surveys to ensure we are doing our best to attract, maintain and retain qualified employees across the District and all statuses.

- 
- B. Understand the potential financial impacts of staffing, hourly wages, increased minimum wage and retention of year round employment changes at current recreational exemption status.
 - C. Continued communication, implementation and change to increase employee engagement participation that correlates with accountability and meeting set mutual goals for year round employees.
 - D. Conduct Management trainings at various times throughout the year to bring awareness to communication, the impact you can have on your employees and educate management and staff on Federal, State and our own personnel policies.
 - E. Choose and implement a new HRIS/Payroll system to increase efficiencies, automation, and communication to be used across all venues throughout the District.



LONG RANGE PRINCIPLE #4 Service

The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.


- Provide well defined customer centric service levels consistent with fiscal goals, and community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.
- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintain customer service training and resources for new, returning and existing employees.

Objectives for 2020-2022

1. Continue to establish, enhance and evaluate metrics through key performance indicators for each venue.
2. Continue to establish and enhance specific performance indicators to evaluate customer loyalty/satisfaction.
3. Align performance metrics through industry benchmarking.
4. Analyze the net effect of established service levels on the District operations, apply changes as needed, and encourage/reward continuation of appropriate performance.
5. Utilize venue and/or community surveys to evaluate and measure customer service as it relates to existing service level demands.
6. Develop a short and long term strategy to utilize the community services master plans as a service level metric and roadmap for the future.
7. Develop a service level strategy as related to the current project priorities directed by the Board of Trustees to include operational analysis.
8. Maintain venue standard operating procedures to help venues have the highest standards possible.

Budgeted Initiatives for 2020-2022

- A. Each venue has time budgeted for new, returning and existing employees to participate in Customer Service Training.

- 
- B. Understand, communicate and demonstrate service level baselines at each venue. The emphasis is on providing the best customer experience.
 - C. The District is continuing the Customer Care program for all of Community Services, which includes empowerment for any actions that generate a hard cost to remedy a customer satisfaction issue.
 - D. Seek venue specific community feedback to determine customer satisfaction.
 - E. Gain an understanding of how service levels are impacted by recruitment challenges and develop strategies to limit these impacts when experienced.
 - F. Utilize employee surveys to further define areas of improvement as well as celebrate successes.



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.


- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District's workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

Objectives for 2020-2022

1. Complete environmental and regulatory entitlements for the Diamond Peak Master Plan.
2. Set direction and begin implementation of the Community Service Master Plan priorities as defined by the Board of Trustees.
3. Effluent Export Project – Phase II, continue to pursue project partnerships and federal funding to reduce District costs.
4. Execute the Ski Way Pavement reconstruction project.

Budgeted Initiatives for 2020-2022

- A. Continued use of the Five Year Rate Study as a way to ensure proper funding of capital projects such as the Effluent Pipeline replacement.
- B. Allocate capital expenditures in Community Services to maintain service levels, while planning for some facility replacement for facilities that are crossing 20 years in service.
- C. Continue to work through the environmental clearances and regulatory approval process of the Diamond Peak Master Plan.
- D. Complete the design of the Tennis Center Renovation.

- 
- E. Complete the site selection for the Bocce Facility.
 - F. Complete the design for reconstruction of Ski Way.
 - G. Complete the design for the Burnt Cedar pool.



LONG RANGE PRINCIPLE #6

Communication

The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

Objectives for 2020-2022

1. Continue to implement best practices for sharing information with the public.
2. Work diligently to improve all external entity relationships as well as participate in any necessary legislative committees and/or discussions.

Budgeted Initiatives for 2020-2022

- A. Host Quarterly Board of Trustees Community Workshops each fiscal year.
- B. Complete, by 2020, the codification of IVGID's ordinances, policies, procedures, etc. thus to create an easy to work with and update IVGID code.
- C. Provide informative and timely releases of information to our employees, media, and the public.
- D. Ensure that the District is well represented in external agency discussions where there may be an impact to either our District or our community.

Implementation

The annual budget document serves as the Action Plan for implementing the 2020-2022 objectives.


Budget Initiatives

The budget initiatives for the Fiscal Years 2020/2022 are described in conjunction with each Long Range Principle.

Review Process

Implementation of the Strategic Plan requires a process of review, improvement, refinement, and measurement and following is the criteria for successful implementation of the Strategic Plan. It represents the commitment and discipline required to institutionalize the process.

- All employees and Board of Trustees members should receive a copy of the plan or electronic access to the Plan and should become a regular part of Staff and Board of Trustees orientation.
- The Strategic Plan becomes the guidepost for the District. When decisions or responses to the community are needed, the Strategic Plan serves as a strong reference point for decision-making and whether or not new issues or responses are of higher importance than what's been established as existing direction.
- Post a summary or shortened version of the Strategic Plan on the District's website and track results on the website as well. It may also be helpful to print a short summary of the Strategic Plan's progress to distribute to interested partners and community members.
- The District's General Manager and the Senior Management Team will have the responsibility of being the Strategic Plan Managers to ensure successful implementation.
- Regular reporting of the Strategic Plan's progress should occur. Break the Strategic Plan into separate fiscal years and report, one year at a time, as an ongoing annual work plan. Each initiative for the year should include a list of actions that support the goal's completion. Actions are developed prior to each year. Each year's data will be entered on a spreadsheet that lists the Themes, Objectives, Initiatives, supporting actions and associated start and completion dates, as well as the staff person responsible for the Initiative.
- At the end of the year, perform an annual review and documentation of progress on initiatives.

- 
- Provide an update on the Plan's implementation and results on an annual basis.
 - Conduct Staff meetings on a quarterly or semi-annual basis to review the Strategic Plan's progress and results and report on progress to the Board of Trustees.
 - The performance appraisal process should reflect the completion of the Strategic Plan initiatives as an evaluation criterion. Also, performance criteria should be aligned with values of the District such as innovation, teamwork, and accountability.
 - Track the measurement system on a quarterly basis. Some of the measures will be calculated annually. Provide an annual narrative about the results. Review the measures on an annual basis and make adjustments as necessary to ensure the measures continuously add value to decision making. Include a combination of lagging and leading indicators. (Lagging indicators or outcomes measure past performance; leading indicators or performance drivers assist in establishing future performance.)
 - After completion of the first year of the Strategic Plan and baseline results are quantified, targets should be initiated for the measurement system.
 - After each year of the Strategic Plan, the Staff should review the Strategic Plan's process and re-tool any parts of the process that need improvement. This review should include a "just-in-time review" of the following year's Initiatives to determine if priorities have changed. The review of Initiatives should tie into the budget process
 - Staff meetings should regularly include discussion of strategy. Create a visualization process to emphasize the Strategic Plan's importance and the District's commitment to execution. For example, posting charts on office walls of each year's initiatives, with a check-off column, can provide a visual tracking of initiative completion.



Reassessment

Many external factors, such as the local and national economy, demographic changes, statutory and legislative changes, and climate may affect the environment and thus achievement of strategies. To the extent that external events have long-range impacts, strategies, objectives and actions may need to be adjusted to reflect these changes.

New information about residents, constituents, and guests needs or results may also require changes to the Strategic Plan. It is desirable to minimize the number of adjustments to long range principles in order to maintain credibility.

However, the District's Board of Trustees expects to conduct interim reviews each year, and more comprehensive strategic planning processes every five years, depending on how quickly conditions change. Performance measure results will be reviewed more frequently than the Strategic Plan.



Incline Village General Improvement District

893 Southwood Boulevard

Incline Village, Nevada 89451

Telephone Number: 775-832-1100

Questions: info@ivgid.org



yourtahoepace.com

M E M O R A N D U M

TO: Board of Trustees

FROM: Indra S. Winqest
Interim District General Manager

SUBJECT: Review, discuss and possibly adopt the District Boundary Map as presented by the Washoe County Registrar of Voters – Map dated April 1, 2019

STRATEGIC PLAN: Long Range Principle 5 – Assets & Infrastructure (Comply with regulatory requirements and industry standards)

DATE: November 13, 2019

I. RECOMMENDATION

That the Board of Trustees makes a motion to adopt the District Boundary Map as presented by the Washoe County Registrar of Voters (map dated April 1, 2019) and execute the requested declaration.

II. BACKGROUND

The Incline Village General Improvement District has a District Boundary which incorporates all of the parcels that have been annexed to the District that we serve with water, sewer, trash and recreation. The Boundary was last adopted at the Board of Trustees meeting on February 12, 2014, Resolution 1823. This map defines the parcels that are eligible to vote in the District Board of Trustees elections. The Washoe County Registrar of Voters map dated April 1, 2019 is consistent with the District Boundary. The last time this map came before the Board of Trustees was March 13, 2018; the Board of Trustees unanimously approved the map and signed the requested declaration.

III. FINANCIAL IMPACT AND BUDGET

There are no financial impacts.

IV. COMMENT

The map is too large to be reduced and included with this memorandum; the map will be on display at the meeting. This item has been placed on the Consent Calendar as it is a routine matter requested by an outside agency and does not require a public hearing.



November 12, 2019

Incline Village GID
Board of Trustees
893 Southwood Blvd.
Incline Village, NV 89451

Dear Trustee(s):

Our office reviews and corrects the boundaries of all of the districts in Washoe County prior to the Election cycle to insure that all voters eligible to vote are included in the District. These boundaries have been compared to the GIS database and the Assessor's tax database for accuracy. The final step in assuring that the district boundaries are correct is for you and/or the Board of Trustees to review and approve these map(s).

Enclosed please find the map(s) for your District, along with a Declaration for your signature.

Please review the map(s) and if it is found to be correct, sign and date the Declaration and return it to our office before January 17, 2020. If you find a discrepancy, please contact me so we can set up a time to meet for further clarification of the boundaries.

Thank you for your cooperation and prompt attention in this matter. If you have any questions or if I may be of further assistance please give me a call at (775) 328-3675.

Sincerely,

A handwritten signature in cursive script that reads "Sara Warr".

Sara Warr
Election Specialist
(775) 328-3675
swarr@washoecounty.us



DECLARATION

The undersigned Trustee(s), Board Member (s), or other authorized person(s), hereby agree that the map provided by the Washoe County Registrar of Voters Office dated April 1, 2019 for the District known as:

Incline Village General Improvement District

Is in compliance with the most current and correct boundaries of said District, as of the date noted below.

I/We further agree that any annexations to or removal of parcels or territory from this District will be promptly forwarded to the Washoe County Registrar of Voters office wherein a new map will be created for my/our review.

Kendra Wong
Printed Name

Signature

Phil Horan
Printed Name

Signature

Tim Callicrate
Printed Name

Signature

Matthew Dent
Printed Name

Signature

Peter Morris
Printed Name

Signature

Dated this _____ day of _____, 20____.

MEMORANDUM

TO: Board of Trustees

FROM: Audit Committee

SUBJECT: Review, discuss, and possibly approve the designation of Audit Firm for Audit Services for Fiscal Year Ending June 30, 2020 – Eide Bailly, LLP at a cost of \$58,500 (the last year of a five year contractual obligation)

DATE: November 15, 2019

I. RECOMMENDATION

The Audit Committee is recommending that the Board of Trustees designate Eide Bailly, LLP as the District's audit firm for the fiscal year ending June 30, 2020, under their multiyear contract as outlined under the financial section.

II. BACKGROUND

The Audit Committee met December 11, 2019 to ratify the selection of the District's auditor. On the assumption that meeting finds it in order to recommend Eide Bailly, LLP, this memo has been prepared to document the designation. The Engagement Letter, when provided by the auditor, will be sent to the Audit Committee Chair for signature.

District Staff will notify the State Department of Taxation of our designation before March 31, 2020. As required by Nevada Revised Statute 354.624 and Nevada Administrative Code 354.705, each local government is required to designate an auditor or firm annually, not later than three months before the close of the fiscal year for which the audit is to be made.

At the direction of the Audit Committee, staff prepared and sent out a request for audit services in 2016 that resulted in Eide Bailly, LLP's selection under a multiyear engagement plan to control fee increases. The Audit Committee agreed that the multiple year fee schedule presented in the Eide Bailly, LLP audit proposal presented an opportunity for cost savings over time and it would be prudent to consider this option and incorporate it into its award recommendation. The District has engaged Eide Bailly, LLP for four years under the multiyear proposal.

Review, discuss, and possibly approve the -2-
designation of Audit Firm for Audit Services for Fiscal
Year Ending June 30, 2020 – Eide Bailly, LLP at a cost
of \$58,500 (the last year of a five year contractual obligation)

November 15, 2019

III. FINANCIAL IMPACT AND BUDGET

The following fee information was presented by Eide Bailly, LLP. and was accepted by the Audit Committee:

Fiscal Year Ending	Annual Fee
June 30, 2016	\$ 52,500
June 30, 2017	\$ 54,000
June 30, 2018	\$ 55,500
June 30, 2019	\$ 57,000
June 30, 2020	\$ 58,500

IV. COMMENTS

District staff expects an engagement letter will be received sometime in April each year. Staff has discussed a tentative set of dates. We anticipate interim work in May or June, while conducting fieldwork later in August and September with a delivery of the Audit Report in time to meet statutory requirements November 30. Acceptance by the Board of Trustees would follow in December. This item is placed on the Consent Calendar as it is a routine matter, within budget, and part of a long term contractual commitment.

M E M O R A N D U M

TO: Board of Trustees

THROUGH: Phil Horan
Chairman, Audit Committee

FROM: Gerald W. Eick CPA CGMA
Director of Finance

SUBJECT: Review, discuss and possibly approve the Presentation and Acceptance of June 30, 2019 Comprehensive Annual Financial Report including an Unmodified Report by the District's Auditor.

DATE: November 18, 2019

I. RECOMMENDATION

Staff recommends, with concurrence by the District's Audit Committee, that the Board of Trustees accept the June 30, 2019 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.

II. BACKGROUND

The District's auditor, Eide Bailly LLP, have completed their audit of the District's 2018-2019 financial report and have issued an unmodified report. An unmodified report (clean opinion) is the best audit report that can be issued and states that the financial statements are fairly presented in conformity with generally accepted accounting principles.

As required by Nevada Revised Statute 354.624, an annual audit will be concluded and the audit report submitted not later than five months. The report was received November 18. The Audit Committee has monitored progress to date, including scheduling acceptance December 11 to meet the State's guidance for Board acceptance following the close of the fiscal year and adopted no later than thirty days from that submission. We expect to meet those guidelines and no extension has been requested from the Department of Taxation.

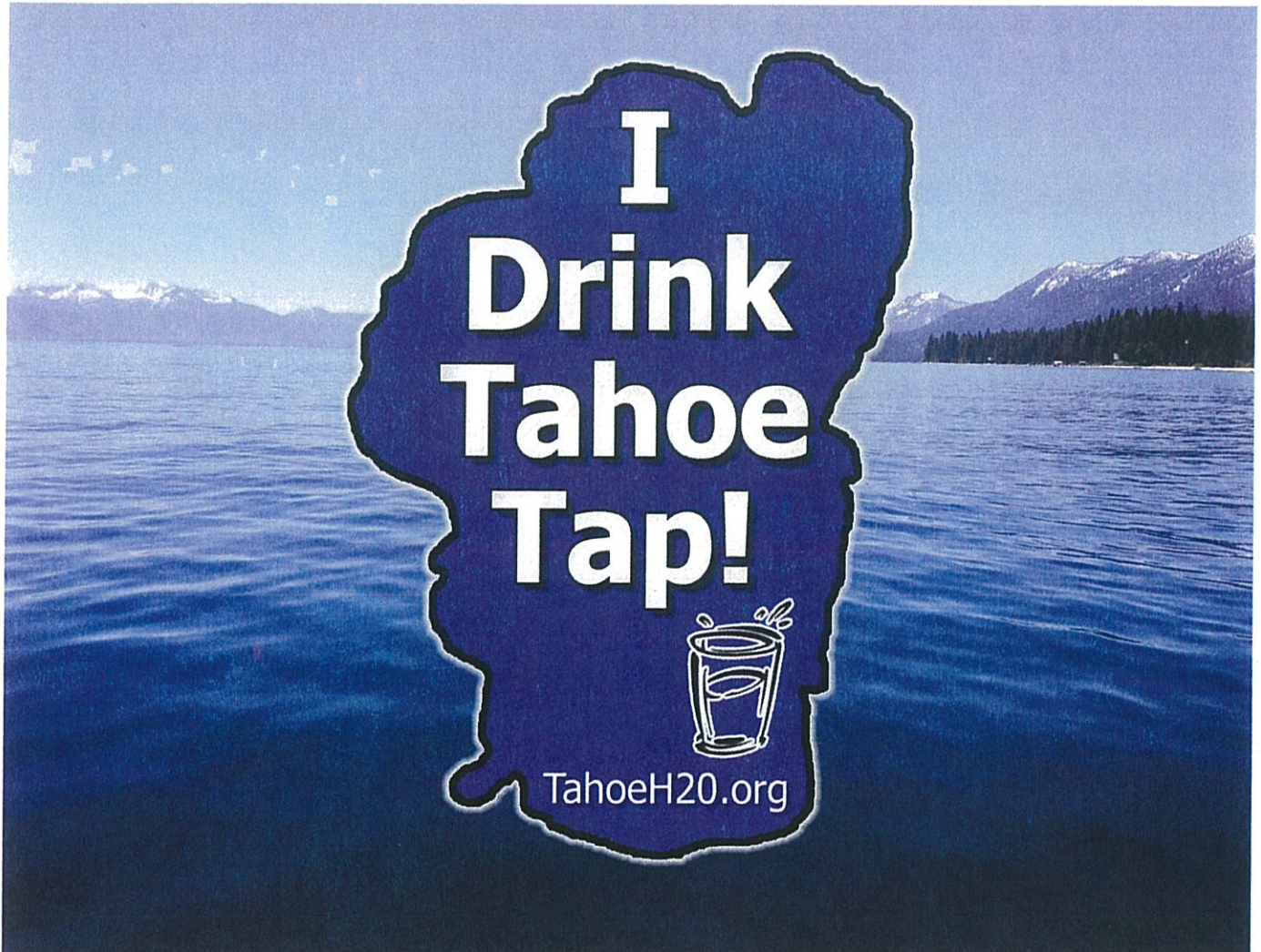
Eide Bailly LLP's scope of work for 2018-19 included various responsibilities in connection with the audit requirement. The Audit Committee is meeting with Eide

Review, discuss and possibly approve the
Presentation and Acceptance of June 30, 2019
Comprehensive Annual Financial Report including
an Unmodified Report by the District's Auditor

Bailly, LLP on December 11 to receive their report on those responsibilities. The CAFR includes a Report on Compliance and Internal Control in relation to the audit of the basic financial statements. Our auditors also reported no material weaknesses in our controls.

III. COMMENT

Once the Board has accepted the report, it will be assembled in a final bound or electronic form and then will be distributed to a number of Local, State and Federal agencies, as well as bond consultants, banks, the Municipal Securities Rulemaking Board and the general public. The audit report will also be posted on the District's Financial Transparency website. This will be accomplished prior to December 30, 2019.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

WELCOME!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2019. Our financial reports support our sustainable government model, which IVGID offers the communities of Incline Village and Crystal Bay.

IVGID's enviable financial condition continues with our increases in net position, readily available cash, low debt ratio and no unfunded pension and medical liabilities.

Over the past five years:

- Our cash position remains adequate while our net investment in capital assets has increased to \$120.7 million.
- Our 2019 expenses have increased primarily due to meeting service levels for our venues, while remaining on average an increase of 6 percent per year. Revenues have increased 7 percent per year.
- Our utility revenues have increased to ensure adequate cash flow to not only fund annual operations, but to also fund future capital improvement needs, especially the effluent pipeline project.
- Our recreation user fees have been otherwise stable.
- Our governmental revenues (property tax and combined taxes) have been steady to increasing over the entire period.
- Our bonded indebtedness has dropped from \$1,299 to \$672 per capita.
- Our total recreation fee cost to the property owners has remained flat over the entire period.

Current Conditions:

- Our unrestricted net position of \$31.8 million is 5 times greater than our total outstanding indebtedness of \$6.1 million.
- Since 2008, our outstanding indebtedness has dropped from a high of \$27.2 million to \$6.1 million.
- Our outstanding indebtedness is only .7% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 2.6%.

Conclusion

Despite this record of exceptional financial performance, we refuse to rest on our accomplishments so far. We will continue to endeavor to provide quality service to all of our customers at the lowest cost possible. In addition, we will continue to excel in financial and capital planning in the most transparent, inclusive manner possible.

I'd like to personally thank our dedicated management staff for all the work that they do throughout the year and in conjunction with this important document. I'd also like to thank all of our stakeholders: property owners, business owners, residents, guests and our employees for their continuing support of all of our operations. Together, we all play a part in making Incline Village/Crystal Bay one of the most livable communities in the nation.

Indra S. Winqest
Interim General Manager

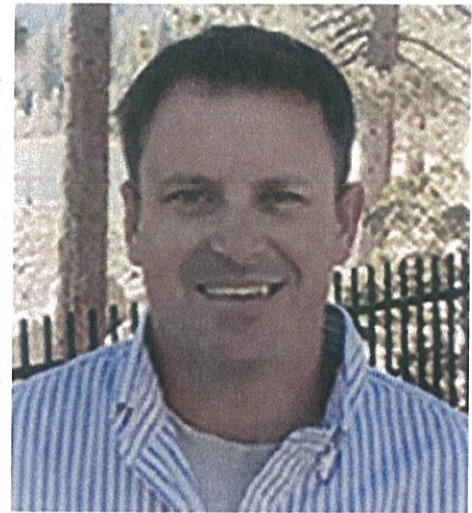


TABLE OF CONTENTS



COMPREHENSIVE FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2019

INTRODUCTORY SECTION

Letter of Transmittal.....	1
List of Elected Officials	8
Organization Chart	8
GFOA Certificate of Achievement FYE June 30, 2018.....	9

FINANCIAL SECTION

Independent Auditor's Report	10
Management's Discussion and Analysis	13

BASIC FINANCIAL STATEMENTS

Government-wide Statements:

Statement of Net Position.....	21
Statement of Activities.....	22

Fund Financial Statements:

Governmental Funds Balance Sheet	23
Reconciliation of Balance Sheet for Governmental Funds to the Government-wide Statement of Net Position	24
Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances for Government Funds to the Government-wide Statement of Activities	26
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual.....	27
Community Services Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	28
Beach Special Revenue Fund – Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	29
Proprietary Funds Statement of Net Position	30
Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position	31
Proprietary Funds Statement of Cash Flows	32
Notes to Financial Statements	34

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Employer Required Contributions to Defined Contribution Multi-Employer Plans	57
---------------------------------------------------------------------------------------------------	----

INDIVIDUAL FUND SCHEDULES

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
General Fund.....	58
Community Services Special Revenue Fund	60
Beach Special Revenue Fund.....	62

TABLE OF CONTENTS



COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

INDIVIDUAL FUND SCHEDULES (continued)

Schedules of Revenues, Expenses and Changes in Net Position
– Budget and Actual:

Community Services Capital Projects Fund.....	63
Beach Capital Projects Fund.....	64
Community Services Debt Service Fund.....	65
Beach Debt Service Fund	66
Utility Fund	67
Internal Services Fund.....	68

STATISTICAL SECTION (UNAUDITED)

Net Position (by Activity Type).....	70
Changes in Net Position (by Activity Type).....	71
Fund Balances of Governmental Funds	72
Changes in Fund Balances of Governmental Funds.....	73
Assessed and Estimated Actual Value of	
Taxable Property	74
Direct and Overlapping Tax Districts	75
Principal Property Taxpayers	76
Tax Levies, Collections and Delinquencies—Washoe County as a whole.....	77
Ratios of Outstanding Debt by Type	78
Outstanding Overlapping General Obligation Indebtedness.....	79
Utility Fund Net Pledged Revenues.....	80
Community Services and Beach Fund	
Net Pledged Revenues.....	81
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses.....	82
Statutory Debt Limitation.....	83
Demographic Statistics.....	84
Principal Employers	85
Position and Full Time Equivalent Personnel Summary	86
User Statistics.....	87
Budgeted Facility Fees per parcel.....	88
Water and Sewer Single Family Base Rates	89
Water Sold by Customer Type.....	90

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	91
Auditor's Comments.....	93



INTRODUCTION



November 18, 2019

**Citizens of Incline Village and Crystal Bay
Board of Trustees for the Incline Village General Improvement District**

The Incline Village General Improvement District (the District) hereby submits our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2019. The Finance Department publishes the Report to provide financial and general information about the District to members of the Incline Village/Crystal Bay community, customers, the investment community, and general public. The data presented is designed to help readers assess the financial condition of the District and to understand the services that the District provides to the Incline Village/Crystal Bay community. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control. Since the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements.

State law requires that each local government publish, within five months of the close of each fiscal year, an annual audit of all of its financial statements. The audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted. Also, the report must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with United States Generally Accepted Auditing Standards by a firm of licensed certified public accountants. We hereby issue the Comprehensive Annual Financial Report of the Incline Village General Improvement District.

The District's financial statements are audited by Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The unmodified Independent Auditors' Report appears in the Financial Section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with that overview. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a body corporate and public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including downhill skiing, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related programming. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 170,000 beach users, and oversees a variety of other activities including over 120,000 visits to the Recreation Center annually.

IVGID's Vision Statement

With passion for quality of life and our environment, Incline Village General Improvement District will enhance the reputation of our community as an exceptional place to live, work, invest, and play.

IVGID's Mission Statement

Incline Village General Improvement District delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability.

IVGID's Value Statement

We are dedicated people providing quality service, for our community and environment, with integrity and teamwork.

IVGID's Mantra Statement

One District • One Team

IVGID's Long Range Principles

The District adopted a Strategic Plan for July 1, 2015 through June 30, 2018. Part of the plan includes six Long Range Principles. Under the direction of the Board of Trustees and the leadership of the District General Manager, the Principles align our activities to the strategy of the District. Each Principle addresses objectives over the two years of the Plan, as well as annual budget initiatives.

RESOURCES AND ENVIRONMENT – Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Review and upgrade District policies and practices to encourage or require waste reduction, recycling and environmentally preferable purchasing.
- Develop sustainability measures, goals and metrics to create and/or maintain a sustainable District.
- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction.

FINANCE – The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, and capital improvement and debt management.

- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long term plan to sustain financial resources.

WORKFORCE – Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues.

- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and level of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low worker's compensation incidents.
- Identify individuals for retention and growth for management succession within the District.

SERVICE – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.

- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintaining customer service training for new, returning and existing employees.

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.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

COMMUNICATION – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

District Management

A five-person elected Board of Trustees, with 4-year terms, governs the District. Every other year, two or three of the trustee terms expire and are up for election. Upon being elected, the trustees assume office on January 1 or the first board meeting of the year. The District has benefited from longevity and management experience. The Senior Management Team is led by the District’s General Manager. The District has made a commitment to developing strategies that lead to results. It has also continued a commitment for sustainability in financing for capital assets. The District has made many capital investments out of current resources, along with paying off bonds utilized to finance improvements. The Facility Fee, which is charged by parcel, is a significant source for both capital expenditure and debt service for the Community Services and the Beach activities. This fee has been at the same total for nine years, but has transitioned more for capital improvement and less for debt service. The Utility Fund has been increasing its rates for several years in anticipation of a major improvement to the effluent export pipeline that is several years away from the next phase of replacements.

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes, which includes prescribed procedures to establish the budgetary data reflected in these financial statements. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the budget and Facility Fees were held on May 23, 2018. On or before June 1, 2018, the Board adopted final budget for the year ended June 30, 2019 was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with GAAP for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds type budgets are adopted on an accrual basis. The District can amend or augment the budget after following State statutes and public hearing procedures. The District did augment its budget for the Community Services Special Revenue to reflect higher than expected activity for the ski resort and filed the documents with the State of Nevada.

District Financial Initiatives and Accomplishments

The Board of Trustees establishes policy and direction, within the framework of the District Strategic Plan and its Long Range Principles. The Plan covering the years 2018 to 2020 was adopted May 9, 2018. That period emphasis includes developing performance measures, stabilizing planning for capital improvements, and enhancing communication at many levels.

Performance measurement through Fund Accounting Governmental Fund Accounting demonstrates sources and uses through budgeting and reporting. The District's parcel owners pay a facility fee that is dedicated to operational, capital improvement and debt service by functions or activities. By using the Special Revenue, Capital Projects and Debt Service Fund Types; the District can demonstrate and communicate the relationship of the facility fee paid to how it was used for these very different types of transactions. Many of the District's service venues require substantial capital investment and improvements. Operating statements alone do not represent the true scope of activity to make services available. This accounting not only provides a record of accomplishment, but allows for focused planning to meet the strategic objectives of sustainability and capital maintenance

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This project is expected to cost at least \$15,000,000. This replacement will be paid for by rate increases over a period of years, rather than debt. Sewer Rates have been increased to accumulate more resources for this project. Water rates are set to strictly pay for what you use as a cost of service. The latest rate increase went into effect in May 2019. Results of the Utility operations exceed budget. The resources intended for the long term portion of the effluent project, have been invested.

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2018-19 marks the ninth year in which the combined fee totaled \$830. The facility fee revenue was realized as planned.

Minimizing the year to year changes in the Facility Fee to support capital expenditures Fiscal year 2018-19 also marks the ninth year for what has become known as "smoothing". This is an initiative integrated with the 5-year capital plan, to schedule projects in a way to provide reasonably consistent amounts for capital expenditure thus avoiding increases in the total Facility Fee from year to year. The Recreation and Beach Facility Fee is intended to generate resources for operations, debt service and capital expenditures. The debt service and capital expenditure components are budgeted based on specific issues and projects. Following the maturity of bond issues, resources for debt service were directed toward capital improvement. Results of operations for 2018-19 in the Community Services Special Revenue Fund were over budget. The Community Services Special Revenue fund balance continues to be evaluated and is expected to be used for several major capital projects that have been identified for completion in the next five years.

Capital Project and Debt Service Funds Net Position Closes

From July 1, 2015 through June 30, 2019 the District used Capital Projects and Debt Service Funds as a way to demonstrate the use of dedicated revenues for those expenditures. During this period it was clear the focus of users was not at a fund level, but rather primarily on the functional level expenditures. Such reporting can be accomplished through Special Revenue Funds. The District's special revenue funds are the source of the dedicated revenues then transferred to expend. Beginning July 1, 2019 these funds will only be activated in the event of a bond issue or other direct funding source needing a separate accounting. This will simplify reports for our users.

Factors Affecting Financial Condition

Located on the northeast shore of Lake Tahoe, Nevada, near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report at June 2019 indicates the combined room occupancy rate increased 6.3% from last year.

Development within the District is challenged by the availability of parcels for redevelopment. There are commercial projects planned in Crystal Bay. The preliminary development permits for the projects have been approved. The scope of the development will be determined by future events. It is anticipated they will have a positive effect on the area.

Located in Incline Village, Sierra Nevada College (SNC) is Nevada's only private residential four-year liberal arts college which serves the community at large and those looking for a unique educational experience. The college has forged a unique partnership with Tahoe Center for Environmental Sciences (TCES). This partnership, between public and private institutions of higher education in two states, includes Sierra Nevada College, the University of California, Davis (UC Davis), the Desert Research Institute (DRI) and the University of Nevada, Reno (UNR).

The 2010 census population of 9,087 reflects an 8% decrease since 2000. Of the District's 7,954 housing units, the Census reports 3,353 for seasonal recreation use. This is 14% more than the number in 2000. There is no indication of a change in these factors as of 2019. The median housing value at June 30, 2019 for single family residence and condo sales for Incline Village and Crystal Bay are \$1,400,000 and \$619,000, respectfully, representing a 17% increase on residence and a 11% increase on condos over last year. For the entire Washoe County the values were \$408,500 and \$241,000 respectively. Values in Incline Village and Crystal Bay tend to be more than the general County because of a strong demand by California buyers looking for a preferred tax address in the Tahoe Basin.

The Reno-Sparks June 2019 unemployment rate of 3.2% and is well under the State at 4.0%, and is below the national level at 3.7%.

Lake Tahoe is known as one of the most beautiful regions in the world and as the largest alpine lake in North America, it offers an alpine environment untouchable anywhere else. The pristine beauty of Lake Tahoe draws over three and one-half million visitors annually from around the world. From snow skiing to golfing to boating to gaming, Lake Tahoe is one of the premier resort destinations, offering visitors countless activities. Additionally, Incline Village/Crystal Bay offers a spectacular and serene mountain neighborhood for property owners.

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2018-2019 the abatement was \$428,437, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$2,040,175.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the Nevada Supreme Court, which referred the matter to the Washoe County District Court to decide if another round of refunds should be ordered. A District Court order was issued in October 2019 that is being appealed to the Nevada Supreme Court. A final decision has not been reached, nor is the outcome and possible affect determinable as of June 30, 2019.

Budget Highlights

General Fund

The General Fund is primarily responsible for governance and administration of the District's activities. The Fund has nominal change year to year. The General Fund is discussed in more detail in the MD&A section.

Community Services Special Revenue Budgetary Highlights

Community Services cover a variety of recreation venues. The ski resort benefitted from excess snow by having an extended season and higher than budgeted visits. This resulted in over \$2,800,000 in additional revenue while only incurring just over \$475,000 in additional costs. Our golf courses saw a stable level of play. The Parks and Recreation venues saw stable use. A substantial schedule of capital projects were done during the year. However, there were still over \$1,700,000 in capital projects carried over as unexpended and is reflected in Fund Balance.

Beach Budgetary Highlights

The District's beach venues saw increased revenues, despite higher water levels on Lake Tahoe. The Beach is independent of other operations and has sought to increase its resources for future capital projects. The Beach Study identified a number of possibilities. There is an upcoming replacement project for the Burnt Cedar pool.

Utility Budgetary Highlights

The net position for the Utility Fund increased \$2,650,244 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year increase in expenses mainly for personnel.

Internal Services Budgetary Highlights

Internal Services includes Fleet, Engineering, Building Maintenance and Workers Compensation coverage. Both Engineering and Buildings Maintenance were under budget due to staff vacancies. The overall revenues and expenses balanced out. Following completion of a Loss Transfer and Assumption agreement, which allowed the District to liquidate its Work Comp claims liability from past years, a transfer of \$174,356 was made to the General Fund to close that activity under Internal Services. A transfer for \$800,000 was made in the prior year. Another \$300,000 was budgeted and made during this fiscal year. Readers may refer to Notes 13 and 22 for more details on the changes to the Workers Compensation program.

Budget Augmentation, application of budget contingency and other budget reconciliations

The District approves a budget for each fiscal year by completing Form 4404LGF as prescribed by the State of Nevada Department of Taxation Local Government Finance. Preparation of this form set includes prescribed account titles and allowable levels of detail. This form set in essence creates a Budgetary Basis accounting and presentation. To provide adequate financial planning, the District's approach to the budget includes an evaluation in more detail of the flow of resources for both governmental and business-type activities. This results in the District budgeting for capital expenditure and debt service in the enterprise funds, similar to governmental type funds. The District has presented additional schedules to reconcile basic financial statement presentations with information included in Form 4404LGF for the fiscal year ending June 30, 2019.

As a result of excess snow fall and resulting increased skier visits, a budget augmentation was adopted May 22 which increased Community Service Special Revenue Fund revenues by \$2,800,000 and expenditures by \$430,000. This augmentation was largely focused on setting expenditures at a proper level to be in compliance with Nevada Revised Statutes.

The District budgeted contingency in the General and Special Revenue Funds. None of the contingency was used for 2018-19.

The District has been engaged in a lawsuit for over six years that received a final order, which was then appealed. Legal costs of the appeal were not budgeted.

The District has reported fair market value adjustments to its fixed income investments. In the past these have been reductions. In the current year they resulted in increase to value along with realizing improved rates of return. The reported amount exceeds budget because neither cause was anticipated in early 2018 when the budget was formulated.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the eighteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the accounting department and the District's venues. We wish to express our appreciation to all staff assisting with the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support of maintaining the highest standard of professionalism in the management of Incline Village General Improvement District.

Indra S. Winqest
Interim General Manager
Incline Village General Improvement District

Gerald W. Eick, CPA CGMA
Director of Finance
Incline Village General Improvement District



INCLINE VILLAGE AND CRYSTAL BAY COMMUNITIES

IVGID BOARD OF TRUSTEES

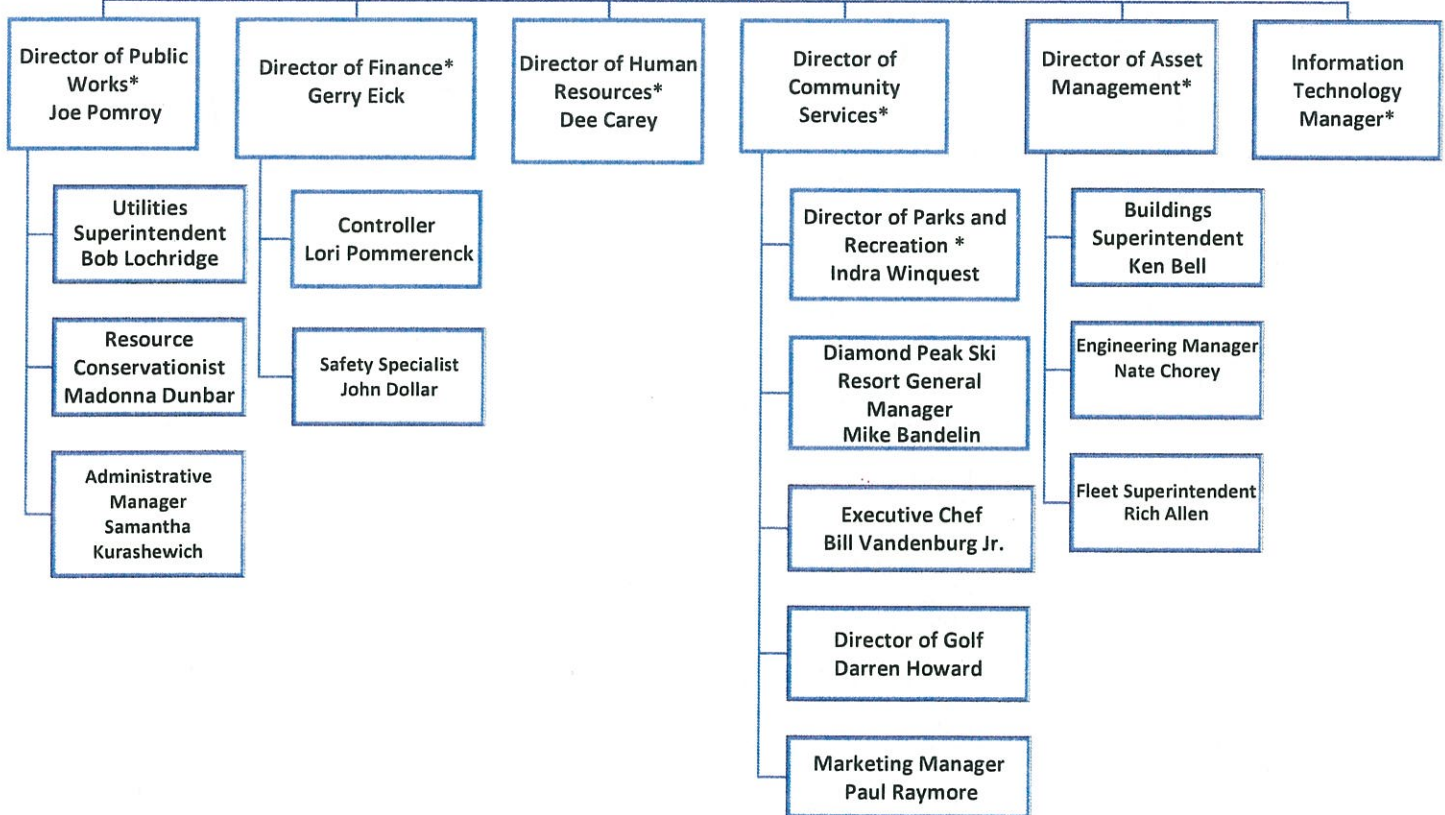
Tim Callicrate	Matthew Dent	Kendra Wong	Peter Morris	Phil Horan
Term Expires 2022	Term Expires 2020	Term Expires 2022	Term Expires 2020	Term Expires 2020

Interim General Manager*
Indra S. Winquest

District General Counsel*
(Contract Position)

Executive Assistant/District Clerk *
Susan Herron

Communications Coordinator



* Members of the Senior Team

ACHIEVEMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General
Improvement District, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

This prestigious and national award, presented by the Government Finance Officers Association (GFOA) of the United States and Canada, recognized conformance with the highest standards for preparation of state and local government financial reports.

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018

NATIONAL AWARD

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIALS



Independent Auditor's Report

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

What inspires you, inspires us. Let's talk. | eidebailly.com

5441 Kietzke Ln., Ste. 150 • Reno, NV 89511-2094 T 775.689.9100 F 775.689.9299 EOE

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Services Special Revenue Fund, and Beach Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of an Error

As discussed in Note 22 to the financial statements, certain errors occurred in the transfer of funds between operating funds for the year ended June 30, 2018 and were discovered by management during the current year. Accordingly, these transfers were corrected in the current year and have resulted in a restatement of fund balance as of July 1, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 13 through 20 and the schedule of employer required contributions on page 57, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund schedules including budgetary comparisons, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund schedules including budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules including budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 18, 2019

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019**

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

Financial Highlights

Weather continues to play a key role in financial performance of the District. The Community Services ski venue had an extended season due to good snow conditions resulting in additional revenue and costs to require a budget augmentation. A normal golf season allowed both courses to work on programming and the continued use of dynamic pricing for their revenue realization. The Mountain golf course experienced an increase in golf rounds, despite an August 2018 kitchen fire. The beach season had above average attendance. The Utility services had an average year for their flows. Overall the District still maintains a healthy financial condition for liquidity, operations and capital management. The District continues to meet its financial obligations and provide services to the community at large. Maintaining the care and condition of infrastructure is a high priority for all venues. The Utility Fund continues to build resources for a future Effluent Pipeline Project, while executing the preliminary study and design.

June 30, 2019 Fiscal Year Highlights Based on Government-wide Financial Statements:

- The assets of the District exceeded its liabilities and deferred inflows of resources, at the close of the most recent fiscal year, by \$153 million (net position). Of this amount, \$31.8 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$7.1 million. A significant portion will serve to provide resources for future capital projects.
- The General Fund's ending fund balance is at \$3.8 million.
- The governmental activities included depreciation of \$3.5 million while making investments in capital assets of \$6.5 million.
- The District retired \$859,678 in bond principal during the year.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which consists of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other Supplementary Information in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the District finances in a manner similar to a private-sector business.

The ***Statement of Net Position*** presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases, in net position, may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, the vacation wages liability recognizes a current cost while payment is in the future.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Both of the government-wide financial statements (*Net Position* and *Statement of Activities*) distinguish functions of the District that are principally supported by taxes, intergovernmental revenue and charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost(s) through user fees and charges (*business-type activities*). The governmental activity of the District includes the administration by the General Fund, recreation and internal service activities. The business-type activities of the District include utility activities that reflect enterprise operations where a fee for service typically covers all or most of the costs of operations including depreciation and debt service.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The District uses fund accounting to ensure and demonstrate compliance with financial related legal requirements, hence, the principal role of a fund is to demonstrate fiscal accountability. All of the funds of the District can be divided into two categories: governmental and proprietary.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, the governmental fund financial statement focuses on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains multiple governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund, Community Services Special Revenue, Capital Projects and Debt Services Funds, and the Beach Special Revenue, Capital Projects and Debt Service Funds.

The District adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets. For the other governmental funds similar comparisons are provided in the Supplemental Information section.

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its maintenance of its fleet of vehicles, buildings maintenance, and engineering functions. The District internal services fund also accounts for the Workers Compensation function. Each department pays for coverage based on its payroll costs. Workers Compensation serves the entire District and uses these charges, rather than costs being allocated by department. The Internal Service Fund is classified as governmental-type activities in the government-wide statement since the governmental funds are the most substantial users of these services.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District. The District has prepared a schedule for its Multi-Employer Retirement Plans. There are individual fund schedules, providing budget to actual comparisons. These schedules indicate compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. The State of Nevada Department of Taxation, Local Government Division, has a prescribed format for budget data. The supplementary information reports actual results according to that format and terminology. Statistical information is provided on a five or ten-year basis, as available, for trend and historical analysis. This information addresses a number of the major revenue sources of the District including the Recreation and Beach Facility Fee.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Governmental-wide Financial Analysis

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$153 million at June 30, 2019. The largest portion of net position (79%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**Incline Village General Improvement District
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and Other assets	\$ 18,211,423	\$ 13,170,824	\$ 8,207,132	\$ 8,435,236	\$ 26,418,555	\$ 21,606,060
Long Term assets	6,656,389	9,546,374	5,843,465	3,762,165	12,499,854	13,308,539
Net Capital Assets	57,639,775	54,721,037	69,158,284	69,496,001	126,798,059	124,217,038
Total Assets	82,507,587	77,438,235	83,208,881	81,693,402	165,716,468	159,131,637
Liabilities						
Current liabilities	5,477,847	4,631,434	1,815,665	2,306,442	7,293,512	6,937,876
Long-term liabilities	1,131,683	1,491,016	4,084,938	4,608,926	5,216,621	6,099,942
Total Liabilities	6,609,530	6,122,450	5,900,603	6,915,368	12,510,133	13,037,818
Deferred Inflows of Resources						
Deferred inflows	242,584	242,019	-	-	242,584	242,019
Net Position						
Net investment in capital assets	56,147,092	52,880,021	64,549,358	64,377,397	120,696,450	117,257,418
Restricted by Third Party Agreement	136,993	183,037	316,611	309,344	453,604	492,381
Unrestricted	19,371,388	18,010,708	12,442,309	10,091,293	31,813,697	28,102,001
Total Net Position	\$ 75,655,473	\$ 71,073,766	\$ 77,308,278	\$ 74,778,034	\$ 152,963,751	\$ 145,851,800

**Incline Village General Improvement District
Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
Program Revenues:						
Charges for services	\$ 23,715,593	\$ 20,278,250	\$ 12,785,742	\$ 11,925,557	\$ 36,501,335	\$ 32,203,807
Operating grants	17,000	17,000	1,440	-	18,440	17,000
Capital grants and contributions	267	558,128	-	199,934	267	758,062
General Revenues:						
Ad valorem tax	1,622,486	1,546,575	-	-	1,622,486	1,546,575
Consolidated tax	1,690,222	1,637,250	-	-	1,690,222	1,637,250
Facility Fees	6,756,410	6,771,522	-	-	6,756,410	6,771,522
Unrestricted investment earnings	563,685	175,122	282,484	77,280	846,169	252,402
Other	204,245	190,578	15,066	50,020	219,311	240,598
Total Revenues	34,569,908	31,174,425	13,084,732	12,252,791	47,654,640	43,427,216
Expenses						
General Government	4,194,237	3,828,917	-	-	4,194,237	3,828,917
Internal Services	3,306,507	3,056,400	-	-	3,306,507	3,056,400
Utility	-	-	10,554,488	10,253,834	10,554,488	10,253,834
Community Services	20,345,198	19,043,639	-	-	20,345,198	19,043,639
Beach	2,142,259	1,849,659	-	-	2,142,259	1,849,659
Total Expenses	29,988,201	27,778,615	10,554,488	10,253,834	40,542,689	38,032,449
Excess Revenue (Expenses)	4,581,707	3,395,810	2,530,244	1,998,957	7,111,951	5,394,767
Transfers In (Out)	(120,000)	(120,000)	120,000	120,000	-	-
Changes in Net Position	4,461,707	3,275,810	2,650,244	2,118,957	7,111,951	5,394,767
Beginning Net Position, as reported	71,073,766	67,797,956	74,778,034	72,659,077	145,851,800	140,457,033
Prior Period Adjustment	120,000	-	(120,000)	-	-	-
Beginning Net Position, as adjusted	71,193,766	67,797,956	74,658,034	72,659,077	145,851,800	140,457,033
Ending Net Position	\$ 75,655,473	\$ 71,073,766	\$ 77,308,278	\$ 74,778,034	\$ 152,963,751	\$ 145,851,800

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Governmental-wide Financial Analysis (continued)

Governmental activities increased the Districts' net position by \$4,461,707. The majority of this increase is attributed to an excellent operating season for the District's ski resort.

Total governmental activity revenue overall increased year-on-year in the area of charges for services. The increase in Charges for Services is attributed to the ski resort and increases for banquets and events. The significant increase in investment income is an increase in rates and changes in market values from a loss to a gain. Sales and consolidated taxes, mostly comprised of business and vehicle tax, and increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw an increase. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year the abatement has a value of \$428,437 as a reduction of otherwise eligible ad valorem taxes.

The District ski resort budgets its operations on 110,000 skier visits. For 2018-19 the resort had 130,922 visits. The added usage resulted in revenue exceeding the original budget by over \$2,863,000. Though some expenses also increased by \$477,000, many costs are fixed and the resulting increased results flows to fund balance. By comparison, the Community Services Special Revenue Fund for 2018 was very close to budget.

Incline Village General Improvement District Governmental Activities Revenues

	2019		2018	
Property taxes	\$ 1,622,486	5%	\$ 1,546,575	5%
Combined taxes	1,690,222	5%	1,637,250	5%
Charges for Services -Community Service:	17,748,644	51%	14,726,788	47%
Charges for Services - Beach	1,492,687	4%	1,266,613	4%
Charges for Services - Internal Services	4,474,262	13%	4,284,849	14%
Facility Fees - Community Services	5,781,289	17%	5,799,206	19%
Facility Fees- Beach	975,121	3%	972,316	3%
Operating Grants	17,000	0%	17,000	0%
Capital Grants	267	0%	558,128	1%
Unrestricted investment earnings	563,685	2%	175,122	1%
Miscellaneous revenues	204,245	0%	190,578	1%
Total governmental revenues	\$ 34,569,908	100%	\$ 31,174,425	100%

The facility fee, assessed on parcel owners, is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2018-19 the District assessed \$5,788,050 in recreation facility fees and \$969,500 in beach facility fees. The shift to the Beach Fund in fiscal year 2018 was to provide more resources for future capital expenditure.

IVGID Facility Fees

Fiscal Year	Per Eligible Parcel		Total Assessment Roll		District Assessed
	Beach	Community Services	Beach	Community Services	Recreation Facility
2018-19	\$ 125	\$ 705	\$969,500	\$5,788,050	\$6,757,550
2017-18	125	705	969,500	5,776,770	6,746,270
2016-17	100	730	774,400	5,972,860	6,747,260
2015-16	100	730	774,300	5,972,130	6,746,430
2014-15	100	730	774,300	5,971,400	6,745,700

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Governmental-wide Financial Analysis (continued)

Total governmental activities include the General Fund which provides District wide administration, Internal Services, and Recreation and Beach programming, capital projects and debt service. Expenditures in the General Fund increased year on year primarily related to Human Resources and increased legal expenses from litigation. Internal services increased reflecting higher service levels and the prior year having a reduced cost in Work Comp because of claim liability changes. Recreation and Beach programming reflect higher costs based on increase in service demand, while also increasing wages to hourly staff.

**Incline Village General Improvement District
Governmental Activities Functional Expenses**

	2019	2018
Manager	\$ 418,829	\$ 355,012
Trustees	175,882	176,450
Accounting	884,240	833,348
Information Services	828,368	820,658
Risk Management	137,019	127,032
Human Resources	682,394	597,875
Health & Wellness	28,816	24,594
Community & Employee Relations	194,398	188,682
Administration	583,203	462,552
Depreciation	261,088	242,714
Total General Government	\$ 4,194,237	\$ 3,828,917
Fleet	\$ 1,146,886	\$ 1,045,987
Engineering	631,999	751,111
Buildings Maintenance	1,022,743	909,796
Works Compensation	504,879	349,506
Total Internal Services	\$ 3,306,507	\$ 3,056,400
Championship Golf	\$ 4,985,709	\$ 4,724,811
Mountain Golf	1,155,483	1,165,185
Facilities	678,964	626,149
Ski	9,098,577	8,230,147
Recreation and Community Programming	2,634,298	2,564,677
Parks	1,082,530	1,063,374
Tennis	302,493	281,020
Recreation Administration	407,144	388,276
Total Community Services	\$ 20,345,198	\$ 19,043,639
Total Beach	\$ 2,142,259	\$ 1,849,659

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Business-type activities: Business-type activities increased their net position by \$2,650,244. The prior year was \$2,118,957. The Utility Fund has little fluctuation from year to year in its units of service. It continues to build added resources for a major capital project on the effluent pipeline. Capital expenditures were \$2,816,092, while depreciation expense was \$3,153,809. Principal reduction on bonds was \$509,678.

Financial Analysis at the Fund Level

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance of \$3,568,844 may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the District's General Fund balance increased to \$3,765,586, with \$196,742 non-spendable. A prior period adjustment has been made to the General Fund to reflect a 2018 transfer of \$800,000 from the Worker Comp activity within Internal Services, which was redistributed to the Community Services, Beach and Utility funds during 2018-2019. The General Fund also received \$300,000 during 2018-19 that will likewise be distributed during 2019-2020 and \$174,356 which will be retained. The Work Comp self-insured function Internal Services is no longer required having transferred all liability to a risk pool.

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services Special Revenue Fund Balance increased to \$13,333,953. The Beach Special Revenue Fund Balance increased to \$1,810,378.

Budgets are adopted for all governmental funds on a modified accrual basis. The focus of this basis is to capture transactions based on current financial resources. Increases and decreases in financial resources are recognized only to the extent that they reflect near-term inflows or outflows of cash.

General Fund Budgetary Highlights

General Fund functional expenditures performed better to budget by \$484,833. The increase in investment earnings is attributed to rate increases, and market value improvement. Much of that is a one-time occurrence, and past years have recognized the reductions. Savings occurred in Information Services because of staff vacancies. Several planned capital expenditure were not made including \$195,000 for two software systems. General Fund actual expenditures has increased slightly over the prior year. Administration includes legal defense costs of about \$130,000.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Capital Asset and Debt Administration

Capital Assets: The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2019 amounts to \$126,798,059 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 4 to the financial statements.

Incline Village General Improvement District Capital Assets, Net

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land - Governmental Activities	\$ 16,971,753	\$ 16,971,753	\$ -	\$ -	\$ 16,971,753	\$ 16,971,753
Construction in Progress - Governmental Activities	2,157,103	2,755,328	-	-	2,157,103	2,755,328
Land - Utility Activities	-	-	6,715,544	6,715,544	6,715,544	6,715,544
Construction in Progress - Utility Activities	-	-	1,418,052	4,151,041	1,418,052	4,151,041
Buildings and Improvements	913,462	846,899	-	-	913,462	846,899
Equipment and Vehicles	1,647,472	1,591,187	-	-	1,647,472	1,591,187
Internal services equipment furniture and fixtures	253,869	263,912	-	-	253,869	263,912
Utility service infrastructure	-	-	113,807,857	108,626,081	113,807,857	108,626,081
Utility buildings and improvements	-	-	15,503,863	15,166,010	15,503,863	15,166,010
Utility equipment, furniture and fixtures	-	-	3,696,213	3,721,984	3,696,213	3,721,984
Community services buildings and improvements	64,695,501	58,884,392	-	-	64,695,501	58,884,392
Community services equipment, furniture and fixtures	11,942,698	11,613,546	-	-	11,942,698	11,613,546
Beach buildings and improvements	4,957,906	4,861,698	-	-	4,957,906	4,861,698
Beach equipment, furniture and fixtures	569,383	510,786	-	-	569,383	510,786
Total Cost	104,109,147	98,299,501	141,141,529	138,380,660	245,250,676	236,680,161
Accumulated Depreciation	(46,469,372)	(43,578,464)	(71,983,245)	(68,884,659)	(118,452,617)	(112,463,123)
Capital Assets, Net	\$ 57,639,775	\$ 54,721,037	\$ 69,158,284	\$ 69,496,001	\$ 126,798,059	\$ 124,217,038

The major capital asset events during the fiscal year was completion of a Diamond Peak Culvert Project and capitalizing multi-year improvements for the effluent pipeline.

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$6,106,926. Of that amount, \$4,962,361 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$1,144,565 represents bonds secured solely by specified utility revenue sources.

Long-term liability activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	New Issues	Principal Paid	Ending Balance
Governmental Type Activities:				
Bonds Payable;				
Recreation Revenue Supported	\$ 1,848,000	\$ -	\$ 350,000	\$ 1,498,000
Business Type Activities:				
Bonds Payable;				
Utility Revenue Supported	5,118,604	-	509,678	4,608,926
Total	\$ 6,966,604	\$ -	\$ 859,678	\$ 6,106,926

Readers desiring more information, with respect to the District's debt, should see Note 8 to the financial statements.

The District may borrow money and incur or assume indebtedness as provided in Nevada Revised Statutes, Chapter 318, Section 277, so long as the total of all such indebtedness (but excluding revenue bonds and special assessment bonds) does not exceed an amount equal to 50 percent of the total of the last assessed valuation of taxable property.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2019
(continued)**

Economic Factors and Next Year's Budgets and Rates

- The District's primary revenue sources are from service charges from users. These are mostly in two forms as amounts charged at the point of service delivery and a standby charge paid by parcel owners to support the availability of services. The standby charge, also known as the Facility Fee, is determined annually by venue to support its operations, capital expenditure and debt service. The District has adopted a multi-year Strategic Planning process. Along with that, we continue to look at capital expenditure and debt service planning, five to twenty years ahead.
- Weather impacts demand for golf and ski and, to a much smaller extent, water and sewer charges based on the choice of residents and visitors to spending time in our community. We have recovered from the prior several years of drought affecting the beach and ski resort. With a more normal weather pattern, we look forward to less fluctuation year to year. A major initiative is to look at summer usage of the ski resort. A regulatory review of those possibilities has begun. However, this may take three to five years to be resolved. The general economy and discretionary spending are considered during the budget process. Anticipated user levels are revisited each year to assess probable service demands.
- Beginning with the 2009-10 fiscal year, the Utility Rate structure was evaluated by the Board one year at a time. For 2009-10 the Board decided on no increase in rates. This was applied to both the operating and capital component of rates. Rate increases were implemented for the 2010-19 fiscal years. These increases were for additional costs and to provide resources for the construction of the now completed Burnt Cedar Water Disinfection Plant Upgrade and the planned replacement project for several miles of our effluent pipeline. There are also a multitude of projects to upgrade pump stations. The design of these projects is ongoing. Both rates and planning for major construction is reviewed annually for the next five years.
- Parcel Owner user rates are based on market data and operating needs of the community activities as determined during budget preparation and adopted by the Board of Trustees.
- Personnel cost comprised 36% of annual expenditures. The 2018-19 budgeted for base wages and salaries, and benefits to increase including 3% cost of living wage or merit increases, and 12% for health benefits rates in January 2019. It also right sized staffing for increased service levels.
- In these economic times employee retention is a key to the success of the District. The District continues to seek a balance of market forces and its economic realities with the benefits of longevity and employee institutional knowledge. Though many employees are part time we strive to have them move from venue to venue or season to season.

Request of Information

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning the information provided in this report or request for additional financial information should be addressed to the Director of Finance, 893 Southwood Boulevard, Incline Village, Nevada, 89451. This report will also be available on the District's website at www.yourtahoeplace.org.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

BASIC FINANCIALS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,215,642	\$ 4,366,202	\$ 14,581,844
Short term investments	5,741,868	2,248,044	7,989,912
Receivables:			
Accounts receivable, net	17,780	1,204,623	1,222,403
Interest on investments	36,806	32,109	68,915
Taxes and Fees from Washoe County	38,914	-	38,914
Grants Receivable	371,079	12,881	383,960
Due from other governments	505,808	-	505,808
Inventories and supplies	675,985	154,393	830,378
Prepaid items	607,541	188,880	796,421
Long term investments	6,276,812	5,526,854	11,803,666
Restricted assets:			
Temporarily restricted investments	379,577	316,611	696,188
Capital assets:			
Land	16,971,753	6,715,544	23,687,297
Construction in progress	2,157,103	1,418,052	3,575,155
Buildings, Structures, Improvements, Infrastructure, Equipment and Vehicles, net of accumulated deprecation	38,510,919	61,024,688	99,535,607
Total assets	<u>82,507,587</u>	<u>83,208,881</u>	<u>165,716,468</u>
LIABILITIES			
Accounts payable	1,395,283	736,835	2,132,118
Accrued personnel costs	1,657,774	344,526	2,002,300
Accrued interest payable	11,235	61,387	72,622
Due to other governments	45,284	-	45,284
Unearned revenue	2,007,271	148,929	2,156,200
Noncurrent liabilities:			
Due within one year	361,000	523,988	884,988
Due in more than one year	1,131,683	4,084,938	5,216,621
Total liabilities	<u>6,609,530</u>	<u>5,900,603</u>	<u>12,510,133</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow	<u>242,584</u>	<u>-</u>	<u>242,584</u>
NET POSITION			
Net investment in capital assets	56,147,092	64,549,358	120,696,450
Restricted Investments by Third Party Agreement	136,993	316,611	453,604
Unrestricted	19,371,388	12,442,309	31,813,697
Total net position	<u>\$ 75,655,473</u>	<u>\$ 77,308,278</u>	<u>\$ 152,963,751</u>

The notes to the financial statements are an integral part of this statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-type Activities		Total
					Governmental Activities	Business-type Activities	
Primary government							
Governmental activities:							
General government	\$ 4,194,237	\$ 1,169,400	\$ -	\$ -	\$ (3,024,837)	\$ -	\$ (3,024,837)
Community Services	20,345,198	17,748,644	17,000	267	(2,579,287)	-	(2,579,287)
Beach	2,142,259	1,492,687	-	-	(649,572)	-	(649,572)
Fleet, Engineering, Bldgs. & Work Comp	3,306,507	3,304,862	-	-	(1,645)	-	(1,645)
Total governmental-type activities	29,988,201	23,715,593	17,000	267	(6,255,341)	-	(6,255,341)
Business-type activities:							
Utilities	10,554,488	12,785,742	1,440	-	-	2,232,694	2,232,694
Total primary government	\$ 40,542,689	\$ 36,501,335	\$ 18,440	\$ 267	\$ (6,255,341)	\$ 2,232,694	\$ (4,022,647)
General revenues:							
Property taxes					1,622,486	-	1,622,486
Combined taxes					1,690,222	-	1,690,222
Facility Fees					6,756,410	-	6,756,410
Unrestricted investment earnings					563,685	282,484	846,169
Gain on sale of capital assets					39,168	15,066	54,234
Insurance Proceeds					50,300	-	50,300
Miscellaneous revenues					114,777	-	114,777
Transfers In (Out)					(120,000)	120,000	-
Total general revenues and transfers					10,717,048	417,550	11,134,598
Changes in net position					4,461,707	2,650,244	7,111,951
Net position - beginning, as previously reported					71,073,766	74,778,034	145,851,800
Prior period adjustment					120,000	(120,000)	-
Net position - beginning, as adjusted					71,193,766	74,658,034	145,851,800
Net position - ending					\$ 75,655,473	\$ 77,308,278	\$ 152,963,751

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

	<u>GENERAL</u>	<u>COMMUNITY SERVICES SPECIAL REV.</u>	<u>BEACH SPECIAL REVENUE</u>	<u>COMMUNITY SERVICES CAP. PROJECTS</u>	<u>BEACH CAPITAL PROJECTS</u>	<u>COMMUNITY SERVICES DEBT SERV.</u>	<u>BEACH DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS								
Cash, cash equivalents and investments	\$ 4,619,435	\$ 14,751,053	\$ 1,945,888	\$ 372,676	\$ 109,433	\$ -	\$ -	\$ 21,798,485
Accounts receivable, net	4,754	13,026	-	-	-	-	-	17,780
Interest receivable on investments	16,732	17,704	2,370	-	-	-	-	36,806
Taxes and Fees from Washoe County	7,147	27,153	4,614	-	-	-	-	38,914
Grants receivable	-	1,417	-	369,662	-	-	-	371,079
Due from other governments	336,693	144,868	24,247	-	-	-	-	505,808
Inventories	-	573,951	-	-	-	-	-	573,951
Prepaid items	196,742	362,360	34,532	-	-	-	-	593,634
Restricted deposits	242,584	135,993	1,000	-	-	-	-	379,577
Total assets	\$ 5,424,087	\$ 16,027,525	\$ 2,012,651	\$ 742,338	\$ 109,433	\$ -	\$ -	\$ 24,316,034
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 305,100	\$ 507,537	\$ 42,169	\$ 372,676	\$ 109,433	\$ -	\$ -	\$ 1,336,915
Accrued personnel costs	1,078,016	298,132	28,253	-	-	-	-	1,404,401
Due to other governments	32,756	-	12,528	-	-	-	-	45,284
Unearned revenue	45	1,887,903	119,323	-	-	-	-	2,007,271
Total liabilities	1,415,917	2,693,572	202,273	372,676	109,433	-	-	4,793,871
Deferred Inflow of Resources								
Deferred Inflow	242,584	-	-	369,662	-	-	-	612,246
Fund balance								
Non-spendable	196,742	936,311	34,532	-	-	-	-	1,167,585
Restricted Deposits by Third Party Agreement	-	135,993	1,000	-	-	-	-	136,993
Assigned	-	12,261,649	1,774,846	-	-	-	-	14,036,495
Unassigned	3,568,844	-	-	-	-	-	-	3,568,844
Total fund balance	3,765,586	13,333,953	1,810,378	-	-	-	-	18,909,917
Total liabilities and fund balance	\$ 5,424,087	\$ 16,027,525	\$ 2,012,651	\$ 742,338	\$ 109,433	\$ -	\$ -	\$ 24,316,034

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2019**

Amounts reported for governmental activities in the Statement of Net Position that are not included in the Governmental Funds Balance Sheet (because):

Total Fund Balance for Governmental Activities	\$ 18,909,917
General Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	3,220,082
Community Services Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	49,497,425
Accrued interest, not to be liquidated from currently available resources	(11,054)
Capital Grants in Deferred Inflows due to collection beyond 60 days	369,662
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(1,473,882)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	5,232
Beach Fund:	
Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund	4,845,360
Accrued interest, not to be liquidated from currently available resources	(181)
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund	(24,118)
Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund	85
Internal Services Fund:	
Total Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	316,945
Net Position of Governmental Activities	\$ 75,655,473

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes	\$ 1,615,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,615,540
Personal Property Tax	17,871	-	-	-	-	-	-	17,871
Intergovernmental								
Consolidated taxes	1,440,607	-	-	-	-	-	-	1,440,607
Local Government Tax Act Services	249,615	14,570	-	-	-	-	-	249,615
Charges for Services	-	17,648,014	1,492,687	-	-	-	-	19,140,701
Interfund Services	-	86,060	-	-	-	-	-	86,060
Facility Fees - Operations	-	2,984,399	774,928	-	-	-	-	3,759,327
Facility Fees - Capital Expenditure	-	2,508,528	198,558	-	-	-	-	2,707,086
Facility Fees - Debt Service	-	329,848	1,635	-	-	-	-	331,483
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	31,958	-	-	-	31,958
Investment income	327,815	199,322	36,188	-	-	-	-	563,325
Miscellaneous	2,002	112,777	-	-	-	-	-	114,779
Total revenues	<u>3,653,450</u>	<u>23,900,518</u>	<u>2,503,996</u>	<u>31,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,089,922</u>
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	418,829	-	-	-	-	-	-	418,829
Trustees	175,882	-	-	-	-	-	-	175,882
Accounting	884,240	-	-	-	-	-	-	884,240
Information Services	828,368	-	-	-	-	-	-	828,368
Risk Management	137,019	-	-	-	-	-	-	137,019
Human Resources	682,394	-	-	-	-	-	-	682,394
Health & Wellness	28,816	-	-	-	-	-	-	28,816
Community & Employee Relations	194,398	-	-	-	-	-	-	194,398
Administration	583,203	-	-	-	-	-	-	583,203
Central Services Cost Allocation Income	(1,169,400)	-	-	-	-	-	-	(1,169,400)
Capital Outlay	121,257	-	-	-	-	-	-	121,257
RECREATION								
Championship Golf	-	4,285,423	-	-	-	-	-	4,285,423
Mountain Golf	-	960,442	-	-	-	-	-	960,442
Facilities	-	482,527	-	-	-	-	-	482,527
Ski	-	7,830,948	-	-	-	-	-	7,830,948
Community Programming and Recreation Center	-	2,296,972	-	-	-	-	-	2,296,972
Parks	-	815,439	-	-	-	-	-	815,439
Tennis	-	253,544	-	-	-	-	-	253,544
Recreation Administration	-	363,285	-	-	-	-	-	363,285
Beds	-	-	1,906,516	-	-	-	-	1,906,516
Capital Outlay	-	-	-	6,043,500	284,298	-	-	6,327,798
Debt Service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	344,365	5,635	350,000
Interest	-	-	-	-	-	37,036	606	37,642
Total expenditures	<u>2,885,006</u>	<u>17,288,580</u>	<u>1,906,516</u>	<u>6,043,500</u>	<u>284,298</u>	<u>381,401</u>	<u>6,241</u>	<u>28,795,542</u>
Excess revenues (expenditures)	768,444	6,611,938	597,480	(6,011,542)	(284,298)	(381,401)	(6,241)	1,294,380
OTHER FINANCING SOURCES:								
Sale of Capital and Intangible Assets	-	34,567	-	5,592	-	-	-	40,159
Insurance Proceeds	-	50,300	-	-	-	-	-	50,300
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,508,528)	(198,558)	2,508,528	198,558	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(329,848)	(1,635)	-	-	329,848	1,635	-
Transfers In (Out) - From (to) Other Sources	(325,644)	(523,945)	35,000	1,169,945	-	-	-	354,356
Net change in fund balance	<u>442,800</u>	<u>3,333,484</u>	<u>432,287</u>	<u>(2,327,477)</u>	<u>(85,740)</u>	<u>(51,553)</u>	<u>(4,606)</u>	<u>1,739,195</u>
Fund balance, July 1, as previously reported	2,522,786	10,645,469	1,413,091	2,327,477	85,740	51,553	4,606	17,050,722
Prior period adjustment	800,000	(645,000)	(35,000)	-	-	-	-	120,000
Fund balance, July 1, as adjusted	<u>3,322,786</u>	<u>10,000,469</u>	<u>1,378,091</u>	<u>2,327,477</u>	<u>85,740</u>	<u>51,553</u>	<u>4,606</u>	<u>17,170,722</u>
Fund balance, June 30	<u>\$ 3,765,586</u>	<u>\$ 13,333,953</u>	<u>\$ 1,810,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,909,917</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Amounts reported for governmental activities are different because the Governmental Funds account for a flow of resources while the Statement of Activities is on a full accrual basis of accounting:

Total Net Change in Fund Balance for Governmental Funds \$ 1,739,195

General Fund:

Taxes for periods through June 30, 2019 that were received after August 30, 2019.	(10,925)
Capital Assets acquired during the year and capitalized	121,257
Unallocated depreciation expense for the fiscal year	(261,088)

Community Services Fund:

Facility Fees for periods through June 30, 2019 that were received after August 30, 2019.	(35,697)
Capital Assets acquired during the year and capitalized	6,043,500
Depreciation expense for the fiscal year	(3,020,525)
Net book value of assets sold	(991)
Pump Track Capital Grants collected for prior year	(31,691)
Principal paid on long-term liabilities, including bonds payable	344,365
Interest accrued versus paid	2,583
Amortize Bond Discount for fiscal year	(1,640)
Miscellaneous revenue	(2)

Beach Fund:

Facility Fees for periods through June 30, 2019 that were received after August 30, 2019.	(5,789)
Capital Assets acquired during the year and capitalized	284,298
Depreciation expense for the fiscal year	(235,152)
Principal paid on long-term liabilities, including bonds payable	5,635
Interest accrued versus paid	42
Amortize Bond Discount for fiscal year	(27)

Internal Services Fund:

Total Change in Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities	<u>(475,641)</u>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

Change in Net Position of Governmental Activities	<u>\$ 4,461,707</u>
---------------------------------------------------	---------------------

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,611,738	\$ 1,611,738	\$ 1,615,540	\$ 3,802
Personal Property Tax	12,000	12,000	17,871	5,871
Intergovernmental:				
Consolidated Tax	1,423,595	1,423,595	1,440,607	17,012
Local Government Tax Act	238,000	238,000	249,615	11,615
Investment earnings	138,600	138,600	327,815	189,215
Miscellaneous	3,600	3,600	2,002	(1,598)
Total revenues	<u>3,427,533</u>	<u>3,427,533</u>	<u>3,653,450</u>	<u>225,917</u>
EXPENDITURES				
GENERAL GOVERNMENT:				
Manager	418,809	418,809	418,829	(20)
Trustees	205,930	205,930	175,882	30,048
Accounting	903,274	903,274	884,240	19,034
Information Services	1,012,522	1,012,522	828,368	184,154
Risk Management	146,884	146,884	137,019	9,865
Human Resources	729,083	729,083	682,394	46,689
Health and Wellness	41,090	41,090	28,816	12,274
Communications	191,579	191,579	194,398	(2,819)
Administration	454,118	454,118	583,203	(129,085)
Central Services Cost Allocation Income	(1,169,400)	(1,169,400)	(1,169,400)	-
Capital Outlay	435,950	435,950	121,257	314,693
Total expenditures	<u>3,369,839</u>	<u>3,369,839</u>	<u>2,885,006</u>	<u>484,833</u>
Excess (deficiency) of revenues over expenditures	<u>57,694</u>	<u>57,694</u>	<u>768,444</u>	<u>710,750</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(125,000)	(125,000)	-	125,000
Operating Transfers (Out)	-	-	(325,644)	(325,644)
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(325,644)</u>	<u>(200,644)</u>
Net changes in fund balance	<u>(67,306)</u>	<u>(67,306)</u>	<u>442,800</u>	<u>510,106</u>
Fund balance, July 1, as previously reported	2,432,349	2,432,349	2,522,786	90,437
Prior Period Adjustment	-	-	800,000	800,000
Fund balance, July 1, as adjusted	<u>2,432,349</u>	<u>2,432,349</u>	<u>3,322,786</u>	<u>890,437</u>
Fund balance, June 30	<u>\$ 2,365,043</u>	<u>\$ 2,365,043</u>	<u>\$ 3,765,586</u>	<u>\$ 1,400,543</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Championship Golf	\$ 3,992,444	\$ 3,992,444	\$ 3,902,689	\$ (89,755)
Mountain Golf	690,926	690,926	740,968	50,042
Facilities	406,900	406,900	392,246	(14,654)
Ski	8,915,000	11,715,000	11,778,871	63,871
Community Programming and Recreation Center	1,305,414	1,305,414	1,364,044	58,630
Parks	67,740	67,740	46,580	(21,160)
Tennis	159,700	159,700	153,435	(6,265)
Recreation Administration	(510,600)	(510,600)	(730,819)	(220,219)
Subtotal Charges for Services	15,027,524	17,827,524	17,648,014	(179,510)
Facility Fees - Operations	1,765,150	1,765,150	2,984,399	1,219,249
Facility Fees - Capital Projects	3,612,400	3,612,400	2,508,528	(1,103,872)
Facility Fees - Debt service	410,500	410,500	329,848	(80,652)
Intergovernmental Services	21,000	21,000	14,570	(6,430)
Interfund Services	77,920	77,920	86,060	8,140
Operating Grants	17,000	17,000	17,000	-
Investment income	30,000	30,000	199,322	169,322
Miscellaneous - other	106,480	106,480	112,777	6,297
Total revenues	<u>21,067,974</u>	<u>23,867,974</u>	<u>23,900,518</u>	<u>32,544</u>
EXPENDITURES				
COMMUNITY SERVICES RECREATION:				
Championship Golf	4,171,759	4,171,759	4,285,423	(113,664)
Mountain Golf	1,019,953	1,019,953	960,442	59,511
Facilities	547,202	547,202	482,527	64,675
Ski	7,353,714	7,783,714	7,830,948	(47,234)
Community Programming and Recreation Center	2,350,783	2,350,783	2,296,972	53,811
Parks	848,133	848,133	815,439	32,694
Tennis	263,670	263,670	253,544	10,126
Recreation Administration	375,000	375,000	363,285	11,715
Total expenditures	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Excess (deficiency) of revenues over expenditures	<u>4,137,760</u>	<u>6,507,760</u>	<u>6,611,938</u>	<u>104,178</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	241,875	241,875	645,000	403,125
Sale of assets	-	-	34,567	34,567
Insurance Proceeds	-	-	50,300	50,300
Contingency	(500,000)	(500,000)	-	500,000
Operating Transfers (Out) - Capital Projects	(6,070,675)	(6,070,675)	(3,678,473)	2,392,202
Operating Transfers (Out) - Debt Service	(410,500)	(410,500)	(329,848)	80,652
Total other financing sources (uses)	<u>(6,739,300)</u>	<u>(6,739,300)</u>	<u>(3,278,454)</u>	<u>3,460,846</u>
Net changes in fund balance	<u>(2,601,540)</u>	<u>(231,540)</u>	<u>3,333,484</u>	<u>3,565,024</u>
Fund Balance, July 1, as previously reported	11,515,351	10,645,469	10,645,469	-
Pre-Period Adjustment	-	-	(645,000)	(645,000)
Fund Balance, July 1, as adjusted	<u>11,515,351</u>	<u>10,645,469</u>	<u>10,000,469</u>	<u>(645,000)</u>
Fund balance, June 30	<u>\$ 8,913,811</u>	<u>\$ 10,413,929</u>	<u>\$ 13,333,953</u>	<u>\$ 2,920,024</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Beach	\$ 1,338,500	\$ 1,338,500	\$ 1,492,687	\$ 154,187
Facility Fees - Operations	659,260	659,260	774,928	115,668
Facility Fees - Capital Projects	302,484	302,484	198,558	(103,926)
Facility Fees - Debt service	7,756	7,756	1,635	(6,121)
Investment earnings	13,500	13,500	36,188	22,688
Total revenues	<u>2,321,500</u>	<u>2,321,500</u>	<u>2,503,996</u>	<u>182,496</u>
EXPENDITURES				
BEACH RECREATION:				
Beach	<u>1,922,976</u>	<u>1,922,976</u>	<u>1,906,516</u>	<u>16,460</u>
Excess (deficiency) of revenues over expenditures	<u>398,524</u>	<u>398,524</u>	<u>597,480</u>	<u>198,956</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Operatign Transfers In	13,125	13,125	35,000	21,875
Operating Transfers (Out) - Capital Projects	(306,328)	(306,328)	(198,558)	107,770
Operating Transfers (Out) - Debt Service	<u>(7,756)</u>	<u>(7,756)</u>	<u>(1,635)</u>	<u>6,121</u>
Total other financing sources (uses)	<u>(350,959)</u>	<u>(350,959)</u>	<u>(165,193)</u>	<u>185,766</u>
Net changes in fund balance	<u>47,565</u>	<u>47,565</u>	<u>432,287</u>	<u>384,722</u>
Fund Balance, July 1, as previously reported	1,444,497	1,444,497	1,413,091	(31,406)
Prior Period Adjustment	-	-	<u>(35,000)</u>	<u>(35,000)</u>
Fund Balance, July 1, as adjusted	<u>1,444,497</u>	<u>1,444,497</u>	<u>1,378,091</u>	<u>(66,406)</u>
Fund balance, June 30	<u>\$ 1,492,062</u>	<u>\$ 1,492,062</u>	<u>\$ 1,810,378</u>	<u>\$ 318,316</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2019**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,366,202	\$ 435,837
Short term investments	2,248,044	-
Accounts receivable	1,204,623	-
Interest receivable	32,109	-
Grants receivable	12,881	-
Inventories	154,393	102,034
Prepaid expenses	188,880	13,907
Total current assets	8,207,132	551,778
Noncurrent assets:		
Investments - long-term	5,526,854	-
Contractual deposits	100	-
Restricted deposit for debt service reserve	224,761	-
Restricted for TRPA Deposits	91,750	-
	5,843,465	-
Capital Assets		
Land	6,715,544	-
Construction in progress	1,418,052	-
Buildings and structures	15,503,863	-
Improvements and Infrastructure	113,807,857	-
Equipment and vehicles	3,696,213	253,869
Total capital assets	141,141,529	253,869
Less: accumulated depreciation	(71,983,245)	(176,961)
Total capital assets (net)	69,158,284	76,908
Total noncurrent assets	75,001,749	76,908
Total assets	83,208,881	628,686
LIABILITIES		
Current liabilities:		
Accounts payable	736,835	58,368
Accrued personnel costs	344,526	253,373
Accrued interest payable	61,387	-
Unearned revenue	148,929	-
Current maturities of long-term debt	523,988	-
Total current liabilities	1,815,665	311,741
Non-current liabilities:		
Non-current long term debt	4,084,938	-
Total liabilities	5,900,603	311,741
NET POSITION		
Net investment in capital assets	64,549,358	76,908
Restricted Deposits by Third Party Agreement	316,611	-
Unrestricted	12,442,309	240,037
Total net position	\$ 77,308,278	\$ 316,945

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business - type	
	Activities	Governmental
	Enterprise	Activities
	Utility	Internal
	Fund	Services Fund
	<u> </u>	<u> </u>
OPERATING REVENUES		
Sales and fees	\$ 12,673,889	\$ -
Operating grants	1,440	-
Interfund services	111,853	3,304,862
Total operating revenues	<u>12,787,182</u>	<u>3,304,862</u>
OPERATING EXPENSES		
Wages and benefits	3,951,364	1,899,914
Cost of goods sold	4,624	-
Services and supplies	1,796,401	871,784
Defensible Space	100,000	-
Central Services Cost	308,600	-
Insurance	172,276	511,410
Utilities	862,768	10,838
Professional fees	78,295	-
Depreciation	3,153,809	12,561
Total operating expenses	<u>10,428,137</u>	<u>3,306,507</u>
Operating income	<u>2,359,045</u>	<u>(1,645)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	282,484	360
Gain (loss) on sales of assets	15,066	-
Interest on bond debt	(126,351)	-
Total nonoperating revenues (expenses)	<u>171,199</u>	<u>360</u>
Income before transfers and contributions	<u>2,530,244</u>	<u>(1,285)</u>
Transfer In (Out)	<u>120,000</u>	<u>(474,356)</u>
Changes in net position	2,650,244	(475,641)
Total net position, July 1, as previously reported	74,778,034	792,586
Prior period adjustment	(120,000)	-
Total net position, July 1, as adjusted	<u>74,658,034</u>	<u>792,586</u>
Total net position, June 30	<u>\$ 77,308,278</u>	<u>\$ 316,945</u>

The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Business - type Activities Enterprise Utility Fund</u>	<u>Governmental Activities Internal Services Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 12,264,273	\$ -
Receipts from interfund services provided	111,853	3,304,862
Receipts from operating grants	1,440	-
Payments to suppliers	(3,463,230)	(1,526,271)
Payments to employees	(3,930,319)	(1,790,450)
Net cash provided (used) by operating activities	4,984,017	(11,859)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer (to) from other funds	-	(474,356)
Net cash provided (used) by non-capital financing activities	-	(474,356)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(2,816,092)	-
Proceeds (costs) from sale of assets	15,066	-
Payments on capital debt	(509,678)	-
Capital contributions	114,787	-
Interest expense	(133,456)	-
Net cash provided (used) by capital and related financing activities	(3,329,373)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted investments released (increased)	(7,267)	103,880
Investments purchased	(4,500,000)	-
Long-term investments matured	255,939	-
Investment earnings	198,470	360
Net cash provided (used) by investing activities	(4,052,858)	104,240
Net change in cash and cash equivalents	(2,398,214)	(381,975)
Cash and cash equivalents, July 1	6,764,416	817,812
Cash, cash equivalents and investments, June 30	\$ 4,366,202	\$ 435,837

(Continued)

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Business - type	
	Activities	Governmental
	Enterprise	Activities
	Utility	Internal
	Fund	Services Fund
	<u> </u>	<u> </u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 2,359,045	\$ (1,645)
Non-cash adjustments -		
Depreciation	3,153,809	12,561
Increase (decrease) in cash from changes in:		
Accounts receivable	(15,027)	-
Inventory	1,589	(12,636)
Prepaid expenses	(17,417)	(4,376)
Accounts payable	(124,438)	(115,227)
Accrued personnel costs	21,045	109,464
Unearned revenue and customer deposits	(394,589)	-
Total adjustments	<u>2,624,972</u>	<u>(10,214)</u>
Net cash provided (used) by operating activities	<u>\$ 4,984,017</u>	<u>\$ (11,859)</u>

The notes to the financial statements are an integral part of this statement.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS – INDEX

Note 1	Summary of Significant Accounting Policies
A	Reporting Entity
B	Basic Financial Statements - Government-wide Statements
C	Basic Financial Statements – Fund Financial Statements
D	Measurement Focus/Basis of Accounting
E	Budgets and Budgetary Accounting
F	Cash, Cash Equivalents and Investments
G	Receivables
H	Inventory and Prepaid Items
I	Restricted Assets
J	Capital Assets
K	Amortization of Bond Discounts and Premiums
L	Compensated Absences and Accrued Personnel Costs
M	Deferred Outflows/Inflows of Resources
N	Unearned Revenue and Refundable Deposits
O	Long-Term Debt
P	Fund Balance
Q	Net Position
R	Estimates
S	Central Services Cost Allocation
T	Punch Cards Utilized
U	Implementation of GASB Statement No. 88
Assets:	
Note 2	Cash, Cash Equivalents and Investments
Note 3	Restricted Assets
Note 4	Capital Assets
Liabilities and Fund Equity:	
Note 5	Accrued Personnel Costs
Note 6	Unearned Revenue
Note 7	Interfund Accounts and Transfers
Note 8	Long-Term Debt
Other:	
Note 9	Deferred Inflow of Resources
Note 10	Capital Grants
Note 11	Deferred Compensation Plan
Note 12	District Retirement Benefit Plans
Note 13	Schedule of Insurance Coverage and Risk Management
Note 14	Contingencies
Note 15	Assigned Fund Balance
Note 16	Lease Obligations
Note 17	Due to Other Governments
Note 18	Segment Information for Community Services and Beach Special Revenue Funds
Note 19	Commitments Affecting Future Periods
Note 20	Restricted Deposit Held in Lawsuit
Note 21	State of Nevada Tax Abatements Affecting District Revenues
Note 22	Prior Period Adjustment and Subsequent Transactions Affecting the Fiscal Years June 30, 2018, 2019, and 2020

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Incline Village General Improvement District (the "District") operates under provisions of the Nevada Revised Statutes (NRS), Chapter 318. Under the law, this General Improvement District has been granted authority by Washoe County to provide water, sewer and solid waste services, and recreational facilities and programs for the benefit of individuals owning property or residing within its geographical boundaries. The unincorporated rural areas of Incline Village and Crystal Bay, Washoe County, Nevada are within these boundaries.

The District is governed by a board of five publicly elected trustees. The District is not included in any other governmental reporting entity. The District is a legally separate government and it is fiscally independent of any other governmental entity. The District is not financially accountable for any other entity.

B. Basic Financial Statements - Government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts –net investment in capital assets, restricted; and unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who receive a direct benefit from goods or services. Grants and contributions are restricted to meeting the operational or capital requirements of a function. General revenues reflect items that are not included as either program revenue or grants and contributions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants.

C. Basic Financial Statements - Fund financial statements

The financial transactions of the District are reported in individual purpose based fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows and outflows, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and proprietary funds. The District has no fiduciary funds. Major funds for each fund type are presented as separate columns in the fund financial statements.

D. Measurement Focus/Basis of Accounting – Fund financial statements

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the timing of revenues and how expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the close of the fiscal period. Expenditures are generally recorded when the liability is incurred as under the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. The Proprietary funds utilize the accrual basis of accounting.

The District's internal services are presented in the proprietary fund's financial statements. The principal users of Internal Services (Fleet, Engineering and Buildings) are the District's utility and recreation program fund activities. Another internal service provides Workmen's Compensation benefits to all funds. Each activity pays premiums based on its payroll to provide resources for the coverage. The actual benefit is provided by purchasing a fully insured program from the Nevada Public Compensation Trust. All Internal Services are considered a governmental - type activity for the Government-wide financial statements. The majority of utilization of internal services is by the Utility Fund, Community Services and the Beach funds. The effect of inter-fund activity has not been eliminated from the Government-wide financial statements.

The District uses the following funds (all considered Major):

Governmental Funds -

General Fund - is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund's primary function is to provide general administration for all other functions.

Community Services – providing recreation to approximately 8,200 parcel owners, their guests and visitors.

- Special Revenue Fund – operation of golf, event facilities, downhill skiing, recreation and fitness programs, parks and tennis
- Capital Projects Fund – capital projects related to recreation functions
- Debt Service Fund – debt service related to recreation functions

Beach – providing beach, picnic areas, boat launching and swimming pool programs to approximately 7,700 parcel owners and their guests.

- Special Revenue Fund – operations of beach functions
- Capital Projects Fund – capital projects related to beach functions
- Debt Service Fund – debt service related to beach functions

Proprietary Funds -

Enterprise Funds - The Enterprise Funds are used to account for operations of the District's Utility Departments. **Utility Fund** – providing water, sewer, solid waste and recycling services to approximately 4,100 customers.

Internal Service Funds – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the District. The District provides Fleet, Engineering, and Buildings Maintenance which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The District has Worker's Compensation that provides a combination of resources for prior claims and purchases current coverage for benefits. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment. The Worker's Compensation Department provides District-wide worker's current period compensation coverage of benefits through a government risk pool.

E. Compliance with Nevada Revised Statutes and Nevada Administrative Code

The District adheres to the Local Government Budget Act incorporated within Chapter 354 of the Nevada Revised Statutes, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

1. On or before April 15, 2018, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 23, 2018, at a public hearing, the Board adopted a final budget. On or before June 1, 2018 the final budget was filed with the Nevada Department of Taxation.
2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and, if necessary, public hearing procedures. The District did augment its budget for the 2018-19 fiscal year.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

The District conformed to all significant statutory constraints on its financial administration.

F. Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition that are held for routine expenditures.

District Funds share bank accounts for operations, payroll and reimbursements. Activity between funds occurs in the regular activities of the District. The General Fund issues accounts payable and payroll and related benefits for all funds. To the extent payment has not occurred, but the cost was realized by the benefitted fund, internal balances for Due from or to Other Funds are established. These are cleared monthly through pooled cash. The combined pooled balances are monitored to assure no fund makes temporary loans to another, within the context of Nevada Revised Statute 354.6118.

Short term investments reflect items held with maturities within one year. These are predominantly certificates of deposit and agency issues. These provide funds for capital projects.

Long-term investments reflect items held with maturities beyond one year. These include certificates of deposit and instruments issued by the Federal Government or its agencies.

Nevada Revised Statutes authorize the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government investment pool (LGIP) (operated by the Nevada State Treasurer); negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

Funds on deposit with LGIP are considered cash and cash equivalents. Even though the weighted average maturity of the underlying investments in the LGIP are greater than 90 days, the District can liquidate its deposits within a few days. The District has reported these deposits as cost plus accrued interest which approximates fair value.

The District's Investments are stated at fair value as of the reporting date. These are categorized using fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based in the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2019:

U. S. Agencies securities are valued at quoted market prices (Level 1 inputs)

Certificates of Deposits valued at quoted market prices (Level 1 inputs)

G. Receivables

Property taxes are levied no later than July 10 of each year on property values assessed for the same year. The taxes may be paid in four installments as follows: the first installment is due on or before the third Monday in August, the second installment is due on or before the first Monday in October, the third installment is due on or before the first Monday in January, and the fourth installment is due on or before the first Monday in March. If payment of the taxes is not made within ten days following the day the installments become due, penalties are assessed in accordance with NRS 361.483. Once the installments become delinquent, interest is added at the rate of 10 percent per annum. Taxes levied become a perpetual lien against the property assessed until the tax and any penalty charges and interest which may accrue thereon are paid. Washoe County assesses the property tax, bills, collects, and distributes the property tax revenue.

Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. An allowance for doubtful accounts is considered and at present, the allowance totals \$2,283. The District may file a tax lien for uncollected utility service fees.

The District has been granted resources to finance the construction of various utility infrastructures, restoration of a creek zone and to upgrade a ballfield. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable. The District also has an operating grant from Washoe County, received monthly in arrears. The uncollected balance of this grant is carried in Due from Other Governments.

The District receives certain tax revenues in the General Fund which are collected by the State of Nevada. These settlements arrive within 60 days of the month close when they are generated. The amounts are listed as Due from Other Governments.

H. Inventory and Prepaid Items

There are no inventories in the General Fund. Inventories of items for resale for Community Services Special Revenue and Proprietary Funds are stated at the lower of cost (first-in, first-out) or market. Prepaid Expenses are recognized under the consumption method as items are used.

Certain payments are made to vendors for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. They are recognized under the consumption method when used.

I. Restricted Assets

The District has restricted several deposits for the benefit of other agencies in connection with performance under a retail operation, construction, debt service and providing workers compensation benefits. These agencies establish the restriction by regulation or agreement.

J. Capital Assets

Capital assets include land, buildings, machinery and equipment, or water rights which are reported in the applicable governmental or business-type activities column in the government-wide financial statements. If purchased or constructed, all capital assets are recorded at historical cost. Donated capital assets are valued at acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible capital assets (all categories except land and construction in progress) is charged as an expense against each fund's operation. The District's policy is to capitalize assets with a normal useful life of three or more years. The District holds 4,272 Acre Feet of Water Rights. This represents about 1,405,000,000 gallons. The District's historical records cannot separately identify the cost of water rights from land.

Activities of the General Fund include District administration, accounting and finance, information systems and technology, human resources, risk management, the General Manager's office, communications and the Board of Trustees. The land, buildings, furniture and equipment, including technology assets, represent items used in common by all of the activities of the General Fund at the District's administrative office. The computers and technology represent equipment of the Information Systems & Technology (IST) department that services the needs of the entire District. These assets are presented as a part of government-wide net assets.

Activities of the Community Services Special Revenue Fund include two 18-hole golf courses, a large and small meeting facility, a ski resort, a recreation center, parks, tennis center, a skateboard park and green spaces. Venue improvements includes the cost of developing program ready locations.

Utility capital assets include traditional distribution lines, tanks, pumps and treatment. However, since the District is located in the Lake Tahoe Basin, the number of pumps, tanks and export lines is increased due to the requirements to manage in a mountainous and environmentally sensitive area.

The District has a number of Construction in Progress items since the fiscal year falls in the middle of the active acquisitions season. It is the nature of major projects to span multiple fiscal periods. The District accumulates costs through a series of pre-design, design and acquisition stages.

Interest is capitalized for assets used in business-type activities funded by debt.

Depreciation has been provided over the estimated useful lives of the various assets using the straight-line method. Estimated lives and capitalization thresholds of major classes of depreciable assets are as follows:

<u>Asset Category</u> <u>Threshold</u>	<u>Depreciable Life</u>	<u>Capitalization</u>
Buildings and Structures	30 - 50 years	\$10,000
Improvements and Infrastructure	10 - 50 years	\$10,000
Equipment and Vehicles	3 - 20 years	\$ 5,000

With its location within the Lake Tahoe Basin, Defensible Space is an important function for the District. This is generally accomplished through contracts with the North Lake Tahoe Fire Protection District which serves essentially the same geographic area as the District. Defensible Space expenditures range from clearing the understory to major tree removal and fuels reduction. The goal of the program is to create a “halo” around the community restricting the movement of wildfire in or out of the community. The substance of those efforts removes vegetation and other fuels as they accumulate. The degree of work in any given area rotates over time based on conditions as assessed by the Fire District. Much of the funding for the effort comes from other governments on a Federal, State and local level. The IVGID contribution is focused on treatment of District owned parcels. The District budgets to provide resources for its share of contracted expenditures. The work provides an ongoing benefit, but the District expenses all costs as incurred.

K. Amortization of Bond Discounts and Premiums

The discounts on bonds sold are being amortized to expense over the term of the bonds. Bonds payable are reported net of related discounts.

L. Compensated Absences and Accrued Personnel Costs

Full-time employees are provided vacation benefits that specifically relate to tenure with the District. After six months of service, employees are entitled to their vested vacation leave upon termination. The liability for vacation benefits is recognized with an expenditure or charge to the appropriate fund and activity as earned.

The District pays payroll every two weeks. Any District payroll earned as of month end is accrued based on the number of days attributed to that month to the total 14 days paid with the next scheduled payroll. Liabilities for fringe benefits and other costs, such as taxes, are also accrued on the same method.

The District has adopted a plan under which certain retirees, who have met specific service requirements, can roll unused sick leave pay to cover medical expenses after retirement. Otherwise sick leave is not vested.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that will apply to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

N. Unearned Revenue and Refundable Deposits

The District's Utility Fund reads meters in 3 cycles over the course of a month. Billing occurs once a month. Billings for the next cycle are also reconciled with actual usage. Funds received for the Tahoe Water Suppliers Association are recognized only to the extent expended and may roll over to the next year.

The District's Community Services Fund recognizes unearned revenue to the extent it has issued user passes, gift or payment cards that can be applied to future purchases. There also are advance deposits made to reserve dates for facility rentals or program registrations. User passes expire with each season.

O. Long-Term Debt

In the government-wide financial statement, and proprietary fund financial statements, long term debts are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statements net of related discounts. Bond discounts are amortized using the straight-line method and are amortized over the term of the related debt.

P. Fund Balance

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include "non-spendable" which are not expected to be converted to cash, such as inventory or prepaid items, "restricted" by conditions of law, regulation grants or contract with external parties, "committed" which arise from acts of the District's Board, "assigned" which reflect an intent by management of the District or "unassigned" which is the residual amount. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District, which can act by their resolution, prior to the end of the fiscal year, and thus commit fund balance. Once adopted, the limitation imposed by the Board of Trustees remains in place until a similar resolution is taken to remove or revise the limitation.

An assigned fund balance can be specified by the District's General Manager.

The District's Board of Trustees has adopted a policy and practice statement on the Appropriate Level of Fund Balance.

The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed when amounts are available for the same use. The District's Governmental fund types first utilizes committed resources as authorized, then assigned and then unassigned when amounts are available for the same use.

Q. Net Position

In the Proprietary fund and the government-wide financial statements, net position is presented in one of three classifications. Net investment in capital assets, restricted and the residual unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. The unrestricted component of net position is the net amount of assets and liabilities not included in the determination of net investment of capital assets or the restricted component.

R. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

S. Central Services Cost Allocation

The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item from the expense category.

T. Punch Cards Utilized

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2018-2019 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund.

U. Implementation of GASB Statement No. 88

As of July 1, 2018, the District adopted GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The implementation of this standard is to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The additional disclosures required by this standard are included in Note 8.

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District's checking deposits was \$2,913,075 while the bank balance was \$2,850,508. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

Cash and Cash Equivalents at June 30, 2019 consist of:

Operating Checking Accounts	\$2,198,036
Petty cash and change funds	72,255
Nevada Local Government Investment Pool (average weighted maturity of 116 days)	
General LGIP Account	8,146,152
Utility LGIP Account	3,014,539
US Government Money Market	<u>1,150,862</u>
Total Cash and Cash Equivalents	<u>\$14,581,844</u>

A portion of the District's investments are placed with Wells Fargo Bank as custodian in the US Government Money Market, where fair value is determined by multiplying the number of trading units held, by the quoted market value on that date.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares.

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has adopted a formal investment policy that meets those limits and maturities for its investment choices. Essentially those investments are brokered certificates of deposit and government agencies.

The District categorizes its fair value measurements for investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs.

Fair Value Measurements as of June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of Deposit	\$ 14,053,485	\$ -	\$14,053,485
US Agencies	5,740,093	-	<u>5,740,093</u>
Interest Bearing Amounts - Investments			19,793,578
LGIP at Net Asset Value (Cash Equivalent)			11,160,691
LGIP Restricted Deposits at Net Asset Value			<u>447,429</u>
Total Fair Value Measurements			<u>\$31,401,698</u>

Investment Maturities by Investment Type as of June 30, 2019:

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Certificates of Deposit	\$2,499,777	\$7,779,883	\$3,773,825	\$14,053,485
US Agencies	<u>5,490,135</u>	-	249,958	<u>5,740,093</u>
Subtotal interest bearing	<u>7,989,912</u>			19,793,578
LGIP as a Cash Equivalent	11,160,691			11,160,691
LGIP - Restricted Deposits	447,429			<u>447,429</u>
All Investment Types				<u>\$ 31,401,698</u>

Investment Maturities by Activity as of June 30, 2019:

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Short term	\$ 5,741,868	\$ 2,248,044	\$ 7,989,912
Long term	6,276,812	5,526,854	11,803,666
LGIP as a Cash Equivalent	8,146,152	3,014,539	11,160,691
LGIP - Restricted Deposit	<u>130,918</u>	<u>316,511</u>	<u>447,429</u>
Total Investment Activity Type	<u>\$ 20,295,750</u>	<u>\$11,105,948</u>	<u>\$31,401,698</u>

Interest Rate Risk - To the extent possible, the maturities of securities held within District portfolios shall be closely matched to the District's cash flow requirements for day to day operations, planned capital projects and unknown future contingencies.

Credit Risk – The District's Investment Policy is based on the Uniform Prudent Investors Act and Nevada Revised Statutes 355.170 (NRS). The NRS authorizes the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government pooled investment fund; negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days. Diversification of the District's investments is guided by the Uniform Prudent Investors Act.

Custodial Credit Risk – The District Investment Policy requires FDIC coverage or collateralization on deposit-type securities. The District's cash accounts on deposit with financial institutions were covered by federal depository insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Concentration Credit Risk – The District Investment Policy calls for diversification without setting maximum allocations. The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. All of these agencies have been rated Aaa by Moody's. The District's GSE holdings are approximately 29% of total investments. Individual CD's are held with a number of banks at or under the FDIC insured limited calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

3. RESTRICTED ASSETS

The State of Nevada requires a deposit for sales tax collection and electronic filing of \$6,075, for a retail location in non-District owned premises.

On September 13, 2017 the District's Board of Trustees approved a settlement agreement relative to ongoing litigation with a member of the public. Under this agreement, damages awarded by the Washoe County District Court are held in a segregated account in the District's name until the Nevada Supreme Court Appeal is completed. The amount of the deposit was \$241,646 and now stands at \$242,584.

The assets of the EPA State Revolving Fund (SRF) Reserve may be used to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is in the account at the District's discretion. The EPA SRF Reserve is in the LGIP Account totaling \$224,761. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used to satisfy performance obligations on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$211,778, interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$222,668.

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Tahoe Foundation	100
Litigation Damage Deposit held by the District	242,584
LGIP Restricted Deposits (SRF & TRPA)	<u>447,429</u>
Total Temporarily Restricted Deposits	<u>\$ 696,188</u>

4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2019:	Balance			Balance June 30, 2019
	July 1, 2018	Increases	Decreases	
Governmental Activities:				
Capital assets, not being depreciated				
Land - General Government	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904
Land - Community Services	11,996,999	-	-	11,996,999
Land - Beach	2,304,850	-	-	2,304,850
Subtotal Land	16,971,753	-	-	16,971,753
Construction in Progress - General Government	19,591	121,257	(122,848)	18,000
Construction in Progress - Community Services	2,504,320	6,043,500	(6,769,629)	1,778,191
Construction in Progress - Beach	231,418	284,299	(154,805)	360,912
Subtotal Construction in Progress	2,755,329	6,449,056	(7,047,282)	2,157,103
Total capital assets, not being depreciated	19,727,082	6,449,056	(7,047,282)	19,128,856
Capital assets, being depreciated				
Buildings and Structures - General Government	846,899	66,563	-	913,462
Buildings and Structures - Community Services	29,780,305	442,324	(205,308)	30,017,321
Buildings and Structures - Beach	2,687,860	11,700	-	2,699,560
Venue Improvements - Community Services	29,104,086	5,695,259	(121,165)	34,678,180
Venue Improvements - Beach	2,173,838	84,508	-	2,258,346
Equipment and Vehicles - General Government	1,591,187	56,285	-	1,647,472
Equipment and Vehicles - Community Services	11,613,546	632,046	(302,894)	11,942,698
Equipment and Vehicles - Beach	510,786	58,597	-	569,383
Equipment and Vehicles - Internal Services	263,912	-	(10,043)	253,869
Total capital assets, being depreciated	78,572,419	7,047,282	(639,410)	84,980,291
Less accumulated depreciation for:				
Buildings and Structures - General Government	(791,701)	(16,325)	-	(808,026)
Buildings and Structures - Community Services	(13,829,130)	(911,330)	205,309	(14,535,151)
Buildings and Structures - Beach	(1,506,576)	(94,103)	-	(1,600,679)
Venue Improvements - Community Services	(18,921,568)	(967,240)	121,165	(19,767,643)
Venue Improvements - Beach	(1,352,314)	(98,938)	-	(1,451,252)
Equipment and Vehicles - General Government	(975,967)	(244,763)	-	(1,220,730)
Equipment and Vehicles - Community Services	(5,773,117)	(1,141,955)	301,902	(6,613,170)
Equipment and Vehicles - Beach	(253,649)	(42,111)	-	(295,760)
Equipment and Vehicles - Internal Services	(174,443)	(12,561)	10,043	(176,961)
Total accumulated depreciation	(43,578,465)	(3,529,326)	638,419	(46,469,372)
Total capital assets being depreciated, net	34,993,954	3,517,956	(991)	38,510,919
Governmental Activities Capital Assets, net	\$ 54,721,036	\$ 9,967,012	\$ (7,048,273)	\$ 57,639,775

Continued Capital Asset activity for the year ended June 30, 2019:	Balance			Balance
	July 1, 2018	Increases	Decreases	
Business-Type Activities				
Utility Capital assets not being depreciated				
Land	\$ 6,715,544	\$ -	\$ -	\$ 6,715,544
Construction in Progress	4,151,041	2,816,092	(5,549,081)	1,418,052
Total utility capital assets, not being depreciated	10,866,585	2,816,092	(5,549,081)	8,133,596
Utility Capital assets, being depreciated				
Buildings and structures	15,166,010	337,853	-	15,503,863
Service infrastructure	108,626,081	5,181,776	-	113,807,857
Equipment and vehicles	3,721,984	29,452	(55,223)	3,696,213
Total utility capital assets at historical cost	127,514,075	5,549,081	(55,223)	133,007,933
Less accumulated depreciation for:				
Buildings and structures	(7,311,064)	(377,074)	-	(7,688,138)
Service infrastructure	(59,070,007)	(2,567,148)	-	(61,637,155)
Equipment and vehicles	(2,503,588)	(209,587)	55,223	(2,657,952)
Total accumulated depreciation	(68,884,659)	(3,153,809)	55,223	(71,983,245)
Total utility capital assets being depreciated, net	58,629,416	2,395,272	-	61,024,688
Business-Type Activities Capital Assets, net	\$ 69,496,001	\$ 5,211,364	\$ (5,549,081)	\$ 69,158,284

The District has a number of Construction in Progress projects open as of June 30, 2019. Community Services includes \$223,333 for the Diamond Peak Master Plan and \$261,502 for the Community Services Master Plan. Beach includes \$210,632 for the Incline Beach Facility Study. The Utility Fund includes \$662,507 for the design phase of the Effluent Export Line that project will be ongoing through at least 2023. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2019 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 261,088
Recreation	3,020,525
Beach	235,152
Internal Services	12,561
Total Depreciation Expense	<u>\$ 3,529,326</u>

Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 3,153,809</u>

The District holds a substantial number of land parcels for recreation and public purposes. Approximately 80 parcels were acquired at no cost through a Washoe County tax forfeiture transfer. These lands are not held for the purpose of income or profit, and therefore are not considered an investment.

5. ACCRUED PERSONNEL COSTS

The General Fund processes and issues payments for all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made, the individual funds provide their share through the pooled cash. This process provides the General Fund with the necessary available financial resources to meet the District wide obligations. Generally, no regular payroll or personnel accruals are recorded to the individual funds. Accruals for special payments, Health Reimbursement Accounts, Sick Leave at Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any banks accounts specific for payment of benefits except for those accumulated for Workers Compensation claims under the Internal Service Fund.

As a regular course of operations, the payroll including June 30 was paid July 19. The employee benefits earned through June 30 are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with an excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post employment health related costs. There are 11 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

The District offers health reimbursement accounts (HRA) in exchange for the insured accepting a higher deductible or co-insurance. The Plan is administered by the health insurance carrier. The District also has a third party administered flexible spending account (FSA). The District maintains bank accounts exclusively for reimbursements for HRA and FSA transactions.

The District provides Workers Compensation through a risk pooling arrangement funded with quarterly assessments. The fourth quarter is paid in arrears after a payroll verification conducted by the Pool.

Accrued Personnel Costs as of June 30, 2019:

Current Payroll Liabilities:	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Accrued Payroll	\$ 660,717	\$ -	\$ 660,717
Taxes Withheld	49,935	-	49,935
Accrued Benefits	36,889	-	36,889
Deferred Comp	13,240	-	13,240
Retirement Plan	42,510	-	42,510
Health Reimbursement Accounts	131,190	-	131,190
Sick Leave Retirement Benefit	138,096	156,886	294,982
Workers Comp unpaid assessments	179,382	-	179,382
Accrued Vacation	<u>405,815</u>	<u>187,640</u>	<u>593,455</u>
Total Government-wide	<u>\$1,657,774</u>	<u>\$ 344,526</u>	<u>\$2,002,300</u>

The Government-wide Accrued Personnel Costs could be liquidated within one year and has been classified as current. The following accounts are based on ongoing activity as opposed to a point in time accrual:

	Balance	Provisions		Balance
Select Benefit Liabilities	<u>June 30, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2019</u>
Health Reimbursement Accts.	\$ 163,683	\$ 51,748	\$ 84,241	\$ 131,190
Sick Leave Retirement Benefit	287,340	37,900	30,258	294,982
Work Comp unpaid losses	57,575	-	57,575	-
Accrued Vacation	546,961	644,985	598,491	593,455

6. UNEARNED REVENUE

The District receives a number of payments that will be recognized as revenue or a liquidated liability based upon a future transaction when the service is provided. These include:

	<u>General</u>	<u>Community Services Special Rev.</u>	<u>Beach Special Rev.</u>	<u>Utility</u>	<u>Total</u>
Billed in advance	\$ 45	\$ 534,358	\$119,323	\$148,929	\$ 802,655
Unexpired season passes	-	1,141,971	-	-	1,141,971
External Gift Cards	-	138,315	-	-	138,315
Internal Gift Cards	-	73,259	-	-	73,259
Total	\$ 45	\$1,887,903	\$119,323	\$148,929	\$2,156,200

7. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash and therefore there are no open balances as of June 30, 2019.

Transfers for Capital Projects and Debt Service are (1) movement of revenues from the fund that by statute or budget authority collects the revenue to provide resources for specified functions and transaction types to the fund that will expend them.

Transfers from Internal Services move unique resources to finance various operations in accordance with budgetary authorizations in relation to discontinuing self-insurance. Transfers from the General Fund were to return self-insurance resources to the operating funds after first transferred to the General Fund in the prior year, as required by Nevada Revised Statute. The same Statute does not allow the General Fund to redistribute the resources in the same fiscal year as received. Of the \$474,356 received in the current fiscal year, \$300,000 will be similarly redistributed in the subsequent fiscal year.

Gross Transfers reported on the financial statements as of June 30, 2019 are as follows:

Fund Transfer Out:	Fund Transfer In:								Total Out
	General Fund	Community Services Special Revenue	Community Services Capital Projects	Community Services Debt Service	Beach Special Revenue	Beach Capital Projects	Beach Debt Service	Utility Fund	
Internal Services Fund	\$ 474,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 474,356
General Fund	-	645,000	-	-	35,000	-	-	120,000	\$ 800,000
Community Services Special Revenue	-	-	3,678,473	329,848	-	-	-	-	\$ 4,008,321
Beach Special Revenue	-	-	-	-	-	198,558	1,635	-	\$ 200,193
Total In	\$ 474,356	\$ 645,000	\$ 3,678,473	\$ 329,848	\$ 35,000	\$ 198,558	\$ 1,635	\$ 120,000	\$ 5,482,870

8. LONG-TERM DEBT

All of the District's Long Term Bonds are collateralized by a pledge of revenues derived and to be derived from the operation of either the Utility, Community Services or Beach venues, after deduction there from of the amount necessary to pay all operating and maintenance charges as required by applicable bond agreements. The District is also required to maintain rates sufficient to pay all maintenance, depreciation, replacement, betterment, and interest charges.

Outstanding Long-Term Debt as of June 30, 2019:

<u>Issue</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount Issued</u>	<u>Principal Outstanding</u>	<u>Current Portion</u>
Governmental Activities:						
General Obligation Revenue Bonds Recreation						
Recreation Facilities and Recreation						
Refunding 2012	07/18/12	09/01/22	2.25%	3,475,000	\$1,498,000	\$361,000
Total Recreation Revenue Supported Debt					\$1,498,000	\$361,000
Business Type Activities Direct Borrowings and Direct Placements:						
Utility						
State of Nevada:						
Sewer C32-0204	10/28/02	01/01/23	3.144%	\$1,720,380	\$ 479,758	\$ 114,388
Water IVGID-1	09/09/04	07/01/25	3.082%	1,687,282	664,807	93,876
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	1,314,494	172,886
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>2,149,867</u>	<u>142,838</u>
Total Utility Revenue Supported Debt					\$4,608,926	\$ 523,988
Total Debt – All Activities					\$6,106,926	\$884,988

Long-Term Debt changes for the year:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Principal Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
By Activity Type:					
Governmental:					
2012 Recreation	\$1,848,000	\$ -	\$350,000	\$1,498,000	\$361,000
Business Type Direct Borrowings and Direct Placements:					
Sewer C32-0204	590,633	-	110,875	479,758	114,388
Water IVGID-1	755,855	-	91,048	664,807	93,876
Sewer CS32-0404	1,482,764	-	168,270	1,314,494	172,886
Water DW-1201	<u>2,289,352</u>	<u>-</u>	<u>139,485</u>	<u>2,149,867</u>	<u>142,838</u>
Business Type Total	<u>5,118,604</u>	<u>-</u>	<u>509,678</u>	<u>4,608,926</u>	<u>523,988</u>
Total Debt	\$6,966,604	\$ -	\$859,678	\$6,106,926	\$884,988
By Bond Type:					
General Obligation	\$5,620,116	\$ -	\$657,755	\$4,962,361	\$676,724
Revenue	<u>1,346,488</u>	<u>-</u>	<u>201,923</u>	<u>1,144,565</u>	<u>208,264</u>
Total Debt	6,966,604	-	859,678	6,106,926	\$884,988
Bond discounts	<u>(6,983)</u>	<u>-</u>	<u>(1,666)</u>	<u>(5,317)</u>	
Long-term Debt, net	<u>\$6,959,621</u>	<u>\$ -</u>	<u>\$858,012</u>	<u>\$6,101,609</u>	

Future Debt Service Requirements as of June 30, 2019:

Fiscal Year	Debt Supported by		Debt Supported by	
	<u>Utility Revenue</u>		<u>Recreation Revenue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
<u>Ending June 30</u>				
2020	\$ 523,988	\$ 119,145	\$ 361,000	\$ 29,643
2021	538,707	104,428	368,000	21,442
2022	553,841	89,291	378,000	13,050
2023	569,405	73,728	391,000	4,399
2024	455,827	58,730	-	-
2025 to 2029	1,410,553	141,852	-	-
2030 to 2032	<u>556,605</u>	<u>23,510</u>	<u>-</u>	<u>-</u>
Total	<u>\$4,608,926</u>	<u>\$ 610,686</u>	<u>\$ 1,498,000</u>	<u>\$ 68,534</u>

At June 30, 2019, principal and interest to maturity paid from pledged future Utility Revenues totals \$5,219,612 and \$1,566,534 paid from pledged Recreation Revenues. For the year ended June 30, 2019, the net pledged revenue was \$2,359,045 for Utility Debt and \$3,953,742 for Recreation Debt.

9. DEFERRED INFLOW OF RESOURCES

The District is holding a deposit of \$242,584 for a damage award as part of ongoing litigation relating to matters asserted by a member of the public. The litigation is under appeal with the Nevada Supreme Court. If the District prevails, the award will become revenue to the General Fund. If the member of the public prevails, the deposit will be refunded under terms of a settlement agreement approved September 13, 2017.

The District has been awarded FEMA/Nevada Department of Emergency Management grants for 2017 damage to the Diamond Peak Maintenance Building for \$38,643 and a portion of the culvert for \$331,019. Review of the final costs and determination of payment is ongoing. They will settle after August 31, 2019. These amounts are deferred at the fund level.

10. CAPITAL GRANTS

The District was awarded FEMA/Nevada Department of Emergency Management Grants for 2017 damages to facilities and infrastructure. Final review and payment is ongoing.

Community Services was awarded a capital grant for \$225,000 for the Pump Track based on costs incurred, and received \$153,778 in 2018. Another \$31,691 was billed for costs incurred by June 30, 2018. This was received later in the next fiscal year and has been recognized at the Fund Level in 2019. Community Services received a combination State of NV Agency Grants for costs of a creek restoration project. The project will occur in fiscal year 2019-2020. Community Services was awarded a capital grant of \$1,409,201 for costs incurred to renovated portions of the Incline Park ballfields. Contracts were awarded for \$1,298,341, but the work did not commence until July 8.

11. DEFERRED COMPENSATION PLAN

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all District employees, permit them to defer a portion of their earnings until future years. The deferred compensation benefit is not collectible by employees until termination, retirement, death, or unforeseeable emergency.

12. DISTRICT RETIREMENT BENEFIT PLANS

The District has two retirement plans covering substantially all of its full-time year round employees. Those not covered under the Pension Trust Fund for Operating Engineers are covered by the District's Money Purchase Pension Plan (Section 401(a)). The District also sponsors a Section 457 Deferred Compensation Plan. No trust is used in relation to these plans, account balances are in the name of the individual employee.

The District's Money Purchase Pension (Section 401(a) Plan is a defined contribution plan). The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. The District's provides a non-elective contribution of 12.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions for, and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union. The plan provides retirement and medical benefits to eligible participants based on a formula of years of service and reaching a qualifying age. It is available to approximately 45 positions in the District, covered by the collective bargaining agreements, with only four electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union collective bargaining agreement is limited to making monthly contributions based on union employees' pay for hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District contributions to the plan equal 100% of the District's liability under the bargaining agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, California 94502 or by calling (800) 251-5014.

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 4%. Both employee and District contributions are fully vested 100% as made.

The District's total contributions equal to required contributions for employees covered by the above plans are as follows:

	401(a) Money	Operating	Employer	Employee
<u>FYE June 30</u>	<u>Purchase</u>	<u>Engineers</u>	<u>Section 457</u>	<u>Section 457</u>
2019	\$985,920	\$ 39,200	\$301,368	\$527,739

13. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2019 consists of the following:

Type	Carrier/Provider	Amount
Property Liability on buildings & contents	NV Public Agency Pool	\$ 300,000,000
Earthquake & Flood	NV Public Agency Pool	150,000,000
Boiler & Machinery	NV Public Agency Pool	100,000,000
General Liability	NV Public Agency Pool	10,000,000
Cyber Security Event	NV Public Agency Pool	2,000,000
Money & Securities	NV Public Agency Pool	500,000
Site Pollution Incident	NV Public Agency Pool	2,000,000
Ski Resort Gen. Liability	Nova Casualty Company	1,000,000
Ski Resort Excess Liability	Nova Casualty Company	6,000,000
Workers Compensation	NV Public Agency Comp. Trust	2,000,000

The District has elected to participate in the Nevada Public Agency Insurance Pool. The risk-sharing Pool secures insurance coverage for all its members. The Pool agreement provides coverage for the equivalent of errors and omissions and directors and officers acts. The Pool does not offer general or excess liability coverage for the Diamond Peak Ski Resort. Therefore, separate coverage is purchased.

A portion of each member's premium contributions to the Pool goes into the Loss Fund and the remainder pays for the excess insurance premiums and administrative expenses. The amount of the Loss Fund contribution is determined by the underwriters based on each member's average annual losses over the prior five years. This amount may vary each year.

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by secondary markets based on arrangements made with the Pool, including a Pool owned captive.

There were no District settlements in excess of insurance coverage in any of the three prior fiscal years.

Ski Liability Insurance is not covered by the Nevada Public Agency Insurance Pool. A separate insurance program, less the District's \$10,000 deductible, provides coverage.

Workers Compensation Coverage

From 1992 to July 1, 2013 the District was self-insured for Worker's Compensation coverage. Effective July 1, 2018 the District executed a Loss Portfolio Transfer and Assumption Agreement with Public Agency Compensation Trust, which removes all liability in exchange for a one-time assessment. As of July 1, 2013 the District utilizes the Nevada Public Agency Compensation Trust to provide work comp coverage for all employees.

For 2018-2019 Worker Compensation (an element of the Internal Service Fund) accounts for and finances its risks of loss for Workers Compensation benefits. Through the Internal Service Fund, the District collects charges based on compensation, and then pays pooling assessments to the Nevada Public Agency Compensation Trust (NVPACT). All funds of the District participate in the program and made payments

based on actuarial estimates provided by NVPACT for the amounts needed to pay claims as member of the risk sharing pool. For fiscal year ended June 30, 2019, the Internal Services Fund billed other District funds a total of \$504,519 and made member assessment payments for coverage of \$458,321. Member assessment payments are audited on the calendar year and paid the following July. Since the District will no longer be liable for costs for claims incurred prior to July 1, 2013, the use of the internal services fund ceased June 30, 2019. All future coverage is a purchased service.

Reconciliation of Workers Comp claims liability as of June 30, 2019, for claims incurred prior to July 1, 2013.

	Beginning Claims <u>Liability</u>	Claims <u>Made</u>	Claims <u>Payments</u>	General <u>Provision</u>	Ending Claims <u>Liability</u>
June 30, 2019	\$ 57,300	\$ -	\$ 57,300	\$ -	\$ -
June 30, 2018	\$156,000	\$ -	\$ -	\$ (98,700)	\$ 57,300
June 30, 2017	\$156,000	\$ -	\$ -	\$ -	\$156,000

14. CONTINGENCIES

The District participates in various federal programs, which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date.

Washoe County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. Similar cases have resulted in the County charging a portion of the rebates against the District's tax settlements in 2012 through 2014. The impact of the current claims, on the District's financial condition, cannot be reasonably estimated.

15. ASSIGNED FUND BALANCE

As of July 1, 2015, the Board of Trustees established Special Revenue, Capital Project and Debt Service funds for District Community Services and Beach activities. Based on governmental accounting standards the fund balance for the Special Revenue funds are assigned for the purpose of recreation privileges utilizing the facility fee. The fund balance in the Capital Projects and Debt Service Funds are assigned since they represent amounts designated through the budget process for approved but uncompleted expenditures under the direction of the District General Manager.

16. LEASE OBLIGATIONS

Revenue:

Miscellaneous revenue includes rent received for cell towers on District property. Under an agreement with American Tower \$20,082 was paid for a tower at the Mountain Golf Course. Its term is April 2007 to 2037 with extensions every five years, cancelable by either party. Rent increases 3% per year. Under an agreement with AT&T \$19,001 was paid for a tower at the Mountain Golf Course. Its term is October 2010 to 2035 with automatic extensions every five years, cancelable by the tenant. Rent increases 3% per year. Under an agreement with AT&T \$61,985 was paid for a tower at Diamond Peak Ski Resort. Its term is July 2013 to 2038 with extensions every five years, cancelable by the tenant. Rent increases 3.5% per year.

Expenses:

The Utility Fund paid \$4,476 for a leased copier under an agreement expiring December 2020.

17. DUE TO OTHER GOVERNMENTS

The Nevada Department of Taxation has notified the District of refund of sales tax due another taxpayer, resulting in reductions of monthly Consolidated Tax Distributions. While the exact amount and terms for the reductions is not determined, sufficient information was available to arrive at an estimated \$60,000 liability. The refund applies to taxes received over three years ending in March 2017. The District share of this refund are being made through 18 monthly reductions that began with the July 2018 Consolidated Tax Distribution. The first twelve months resulted in \$28,946 applied to the \$60,000.

18. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS

The District provides recreation functions through two individual special revenue funds. Each serves a different set of venues and customer base. A significant source of revenue for these functions for operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each function and expenditure type. Facility Fees have been listed separately by fund and function. The operating portion of the facility fee is combined with charges for services to provide the resources for providing services. Charges for services are aggregated, while expenditures are provided by function. As stated in Note 1 T, part of the facility fee can be used to pay for charges for services in lieu of other forms of privileges. These are referred to as Punch Cards. The following are major functions included in Charges for Services and the approximate amounts of punch cards activity that is included.

	Charges for Services	Paid with Punch Cards	Punch Cards Value Utilized
Community Services Fund:			
Championship Golf	\$ 3,952,989	\$ 25,000	\$ -
Mountain Golf	690,668	56,000	-
Facilities	392,246	-	-
Ski	11,778,871	200,000	-
Community Programming	1,364,044	1,000	-
Parks	46,580	-	-
Tennis	153,435	-	-
Recreation Administration	<u>(730,819)</u>	<u>7,000</u>	<u>(757,000)</u>
Total	<u>\$ 17,648,014</u>	<u>\$289,000</u>	<u>\$(757,000)</u>
Beach Fund	<u>\$ 1,492,687</u>	<u>\$590,000</u>	<u>\$(122,000)</u>
District Total		<u>\$879,000</u>	<u>\$(879,000)</u>

19. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2019 services. As of June 30, 2019 \$92,500 in quarterly deposits are remaining as a part of the subsequent year's budget.

Capital Improvement Project Budget Carryover:

The District budgets for capital improvement projects one year at a time for spending authority. The actual execution of construction or acquisition can span one or more fiscal years. The District identifies carryover and unspent budget authority for those projects. The amounts for governmental fund types are re-budgeted for the subsequent fiscal year. The unused Utility Fund resources become part of Unrestricted Net Position, and are budgeted under cash flow on the State of NV budget forms. Amounts carried over at year end are:

General Fund	\$ 201,000
Utility Fund (Non-effluent projects)	1,498,400
Effluent Pipeline Project	9,656,890
Community Services Fund	1,701,702
Beach Fund	108,050

Budgeting for the Fiscal Year Ending June 30, 2020:

The District’s budgeting for the fiscal year ending June 30, 2020 anticipates a reduction in Net Position caused by completion of capital projects. The identified reductions include; General Fund by \$788,870 including \$561,800 to Community Services for the Mountain Golf Course capital project and \$145,000 for contingency, and in Community Services reduction for \$4,037,091 including the \$1,464,000 Mountain Course project, and \$1,285,000 for the Tennis Center Renovation. The Beach Fund has a reduction of \$625,729 resulting from the \$800,000 Burnt Cedar Pool Improvement.

The District has committed to these contractual arrangements for capital improvement projects:

	<u>Contract Award</u>	<u>Completed at June 30, 2019</u>	<u>Remaining Commitment</u>
Utility Fund:			
Effluent Pipeline Project – State Route 28 Line Repairs			
State of Nevada	\$1,152,600	\$1,094,956	\$ 57,644
Replacement of Vactor Truck Awarded for assembly with fall 2019 delivery			
Atlantic Machinery, Inc.	\$ 416,564	\$ -	\$ 416,564
Community Services Fund:			
Incline Park Facility Renovation Awarded for May 2019 start, actual started July			
Rapid Construction	\$1,298,341	\$ -	\$1,298,431
Incline Creek Restoration Awarded for September 2019 start date			
Aspen Developers Corp.	\$ 273,000	\$ -	\$ 273,000
Cardno, Inc.	37,000	-	37,000

20. RESTRICTED DEPOSIT HELD IN LAWSUIT

The District has been engaged in a lawsuit with an individual over many years. A District Court decision made an award to the District for the recovery of fees. Both the Court decision and the fees awarded are under an appeal. In order to reduce possible longer-term exposure to the individual, the District received \$241,646 on September 14, 2017. These refunds are in a separate money market account and classified as a Deferred Inflow until all appeals under the lawsuit are resolved. The timeframe for a decision is unknown.

21. STATE OF NEVADA TAX ABATEMENTS AFFECTING DISTRICT REVENUES

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced include the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District’s estimated share of abatements for this fiscal year is \$21,199.

**22. PRIOR PERIOD ADJUSTMENT AND SUBSEQUENT TRANSACTIONS
AFFECTING THE FISCAL YEARS JUNE 30, 2018, 2019 AND 2020**

As of July 1, 2019 the District was relieved of any liability for its past Self-Insured Workers Compensation Program. For the last several years the District had sought to find a way to obtain tail coverage through traditional markets. Eventually it secured a Loss Portfolio Transfer and Assumption Agreement from the Nevada Public Agency Compensation Trust. Since 2013 the District carried an estimated claims liability based on actuarial reports. The Liability exceeded the Self Insured Retention held by the Workers Compensation Fund. The District reduced the Fund, while still working to reduce the liability by making transfers in June 2018 for \$800,000 and in September 2018 for \$300,000 to reduce the amounts held and return them to the operating funds that had paid assessments to the Fund. In May 2019 the District's Trustees made a finding that the Fund could be closed. Under NRS 354.6215 funds accumulated for Self-Insurance must be transferred to the General Fund once it is no longer needed. Part of that process is to notify the State of this action. Upon further review by the NV Department of Taxation and considering NRS 354.6215, the District took action September 25, 2019 to clarify the steps necessary to have the same end results for the original transfers. These steps require the first transfer in one fiscal year to be from the Workers Compensation Fund to the General Fund and then in the subsequent year the General Fund can transfer to the operating funds.

A Prior Period Adjustment was made to reflect the \$800,000 transfer from the Workers Compensation Fund to the General Fund and reduces that same total for the operating funds for their opening Net Position and Fund Balance as of June 30, 2018. For the fiscal year ending June 30, 2019 the \$800,000 was recorded as transferred to the operating funds, and the \$300,000 transfer is to the General Fund. For the fiscal year ending June 30, 2020 that \$300,000 has been transferred to the operating funds. The final transfer of \$174,356 made from the Workers Compensation Fund to the General Fund and will not be redistributed to allow these resources to be retained to make advance payments on the District-wide worker compensation coverage through its risk pooling.

Prior Period Adjustment as of June 30, 2018				
District-wide	<u>Governmental</u>	<u>Business-type</u>		<u>District-wide</u>
	<u>Activities</u>	<u>Activities</u>		
Net Position as previously Reported	\$71,073,766	\$74,778,034		\$145,851,800
Worker Compensation Transfer	<u>120,000</u>	<u>(120,000)</u>		<u>-</u>
Net Position at June 30, 2018	<u>\$71,193,766</u>	<u>\$74,658,034</u>		<u>\$145,851,800</u>
Fund Level	<u>General</u>	<u>Utility</u>	<u>Community</u>	<u>Beach</u>
	<u>Fund</u>	<u>Fund</u>	<u>Services</u>	<u>Spec. Rev.</u>
			<u>Spec. Rev.</u>	
Fund Balance/Net Position				
as previously Reported	\$2,522,786	\$74,778,034	\$10,645,469	\$1,413,091
Worker Compensation Transfer	<u>800,000</u>	<u>(120,000)</u>	<u>(645,000)</u>	<u>(35,000)</u>
Fund Balance/Net Position				
at June 30, 2018	<u>\$3,322,786</u>	<u>\$74,658,034</u>	<u>\$10,000,469</u>	<u>\$1,378,091</u>

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

REQUIRED
SUPPLEMENTARY
INFORMATION

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF EMPLOYER REQUIRED CONTRIBUTIONS
TO DEFINED CONTRIBUTION MULTI-EMPLOYER PLANS
FOR THE TEN MOST RECENT FISCAL YEARS**

		<u>Operating Engineers</u>		
For the year ending June 30:		<u>Number of</u>	<u>Covered</u>	<u>Required</u>
		<u>Participants</u>	<u>Payroll</u>	<u>Contributions</u>
	2019	4	\$ 318,699	\$ 39,200
	2018	4	308,114	37,898
	2017	4	315,764	38,839
	2016	5	346,008	42,559
	2015	4	275,846	33,929
	2014	5	346,797	42,656
	2013	5	377,293	46,407
	2012	7	395,512	48,648
	2011	7	463,862	57,055
	2010	8	477,382	58,718

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,611,738	\$ 1,611,738	\$ 1,615,540	\$ 3,802
Personal Property Tax	12,000	12,000	17,871	5,871
Intergovernmental:				
Consolidated Tax	1,423,595	1,423,595	1,440,607	17,012
Local Government Tax Act	238,000	238,000	249,615	11,615
Investment income	138,600	138,600	327,815	189,215
Miscellaneous	3,600	3,600	2,002	(1,598)
Central Services Revenue	1,169,400	1,169,400	1,169,400	-
Total revenues	<u>4,596,933</u>	<u>4,596,933</u>	<u>4,822,850</u>	<u>225,917</u>
EXPENDITURES				
General Government - All Functions:				
Function Summary	4,539,239	4,539,239	4,054,406	484,833
Total expenditures	<u>4,539,239</u>	<u>4,539,239</u>	<u>4,054,406</u>	<u>484,833</u>
Excess (deficiency) of revenues over expenditures	<u>57,694</u>	<u>57,694</u>	<u>768,444</u>	<u>710,750</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(125,000)	(125,000)	-	125,000
Operating Transfers In (Out)	-	-	(325,644)	(325,644)
Net changes in fund balance	<u>(67,306)</u>	<u>(67,306)</u>	<u>442,800</u>	<u>510,106</u>
Fund balance, July 1, as previously reported	2,432,349	2,432,349	2,522,786	90,437
Prior Period Adjustment	-	-	800,000	800,000
Fund Balance, July 1, as adjusted	<u>2,432,349</u>	<u>2,432,349</u>	<u>3,322,786</u>	<u>890,437</u>
Fund balance, June 30	<u>\$ 2,365,043</u>	<u>\$ 2,365,043</u>	<u>\$ 3,765,586</u>	<u>\$ 1,400,543</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
General Government:				
General Administration				
Salaries and Wages	\$ 28,215	\$ 28,215	\$ 40,757	\$ (12,542)
Employee Benefits	17,839	17,839	17,980	(141)
Services and Supplies	408,064	408,064	524,466	(116,402)
Capital Outlay	435,950	435,950	64,972	370,978
Subtotal General Administration	<u>890,068</u>	<u>890,068</u>	<u>648,175</u>	<u>241,893</u>
General Manager				
Salaries and Wages	247,506	247,506	244,421	3,085
Employee Benefits	114,563	114,563	105,047	9,516
Services and Supplies	56,740	56,740	69,361	(12,621)
Subtotal General Manager	<u>418,809</u>	<u>418,809</u>	<u>418,829</u>	<u>(20)</u>
Trustees				
Salaries and Wages	100,984	100,984	102,992	(2,008)
Employee Benefits	30,346	30,346	27,822	2,524
Services and Supplies	74,600	74,600	45,068	29,532
Subtotal Trustees	<u>205,930</u>	<u>205,930</u>	<u>175,882</u>	<u>30,048</u>
Accounting				
Salaries and Wages	566,805	566,805	572,025	(5,220)
Employee Benefits	268,079	268,079	252,081	15,998
Services and Supplies	68,390	68,390	60,134	8,256
Subtotal Accounting	<u>903,274</u>	<u>903,274</u>	<u>884,240</u>	<u>19,034</u>
Information Services				
Salaries and Wages	468,487	468,487	426,004	42,483
Employee Benefits	220,452	220,452	191,122	29,330
Services and Supplies	323,583	323,583	211,242	112,341
Capital Outlay	-	-	56,285	(56,285)
Subtotal Information Services	<u>1,012,522</u>	<u>1,012,522</u>	<u>884,653</u>	<u>127,869</u>
Risk Management				
Salaries and Wages	80,435	80,435	81,841	(1,406)
Employee Benefits	44,539	44,539	40,039	4,500
Services and Supplies	21,910	21,910	15,139	6,771
Subtotal Risk Management	<u>146,884</u>	<u>146,884</u>	<u>137,019</u>	<u>9,865</u>
Human Resources				
Salaries and Wages	416,216	416,216	431,911	(15,695)
Employee Benefits	236,294	236,294	203,821	32,473
Services and Supplies	76,573	76,573	46,662	29,911
Subtotal Human Resources	<u>729,083</u>	<u>729,083</u>	<u>682,394</u>	<u>46,689</u>
Health and Wellness				
Salaries and Wages	14,058	14,058	18,446	(4,388)
Employee Benefits	5,557	5,557	5,875	(318)
Services and Supplies	21,475	21,475	4,495	16,980
Subtotal Health and Wellness	<u>41,090</u>	<u>41,090</u>	<u>28,816</u>	<u>12,274</u>
Community & Employee Relations				
Salaries and Wages	81,313	81,313	95,076	(13,763)
Employee Benefits	32,236	32,236	43,559	(11,323)
Services and Supplies	78,030	78,030	55,763	22,267
Subtotal Comm. Relations	<u>191,579</u>	<u>191,579</u>	<u>194,398</u>	<u>(2,819)</u>
Function Subtotal - Form 10	<u>\$ 4,539,239</u>	<u>\$ 4,539,239</u>	<u>\$ 4,054,406</u>	<u>\$ 484,833</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Championship Golf	\$ 3,992,444	\$ 3,992,444	\$ 3,902,689	\$ (89,755)
Mountain Golf	690,926	690,926	740,968	50,042
Facilities	406,900	406,900	392,246	(14,654)
Ski	8,915,000	11,715,000	11,778,871	63,871
Community Programming	1,305,414	1,305,414	1,364,044	58,630
Parks	67,740	67,740	46,580	(21,160)
Tennis	159,700	159,700	153,435	(6,265)
Recreation Administration	(510,600)	(510,600)	(730,819)	(220,219)
Facility Fee:				-
Championship Golf	804,580	804,580	805,884	1,304
Mountain Golf	517,230	517,230	517,661	431
Facilities	467,970	467,970	468,584	614
Ski	238,090	238,090	238,403	313
Community Programming	1,305,390	1,305,390	1,307,104	1,714
Parks	968,780	968,780	970,052	1,272
Tennis	164,200	164,200	164,416	216
Recreation Administration	1,321,810	1,321,810	1,350,671	28,861
Operating Grants	17,000	17,000	17,000	-
Interfund Services	77,920	77,920	86,060	8,140
Intergovernmental Services	21,000	21,000	14,570	(6,430)
Investment Earnings	30,000	30,000	199,322	169,322
Sale of Assets	-	-	34,567	34,567
Miscellaneous	106,480	106,480	112,777	6,297
Total revenues	<u>21,067,974</u>	<u>23,867,974</u>	<u>23,935,085</u>	<u>67,111</u>
EXPENDITURES				
Culture and Recreation - All Functions:				
Function Summary	16,930,214	17,360,214	17,288,580	71,634
Total expenditures	<u>16,930,214</u>	<u>17,360,214</u>	<u>17,288,580</u>	<u>71,634</u>
Excess (deficiency) of revenues over expenditures	<u>4,137,760</u>	<u>6,507,760</u>	<u>6,646,505</u>	<u>138,745</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(500,000)	(500,000)	-	500,000
Insurance Proceeds	-	-	50,300	50,300
Operating Transfers In - Internal Services	241,875	241,875	645,000	403,125
Operating Transfers Out - Capital Projects	(6,070,675)	(6,070,675)	(3,678,473)	2,392,202
Operating Transfers Out - Debt Service	(410,500)	(410,500)	(329,848)	80,652
Net changes in fund balance	<u>(2,601,540)</u>	<u>(231,540)</u>	<u>3,333,484</u>	<u>3,565,024</u>
Fund balance, July 1, as previously reported	11,515,351	11,515,351	10,645,469	(869,882)
Prior Period Adjustment	-	-	(645,000)	(645,000)
Fund Balance, July 1, as adjusted	<u>11,515,351</u>	<u>11,515,351</u>	<u>10,000,469</u>	<u>(1,514,882)</u>
Fund balance, June 30	<u>\$ 8,913,811</u>	<u>\$ 11,283,811</u>	<u>\$ 13,333,953</u>	<u>\$ 2,050,142</u>

Note: The State Budget Form 4404LGF recognized the Total Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure by those Funds.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Community Services:				
Championship Golf				
Salaries and Wages	\$ 1,493,437	\$ 1,493,437	\$ 1,509,876	\$ (16,439)
Employee Benefits	451,909	451,909	383,157	68,752
Services and Supplies	<u>2,226,413</u>	<u>2,226,413</u>	<u>2,392,390</u>	<u>(165,977)</u>
Subtotal Championship Golf	<u>4,171,759</u>	<u>4,171,759</u>	<u>4,285,423</u>	<u>(113,664)</u>
Mountain Golf				
Salaries and Wages	382,111	382,111	340,012	42,099
Employee Benefits	115,490	115,490	93,523	21,967
Services and Supplies	<u>522,352</u>	<u>522,352</u>	<u>526,907</u>	<u>(4,555)</u>
Subtotal Mountain Golf	<u>1,019,953</u>	<u>1,019,953</u>	<u>960,442</u>	<u>59,511</u>
Facilities				
Salaries and Wages	85,968	85,968	76,190	9,778
Employee Benefits	43,156	43,156	37,739	5,417
Services and Supplies	<u>418,078</u>	<u>418,078</u>	<u>368,598</u>	<u>49,480</u>
Subtotal Facilities	<u>547,202</u>	<u>547,202</u>	<u>482,527</u>	<u>64,675</u>
Ski				
Salaries and Wages	2,867,877	3,042,877	3,072,710	(29,833)
Employee Benefits	978,691	978,691	925,074	53,617
Services and Supplies	<u>3,507,146</u>	<u>3,762,146</u>	<u>3,833,164</u>	<u>(71,018)</u>
Subtotal Ski	<u>7,353,714</u>	<u>7,783,714</u>	<u>7,830,948</u>	<u>(47,234)</u>
Community Programming				
Salaries and Wages	1,092,992	1,092,992	1,156,579	(63,587)
Employee Benefits	347,964	347,964	321,005	26,959
Services and Supplies	<u>909,827</u>	<u>909,827</u>	<u>819,388</u>	<u>90,439</u>
Subtotal Community Programming	<u>2,350,783</u>	<u>2,350,783</u>	<u>2,296,972</u>	<u>53,811</u>
Parks				
Salaries and Wages	328,315	328,315	337,927	(9,612)
Employee Benefits	80,461	80,461	75,544	4,917
Services and Supplies	<u>439,357</u>	<u>439,357</u>	<u>401,968</u>	<u>37,389</u>
Subtotal Parks	<u>848,133</u>	<u>848,133</u>	<u>815,439</u>	<u>32,694</u>
Tennis				
Salaries and Wages	136,102	136,102	136,149	(47)
Employee Benefits	27,535	27,535	26,172	1,363
Services and Supplies	<u>100,033</u>	<u>100,033</u>	<u>91,223</u>	<u>8,810</u>
Subtotal Tennis	<u>263,670</u>	<u>263,670</u>	<u>253,544</u>	<u>10,126</u>
Community Services Administration				
Salaries and Wages	122,353	122,353	153,065	(30,712)
Employee Benefits	43,256	43,256	43,445	(189)
Services and Supplies	<u>209,391</u>	<u>209,391</u>	<u>166,775</u>	<u>42,616</u>
Subtotal Recreation Administration	<u>375,000</u>	<u>375,000</u>	<u>363,285</u>	<u>11,715</u>
Function Subtotal	<u>\$ 16,930,214</u>	<u>\$ 17,360,214</u>	<u>\$ 17,288,580</u>	<u>\$ 71,634</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Charges for Services				
Culture and Recreation:				
Beach	\$ 1,338,500	\$ 1,338,500	\$ 1,492,687	\$ 154,187
Facility Fees	969,500	969,500	975,121	5,621
Investment Earnings	13,500	13,500	36,188	22,688
Total revenues	<u>2,321,500</u>	<u>2,321,500</u>	<u>2,503,996</u>	<u>182,496</u>
EXPENDITURES				
Beach:				
Salaries and Wages	833,105	833,105	847,293	(14,188)
Employee Benefits	209,334	209,334	190,452	18,882
Services and Supplies	880,537	880,537	868,771	11,766
Total expenditures	<u>1,922,976</u>	<u>1,922,976</u>	<u>1,906,516</u>	<u>16,460</u>
Excess (deficiency) of revenues over expenditures	398,524	398,524	597,480	198,956
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Operating Transfer In - Internal Services	13,125	13,125	35,000	21,875
Operating Transfers Out - Capital Projects	(306,328)	(306,328)	(198,558)	107,770
Operating Transfers Out - Debt Service	(7,756)	(7,756)	(1,635)	6,121
Net changes in fund balance	<u>47,565</u>	<u>47,565</u>	<u>432,287</u>	<u>384,722</u>
Fund balance, July 1, as previously reported	1,444,497	1,444,497	1,413,091	(31,406)
Prior Period Adjustment	-	-	(35,000)	(35,000)
Fund Balance, July 1, as adjusted	<u>1,444,497</u>	<u>1,444,497</u>	<u>1,378,091</u>	<u>(66,406)</u>
Fund balance, June 30	<u>\$ 1,492,062</u>	<u>\$ 1,492,062</u>	<u>\$ 1,810,378</u>	<u>\$ 318,316</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance	
	Original	Final			
REVENUES					
Sales of Assets and Intangibles	\$ -	\$ -	\$ 5,592	\$ 5,592	
Charitable - Capital Grants	1,694,071	1,694,071	31,958	(1,662,113)	
Total revenues	<u>1,694,071</u>	<u>1,694,071</u>	<u>37,550</u>	<u>(1,656,521)</u>	
EXPENDITURES					
COMMUNITY SERVICES RECREATION:					
Championship Golf	New projects	492,400	492,400	450,219	42,181
	Carryover projects	106,000	106,000	47,158	58,842
Mountain Golf	New projects	150,300	150,300	202,180	(51,880)
	Carryover projects	255,963	255,963	135,969	119,994
Facilities	New projects	43,000	43,000	21,406	21,594
	Carryover projects	6,500	6,500	-	6,500
Ski	New projects	4,287,000	4,287,000	3,801,573	485,427
	Master Plan	682,600	682,600	-	682,600
	Carryover projects	822,515	822,515	737,454	85,061
Community Programming	New projects	166,500	166,500	133,838	32,662
	Carryover projects	181,030	181,030	126,080	54,950
Parks	New projects	1,820,271	1,820,271	135,199	1,685,072
	Carryover projects	104,154	104,154	6,842	97,312
Tennis	New projects	98,000	98,000	54,180	43,820
	Carryover projects	50,000	50,000	50,000	-
Comm. Serv. Administration	New projects	27,500	27,500	4,180	23,320
	Carryover projects	138,000	138,000	137,222	778
Total expenditures		<u>9,431,733</u>	<u>9,431,733</u>	<u>6,043,500</u>	<u>3,388,233</u>
Excess (deficiency) of revenues over expenditures		<u>(7,737,662)</u>	<u>(7,737,662)</u>	<u>(6,005,950)</u>	<u>1,731,712</u>
OTHER FINANCING SOURCES					
Operating Transfers In - Facility Fees		3,612,400	3,612,400	2,508,528	(1,103,872)
Operating Transfers In - CIP		2,458,275	2,458,275	1,169,945	(1,288,330)
Total other financing sources		<u>6,070,675</u>	<u>6,070,675</u>	<u>3,678,473</u>	<u>(2,392,202)</u>
Net changes in fund balance		(1,666,987)	(1,666,987)	(2,327,477)	(660,490)
Fund Balance, July 1		<u>1,666,987</u>	<u>1,666,987</u>	<u>2,327,477</u>	<u>660,490</u>
Fund balance, June 30		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019**

		Budgeted Amounts		Actual	Variance
		Original	Final		
EXPENDITURES					
Beach	New projects	\$ 372,900	\$ 372,900	\$ 283,698	\$ 89,202
	Carryover projects	30,000	30,000	600	29,400
	Total expenditures	402,900	402,900	284,298	118,602
Excess (deficiency) of revenues over expenditures		(402,900)	(402,900)	(284,298)	118,602
OTHER FINANCING SOURCES					
	Operating Transfers In - Facility Fee	302,484	302,484	198,558	(103,926)
	Operating Transfers In - Carryover CIP	3,844	3,844	-	(3,844)
	Total other financing sources	306,328	306,328	198,558	(107,770)
Net changes in fund balance		(96,572)	(96,572)	(85,740)	10,832
Fund Balance, July 1		96,572	96,572	85,740	(10,832)
Fund balance, June 30		\$ -	\$ -	\$ -	\$ -

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Community Services - GO Revenue Supported				
Principal	\$ 344,365	\$ 344,365	\$ 344,365	\$ -
Interest	37,036	37,036	37,036	-
Total expenditures	<u>381,401</u>	<u>381,401</u>	<u>381,401</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(381,401)</u>	<u>(381,401)</u>	<u>(381,401)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Operating Transfers In - Facility Fees	410,500	410,500	329,848	(80,652)
Total other financing sources	<u>410,500</u>	<u>410,500</u>	<u>329,848</u>	<u>(80,652)</u>
Net changes in fund balance	29,099	29,099	(51,553)	(80,652)
Fund Balance, July 1	<u>53,094</u>	<u>53,094</u>	<u>51,553</u>	<u>(1,541)</u>
Fund balance, June 30	<u>\$ 82,193</u>	<u>\$ 82,193</u>	<u>\$ -</u>	<u>\$ (82,193)</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Beach				
Principal	\$ 5,635	\$ 5,635	\$ 5,635	\$ -
Interest	606	606	606	-
Total expenditures	<u>6,241</u>	<u>6,241</u>	<u>6,241</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(6,241)	(6,241)	(6,241)	-
OTHER FINANCING SOURCES				
Operating Transfers In - Facility Fees	<u>7,756</u>	<u>7,756</u>	<u>1,635</u>	<u>(6,121)</u>
Net changes in fund balance	1,515	1,515	(4,606)	(6,121)
Fund Balance, July 1	<u>4,622</u>	<u>4,622</u>	<u>4,606</u>	<u>(16)</u>
Fund balance, June 30	<u>\$ 6,137</u>	<u>\$ 6,137</u>	<u>\$ -</u>	<u>\$ (6,137)</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
UTILITY FUND - BUDGETARY BASIS
WATER, SEWER AND TRASH ACTIVITIES
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Sales and service fees	\$ 11,871,080	\$ 12,552,028	\$ 680,948
Intergovernmental services	145,000	121,861	(23,139)
Interfund services	141,400	111,853	(29,547)
Operating Grants	-	1,440	1,440
Investment earnings	<u>120,000</u>	<u>282,484</u>	<u>162,484</u>
Total revenues	<u>12,277,480</u>	<u>13,069,666</u>	<u>792,186</u>
EXPENSES			
Wages	2,663,557	2,632,951	30,606
Benefits	1,304,284	1,288,413	15,871
Services and supplies	2,103,110	2,003,301	99,809
Utilities	920,133	862,768	57,365
Professional Fees	98,250	78,295	19,955
Central Services cost	308,600	308,600	-
Defensible Space	100,000	100,000	-
Depredation	3,150,000	3,153,809	(3,809)
Debt service interest	<u>133,457</u>	<u>126,351</u>	<u>7,106</u>
Total expenses	<u>10,781,391</u>	<u>10,554,488</u>	<u>226,903</u>
NONOPERATING ITEMS			
Gain on sale of assets	-	15,066	15,066
Transfers In (Out)	<u>45,000</u>	<u>120,000</u>	<u>75,000</u>
Total Nonoperating items	<u>45,000</u>	<u>135,066</u>	<u>90,066</u>
Changes in Net Position	<u>\$ 1,541,089</u>	<u>\$ 2,650,244</u>	<u>\$ 1,109,155</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets - New Projects	<u>\$ 4,675,674</u>	<u>\$ 1,162,541</u>	<u>\$ (3,513,133)</u>
Acquisition of Capital Assets - Carry Over Projects	<u>\$ 2,298,048</u>	<u>\$ 1,653,551</u>	<u>\$ (644,497)</u>
Payments of Principal on Capital Debt	<u>\$ 509,678</u>	<u>\$ 509,678</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICES FUND - BUDGETARY BASIS
(FLEET, ENGINEERING AND BUILDINGS MAINTENANCE
AND WORKERS COMPENSATION ACTIVITIES)
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Services provided by:				
Fleet	\$ 1,062,554	\$ 1,062,554	\$ 1,155,513	\$ 92,959
Engineering	941,100	941,100	620,810	(320,290)
Buildings Maintenance	1,054,165	1,054,165	1,023,990	(30,175)
Workers Compensation	508,000	508,000	504,549	(3,451)
Interfund Services	3,565,819	3,565,819	3,304,862	(260,957)
Investment earnings	3,750	3,750	360	(3,390)
Total Revenues	3,569,569	3,569,569	3,305,222	(264,347)
EXPENSES				
Wages	1,518,840	1,518,840	1,282,090	236,750
Benefits	759,670	759,670	617,824	141,846
Services and Supplies	1,270,645	1,270,645	1,383,194	(112,549)
Utilities	10,860	10,860	10,838	22
Legal & Audit	9,000	9,000	-	9,000
Depreciation	12,000	12,000	12,561	(561)
Total expenses	3,581,015	3,581,015	3,306,507	274,508
Operating Income (loss)	(11,446)	(11,446)	(1,285)	10,161
NONOPERATING ITEMS				
Transfers Out	(300,000)	(300,000)	(474,356)	(174,356)
Total nonoperating items	(300,000)	(300,000)	(474,356)	(174,356)
Changes in Net Position	\$ (311,446)	\$ (311,446)	\$ (475,641)	\$ (164,195)

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

The Statistical Section of the Incline Village General Improvement District Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information indicates about the District's overall financial health.

CONTENTS

District-wide Net Position	70
District-wide Changes in Net Position	71
Fund Balances of Governmental Funds	72
Changes in Fund Balances of Governmental Funds	73
Assessed and Estimated Actual Value of Taxable Property	74
Direct and Overlapping Tax Districts	75
Principal Property Taxpayers	76
Tax Levies, Collections and Delinquencies—Washoe County as a whole	77
Ratios of Outstanding Debt by Type	78
Outstanding Overlapping General Obligation Indebtedness	79
Utility Fund Net Pledged Revenues	80
Community Services and Beach Fund Net Pledged Revenues	81
Ratio of Annual Debt Service Expenditures to Governmental and Business Type Expenditures/Expenses	82
Statutory Debt Limitation	83
Demographic Statistics	84
Principal Employers	85
Position and Full Time Equivalent Personnel Summary	86
User Statistics	87
Budgeted Facility Fees per parcel	88
Water and Sewer Single Family Base Rates	89
Water Sold by Customer Type	90

Financial Trends

These schedules contain trend information to help understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help assess the District's most significant local revenue source, the Facility Fee, property tax and local share of state-wide shared taxes.

Debt Capacity

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. Certain amounts in prior year statements have been reclassified for comparisons purposes to conform to current year presentations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

District-wide Net Position, based on Statement of Net Position Last Ten Fiscal Years - (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
Net invested in capital assets	\$ 56,147,092	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677	\$ 38,304,227	\$ 30,800,605
Restricted	136,993	183,037	180,564	178,426	187,825	246,604	270,359	955,415	869,013	341,784
Unrestricted	19,371,388	18,130,708	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085	5,432,800	8,309,236
Total governmental activities net position	\$ 75,655,473	\$ 71,193,766	\$ 67,797,952	\$ 62,708,136	\$ 57,032,382	\$ 54,675,699	\$ 52,264,926	\$ 47,742,177	\$ 44,606,040	\$ 39,451,625
Business-type activities										
Net invested in capital assets	\$ 64,549,358	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673	\$ 53,051,044	\$ 49,445,970
Restricted	316,611	309,344	305,022	226,208	225,435	225,185	224,951	226,777	231,514	558,563
Unrestricted	12,442,309	9,971,293	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147	7,552,741	9,406,203
Total business-type activities net position	\$ 77,308,278	\$ 74,658,034	\$ 72,659,077	\$ 70,226,498	\$ 68,820,148	\$ 67,214,994	\$ 65,566,885	\$ 62,379,597	\$ 60,835,299	\$ 59,410,736
Primary government										
Net invested in capital assets	\$ 120,696,450	\$ 117,257,418	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271	\$ 80,246,575
Restricted	453,604	492,381	485,586	404,634	413,260	471,789	495,310	1,182,192	1,100,527	900,347
Unrestricted	31,813,697	28,102,001	29,423,697	26,000,021	20,343,779	20,220,368	18,631,642	12,027,232	12,985,541	17,715,439
Total primary government net position	\$ 152,963,751	\$ 145,851,800	\$ 140,457,029	\$ 132,934,634	\$ 125,852,530	\$ 121,890,693	\$ 117,831,811	\$ 110,121,774	\$ 105,441,339	\$ 98,862,361

Source: District Comprehensive Annual Financial Report Government-wide Statement of Net Position, restated to align classifications for all years to governmental activities. 2018 is restated for Prior Period Adjustment

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**District-wide Changes in Net Position, based on Statement of Activities
Last Ten Fiscal Years - (unaudited)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental activities:										
General government	\$ 4,194,237	\$ 3,828,917	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904	\$ 3,067,477
Community Services	20,310,745	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165	15,237,986
Beach	2,141,695	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913	1,252,753
Internal services	3,306,507	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196	1,766,735
Interest on long-term debt	35,017	97,083	160,366	205,263	201,882	252,324	371,038	476,635	437,360	592,288
Total governmental activities expenses	29,988,201	27,775,615	27,323,862	25,777,345	22,804,006	22,108,925	20,942,771	21,774,299	23,176,538	21,917,239
Business-type activities:										
Utilities	10,428,137	10,113,371	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015	8,815,457
Interest on long-term debt	126,351	140,463	154,186	167,530	180,505	193,123	186,608	178,631	207,139	234,416
Total business-type activities expenses	10,554,488	10,253,834	9,883,961	9,948,695	9,623,171	9,222,798	8,667,562	8,582,981	8,775,154	9,049,873
Total primary government expenses	40,542,689	38,029,449	37,207,823	35,726,040	32,427,177	31,331,723	29,610,333	30,357,280	31,951,692	30,967,112
Program Revenues										
Governmental activities:										
Central Services Costs (& equivalent pre-2012)	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842
Charges for services										
Community Services	17,765,644	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020	11,151,940
Beach	1,492,687	1,366,613	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277	445,307	600,280
Internal Services	3,304,862	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200	1,964,322	1,814,349
Total governmental activities revenues	23,732,593	20,295,250	22,177,127	20,657,261	15,136,523	15,016,085	14,926,150	13,968,709	14,962,803	14,834,411
Business-type activities:										
Charges for services										
Utilities	12,785,742	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Operating Grants and Contributions	1,440	-	-	-	-	-	-	-	-	-
Total business-type activities revenue	12,787,182	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694
Total primary government revenue	36,519,775	32,220,807	33,990,296	31,815,380	25,987,646	25,450,203	24,693,625	23,096,664	23,447,964	22,886,105
Net (Expense)/Revenue	(6,255,608)	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)	(7,082,828)
Governmental activities	2,232,694	1,671,723	1,029,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(698,179)
Business-type activities	(4,022,914)	(5,808,642)	(3,217,527)	(3,910,660)	(6,439,531)	(5,881,520)	(4,916,708)	(7,260,616)	(8,503,728)	(8,081,007)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,622,486	1,546,575	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166	796,482
Combined taxes	1,690,222	1,637,250	1,484,830	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483
Facility Fees - Community Services	5,787,078	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022	5,126,716
Facility Fees - Beach	969,332	972,316	775,337	777,574	778,149	780,716	775,102	899,565	783,029	865,540
Investment earnings	563,685	175,122	83,842	150,795	124,306	103,106	88,116	193,562	102,384	212,096
Miscellaneous	204,245	190,578	310,425	299,355	120,134	170,981	63,692	127,338	306,352	730,666
Capital Grants and contributions	267	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Transfers	(120,000)	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(146,589)	-	-	1,787,393	-
Total governmental activities other changes	10,717,315	10,879,175	10,236,551	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149	8,867,983
Business-type activities										
Investment earnings	282,484	77,280	60,132	154,162	81,996	61,007	55,666	86,010	151,646	189,786
Capital Grants and contributions	-	199,934	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174
Miscellaneous	15,066	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)
Transfers	120,000	-	-	-	-	-	-	-	-	-
Accounting Adjustments	-	-	-	-	-	(81,501)	-	-	334,217	-
Total business-type activities other changes	417,550	327,234	503,371	196,926	377,202	436,788	2,087,375	999,324	1,714,557	1,442,175
Change in Net Position										
Governmental activities	4,461,707	3,398,810	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414	1,785,155
Business-type activities	2,650,244	1,998,957	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564	443,996
Total primary government	\$ 7,111,951	\$ 5,397,767	\$ 7,522,395	\$ 7,082,104	\$ 3,961,837	\$ 4,058,882	\$ 7,710,037	\$ 4,680,435	\$ 6,578,978	\$ 2,229,151

Source: District Comprehensive Annual Financial Report Government-wide Statement of Activities, restated all years to align with the classifications of governmental activities. 2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Fund Balances of Governmental Funds
Last Ten Fiscal Years (unaudited)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Fund										
Non-spendable	\$ 196,742	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087
Restricted	-	-	-	-	-	-	-	52,000	-	129,000
Committed	-	-	-	400,000	400,000	400,000	400,000	400,000	-	-
Unassigned	3,568,844	3,098,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687
Total General Fund	\$ 3,765,586	\$ 3,322,786	\$ 1,862,249	\$ 1,819,993	\$ 1,501,287	\$ 1,391,021	\$ 886,667	\$ 985,891	\$ 615,774	\$ 615,774
Community Services										
Special Revenue Fund										
Non-spendable	\$ 936,311	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059
Restricted	135,993	78,157	77,136	76,674	86,421	86,332	87,261	101,617	130,467	232,434
Assigned - operations	12,261,649	9,053,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098	5,033,576
Capital Projects - Assigned	-	2,327,477	2,423,806	2,061,541	-	-	-	-	-	-
Debt Service - Assigned	-	51,553	27,394	2,111	-	-	-	-	-	-
Total Comm. Services	\$ 13,333,953	\$ 12,379,499	\$ 12,771,341	\$ 9,918,480	\$ 5,357,755	\$ 6,023,946	\$ 6,067,618	\$ 4,736,436	\$ 4,356,634	\$ 5,705,069
Beach										
Special Revenue Fund										
Non-spendable	\$ 34,532	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068
Restricted	1,000	1,000	1,000	-	-	-	-	-	-	-
Assigned - operations	1,774,846	1,330,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139
Capital Projects - Assigned	-	85,740	5,155	20,379	-	-	-	-	-	-
Debt Service - Assigned	-	4,606	3,104	1,572	-	-	-	-	-	-
Total Beach	\$ 1,810,378	\$ 1,468,437	\$ 1,078,496	\$ 1,081,701	\$ 1,107,786	\$ 1,672,205	\$ 1,531,639	\$ 1,485,728	\$ 1,177,762	\$ 1,480,207

Board of Trustee action to create the Special Revenue, Capital Project and Debt Service Funds was effective July 1, 2016, and thus start the separate commitments and assignments.

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years ended June 30 (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	\$ 3,323,633	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619	\$ 2,195,221	\$ 2,203,067
Charges for Services	19,241,331	15,993,401	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809	11,990,328	11,665,220
Facility Fees	6,797,896	6,737,396	6,754,489	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272	6,850,050	5,992,256
Central Services Charges	1,169,400	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842
Operating Grants	17,000	17,000	17,000	19,880	17,000	106,238	97,123	77,700	84,000	87,000
Investment Earnings	563,325	161,551	81,366	115,690	99,634	78,855	65,199	54,112	66,872	183,300
Miscellaneous	114,779	111,495	198,729	516,763	116,224	111,315	72,307	75,468	29,818	479,521
Total Revenues	<u>31,227,364</u>	<u>27,289,387</u>	<u>29,076,251</u>	<u>28,119,289</u>	<u>22,336,311</u>	<u>22,302,482</u>	<u>22,268,536</u>	<u>21,457,980</u>	<u>22,140,443</u>	<u>21,878,206</u>
Expenditures										
General Government:										
General Fund - current	3,933,149	3,586,203	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413	2,943,084	2,778,075
Capital Outlay	121,257	113,813	148,435	79,331	644,383	84,849	46,452	9,953	211,657	450,907
Recreation:										
Community Services - current	17,288,580	16,137,428	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779	13,185,666	12,927,136
Community Services - Capital Projects	6,043,500	3,905,926	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667	7,058,131	3,144,892
Community Services - Debt Service	381,401	1,285,340	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093	2,352,479	2,422,769
Beach - current	1,906,516	1,619,746	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133	1,147,809	1,115,204
Beach - Capital Projects	284,298	221,248	256,161	319,152	695,822	167,375	550,397	7,196	138,173	122,173
Beach - Debt Service	6,241	6,237	6,215	6,189	276,005	277,192	133,177	133,893	245,237	274,998
Total Expenditures	<u>29,964,942</u>	<u>26,875,941</u>	<u>26,439,163</u>	<u>23,889,320</u>	<u>23,737,353</u>	<u>21,583,120</u>	<u>21,455,696</u>	<u>21,688,127</u>	<u>27,282,236</u>	<u>23,236,154</u>
Other Financing Sources (Uses)										
Transfers In	474,356	800,000	-	-	-	-	-	-	-	-
Transfer (Out)	(120,000)	-	-	-	-	-	-	-	-	-
Sale of assets	40,159	88,415	141,216	37,016	3,910	67,213	(8,615)	51,531	273,969	179,333
Insurance Proceeds	50,300	-	-	-	-	-	-	-	-	-
Capital Grants	31,958	156,775	113,615	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-
Washoe Co Tax Refund	-	-	-	-	-	-	(694,817)	(280,460)	-	(270,102)
Total Other Sources (Uses)	<u>476,773</u>	<u>1,045,190</u>	<u>254,831</u>	<u>623,377</u>	<u>239,584</u>	<u>66,806</u>	<u>433,838</u>	<u>1,141,007</u>	<u>2,400,717</u>	<u>(90,769)</u>
Net Changes in Fund Balance	<u>\$ 1,739,195</u>	<u>\$ 1,458,636</u>	<u>\$ 2,891,919</u>	<u>\$ 4,853,346</u>	<u>\$ (1,161,458)</u>	<u>\$ 786,168</u>	<u>\$ 1,246,678</u>	<u>\$ 910,860</u>	<u>\$ (2,741,076)</u>	<u>\$ (1,448,717)</u>

2018 is restated for Prior Period Adjustment.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Assessed and Estimated Actual Value of Taxable Real Property Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	Taxable Real Property Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
2019	\$ 1,666,387,475	0.1224	\$ 4,761,107,071	35%
2018	1,623,315,601	0.1182	4,638,044,574	35%
2017	1,532,912,733	0.1183	4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%

SOURCE: State of Nevada Department of Taxation

(Washoe County implemented a County-wide 15% reduction of assessed valuation in 2010)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts
Last Ten Fiscal Years Ended June 30 (unaudited)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Incline Village GID-Direct	\$ 0.1224	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755
Overlapping-										
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
North Lake Tahoe Fire District	0.6291	0.6291	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525	0.5389	0.5275
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total Rate Per \$100 assessed valuation	\$ 3.4517	\$ 3.4475	\$ 3.4476	\$ 3.4562	\$ 3.4450	\$ 3.4398	\$ 3.4569	\$ 3.3656	\$ 3.3197	\$ 3.3032

SOURCE: Nevada Dept. of Taxation - Total Property Tax Rates by Taxing Unit

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Property Taxpayers

Current Fiscal Year and Nine Years Ago (unaudited)

Taxpayer	Type of Entity	Number of Parcels	2019 Assessed Value	% of Total Assessed Value	2010 Assessed Value	% of Total Assessed Value	Rank
Top Ten (Current Year):							
Hyatt Equities LLC	Hotel/Casino	2	\$ 27,046,642	1.58%	\$ 22,361,551	1.54%	1
Tahoe Estates LLC	Residential Property	2	11,424,625	0.67%	5,074,698	0.35%	9
Ponderosa Ranch LLC	Residential Property	22	11,159,232	0.65%	11,134,369	0.77%	3
Cascade Beach LLC	Residential Property	2	12,426,966	0.72%			
1145 Lakeshore Boulevard	Residential Property	1	10,278,475	0.60%			
SF Pacific LLC	Residential Property	1	8,588,089	0.50%			
Lakeshore Trust	Residential Property	1	8,533,838	0.50%	7,385,207	0.51%	5
Ashley 2012 Family Trust/Peno Bottom	Residential Property	2	7,264,391	0.42%	4,798,769	0.33%	10
Andreas Bechtolsheim	Residential Property	4	6,801,062	0.40%			
HTS Ground Lake Tahoe INC	Residential Property	60	6,630,691	0.39%	5,467,926	0.38%	6
In Prior Top Ten:							
Ponderosa Ranch Stables, LLC	Residential Property	1			12,232,203	0.84%	2
David A Duffield Trust	Residential Property	6			7,815,728	0.54%	4
KWS Nevada Residential LLC	Residential Property	3			5,382,782	0.37%	7
Lacey Family Trust/1041 Realty Trust	Residential Property	1			5,317,696	0.37%	8
			<u>\$ 110,154,011</u>	<u>6.41%</u>	<u>\$ 86,970,929</u>	<u>6.00%</u>	
Total IVGID Community			<u>\$1,717,224,973</u>	<u>100.00%</u>	<u>\$1,448,979,941</u>	<u>100.00%</u>	

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Tax Levies, Collections and Delinquencies - Washoe County as a Whole (In Thousands)
Last Ten Fiscal Years (unaudited)**

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2019	\$ 500,623	\$ 498,311	99.55%	\$ -	\$ 498,311	99.54%
2018	473,365	471,229	99.55%	1,745	472,974	99.92%
2017	452,327	449,930	99.47%	2,295	452,225	99.98%
2016	440,185	438,074	99.52%	2,093	440,167	100.00%
2015	424,115	421,125	99.30%	2,983	424,108	100.00%
2014	411,260	407,469	99.08%	3,787	411,256	100.00%
2013	411,058	405,977	98.76%	5,075	411,052	100.00%
2012	422,799	416,849	98.59%	5,947	422,796	100.00%
2011	458,717	451,994	98.53%	6,720	458,714	100.00%
2010	504,823	495,281	98.11%	9,539	504,820	100.00%

SOURCE: Washoe County Comptroller's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	<u>Governmental-Type Activities:</u>			<u>Business-Type Activities:</u>			Gross	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	G. O. & Revenue Pledged	General Obligation Only	Total	Revenue Pledged	General Obligation	Total	Bonded Debt	Property Taxes	Pledged Revenues		
2019	\$ 1,498,000	\$ -	\$ 1,498,000	\$ 1,144,565	\$ 3,464,361	\$ 4,608,926	\$ 6,106,926	0%	100%	9087	\$ 672
2018	1,848,000	-	1,848,000	1,346,488	3,772,116	5,118,604	6,966,604	0%	100%	9087	767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	6,081,386	18,646,386	0%	100%	9087	2,052
2010	6,880,000	7,795,000	14,675,000	2,755,584	4,142,174	6,897,758	21,572,758	0%	100%	9087	2,374

SOURCE: Incline Village General Improvement District Annual Indebtedness/Debt Management Reports/Restated for change in classification of the Community Services and Beach activities from Business-type to Governmental Type as of July 1, 2015.

Note: All outstanding bonds carry a revenue pledge, some also carry a secondary General Obligation pledge.
However, no tax levy is made to fund debt service because net revenues are sufficient to meet these obligations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

OUTSTANDING OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS

Last ten fiscal years (unaudited)

	General Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Indine Village	As of June 30, 2019 Applicable Net Debt
Washoe County	\$ 131,016,000	\$ 39,293,000	9.86900%	\$ 9,052,141
Washoe County School District	735,198,000	-	9.86900%	72,556,675
State of Nevada	<u>1,284,715,000</u>	<u>311,203,000</u>	1.39064%	<u>13,538,025</u>
 Total	 2,150,929,000	 350,496,000		 95,146,841
 Indine Village GID	 <u>6,101,609</u>	 <u>6,101,609</u>		 <u>-</u>
 Total	 <u>\$ 2,157,030,609</u>	 <u>\$ 356,597,609</u>		 <u>\$ 95,146,841</u>
 Applicable Net Debt June 30:				
2018				\$ 99,064,878
2017				77,387,251
2016				73,677,678
2015				79,052,199
2014				92,762,454
2013				96,542,090
2012				94,180,056
2011				90,743,574
2010				93,265,052

*Percentage Applicable based on Assessed Valuation as reported by the Nevada Department of Taxation

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Indine Village General Improvement District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Utility Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2019	\$ 12,785,742	\$ 7,274,328	\$ 297,550	\$ 5,808,964	\$ 643,134	9.03
2018	11,925,557	7,139,740	127,300	4,913,117	643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Utility departments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Community Services and Beach Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Operating Revenues	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2019	\$ 26,024,657	\$ 19,195,096	\$ 112,777	\$ 6,942,338	\$ 387,642	17.91
2018	22,730,797	17,757,174	71,591	5,045,214	1,291,577	3.91
2017	24,617,436	17,507,218	29,686	7,139,904	1,290,472	5.53
2016	20,666,327	16,347,129	69,701	4,388,899	1,289,263	3.40
2015	18,272,166	14,392,676	173,933	4,053,423	2,028,342	2.00
2014	18,472,073	14,002,615	196,763	4,666,221	2,025,584	2.30
2013	18,618,024	13,485,112	90,791	5,223,703	2,353,561	2.22
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06
2010	17,744,476	13,408,419	813,979	5,150,036	2,682,739	1.92

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issues were used by both funds.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Ratio of Annual Debt Service Expenditures
To Governmental and Business Type Expenditures/Expenses
For the last 10 Years (unaudited)**

Year	Governmental Type Debt Service Expenditures	Business Type Debt Service Expenditures	Total District Debt Service Expenditures	Total Governmental Type Expenditures	Total Business Type Expenses	Ratio Debt Service to Governmental Type Expenditures	Ratio Debt Service to Business Type Expenses
2019	\$ 387,642	\$ 643,134	\$ 1,030,776	\$ 28,795,542	\$ 10,554,488	1.35%	6.09%
2018	1,291,577	643,135	1,934,712	25,781,941	10,113,371	5.01%	6.36%
2017	1,290,472	643,135	1,933,607	25,261,963	9,729,775	5.11%	6.61%
2016	1,289,263	636,808	1,926,071	24,654,345	9,901,095	5.23%	6.43%
2015	2,028,342	636,781	2,665,123	23,737,353	9,442,666	8.54%	6.74%
2014	2,025,584	636,956	2,662,540	21,583,120	9,029,675	9.39%	7.05%
2013	2,353,561	965,108	3,318,669	21,455,696	8,480,954	10.97%	11.38%
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%
2011	2,586,856	1,013,922	3,600,778	27,282,236	8,568,015	9.48%	11.83%
2010	2,682,739	1,016,046	3,698,785	23,236,154	8,815,457	11.55%	11.53%

SOURCE: Incline Village General Improvement District Comprehensive Annual Financial Reports

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Statutory Debt Limitation Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2019	\$ 1,666,387,475	\$ 833,193,738	\$ 6,106,926	\$ 827,086,812
2018	1,623,315,601	811,657,801	6,966,604	804,691,197
2017	1,532,912,733	766,456,367	8,649,365	757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income</u> ²	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate</u> ²
2019	9087						
2018	9087						4.0%
2017	9087						3.5%
2016	9087						4.0%
2015	9087						5.9%
2014	9087						6.4%
2013	9087						7.3%
2012	9087						9.8%
2011	9087						12.0%
2010 ¹	9087	46.1	\$40,322	7,954	3,924	3,353	13.0%
							13.6%
2000 ¹	9952	42.1	\$36,658	7,664	4,176	2,957	4.0%

1 Based on actual Census Data

2 Best available unemployment data, a rate is not determined for our immediate area.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Employers - Incline Village and Crystal Bay
 Current Fiscal Year and Past Years as Available (unaudited)

Employer	Ranking by Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	
HYATT LAKE TAHOE RESORT	1	1	1	1	1	1	1	1	1	
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2	2	2	2	2	2	2	2	
GRAND LODGE CASINO AT HYATT (and predecessors)	3	3	4	4	5		5	5	6	
TAHOE BILTMORE	4	4	7			3	8	6	7	
SIERRA NEVADA COLLEGE	5	5	3	3	4	4	3	3	5	
RALEY'S	6	6	9	6	6	6	9	7	8	
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	7	8	8	8	9	7		9	9	
TAHOE FOREST HOSPITAL HEALTH	8	9		10	10	9	10	10		
WASHOE COUNTY SCHOOL DISTRICT	9	10								
ASSOCIATED SIERRA NORTH	10					10				
CRYSTAL BAY CLUB CASINO		7	5	7		5	6	4	4	
ACE TOTAL SERVICES INC (Excel)			6	5	3		7	8		
KELLY BROTHERS PAINTING INC.			10	9	8					
CAL_NEVA LODGE						8			10	
Single Residence Project Employers:										
BOC-NEVADA, INC.							4		3	
BLUE ROCK DEVELOPMENT					7					

SOURCE: Nevada Department of Employment, Training and Rehabilitation (DETR)
 DETR indicates the methodology for determining rankings has changed year on year.
 Data for all years is not available.
 Data for percentage to total employment is not available.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Position and Full Time Equivalent Personnel Summary
Community Services and All Other Activities
For the last Ten Years (unaudited)**

<u>Budget year ending June 30</u>		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Golf	Seasonal/Part Time Positions	122.8	113.8	117.9	105.2	107.2	97.5	103.5	72.3	68.5	68.0
	Season/Part Time FTE	41.2	38.4	38.4	35.0	37.0	35.3	36.8	27.4	29.1	28.8
	Full Time FTE	11.4	11.6	11.0	7.9	7.2	6.7	6.8	6.99	8.1	9.6
	Total FTE	52.6	50.0	49.4	42.9	44.2	42.0	43.6	34.39	37.16	38.4
Facilities	Seasonal/Part Time Positions	0.3	0.3	0.3	1.7	1.7	16.5	2.0	1.8	1.5	0.5
	Season/Part Time FTE	0.2	0.1	0.1	1.2	1.2	3.6	1.0	1.0	0.7	0.1
	Full Time FTE	1.2	1.3	1.2	1.1	1.1	3.4	2.0	1.1	1.0	2.5
	Total FTE	1.4	1.4	1.3	2.3	2.3	7.0	3.0	2.1	1.8	2.6
Ski	Seasonal/Part Time Positions	285.7	281.5	273.5	254.0	254.0	247.0	193.0	216.0	225.0	218.0
	Season/Part Time FTE	57.7	54.4	50.6	46.7	46.0	49.6	33.6	41.8	39.3	39.7
	Full Time FTE	16.7	16.4	15.2	14.5	14.4	11.7	9.8	12.8	9.6	10.5
	Total FTE	74.4	70.8	65.8	61.2	60.4	61.3	43.4	54.6	48.9	50.2
Parks & Recreation	Seasonal/Part Time Positions	91.5	91.5	91.0	102.3	103.4	94.3	101.8	100.9	103.3	106.5
	Season/Part Time FTE	23.9	24.9	24.8	25.0	25.5	25.9	27.7	28.4	28.6	29.8
	Full Time FTE	11.0	10.1	10.1	10.1	9.8	9.0	11.8	11.8	12.3	14.5
	Total FTE	34.9	36.0	35.9	35.1	35.3	34.9	39.5	40.4	40.9	44.4
Marketing	Seasonal/Part Time Positions	1.0	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.1	0.3	0.3	0.3	0.3	0.0	0.7	0.7	0.7	0.7
	Full Time FTE	3.1	2.8	2.8	2.9	2.9	3.0	2.0	3.0	3.0	3.0
	Total FTE	3.2	3.1	3.1	3.2	3.2	3.0	2.7	3.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions							57.0	59.0	53.0	59.0
	Season/Part Time FTE							14.4	14.3	18.1	18.9
	Full Time FTE							4.0	5.0	5.3	5.6
	Total FTE							18.4	19.3	23.4	24.5
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	4.8	4.8	2.8	0.8	3.1	3.2	3.2	Prior to 2011
	Season/Part Time FTE	1.8	1.8	1.8	1.8	1.4	0.1	1.1	1.6	1.6	Other Recreation were
	Full Time FTE	1.4	1.4	0.9	1.0	1.6	1.6	1.8	2.4	1.4	included in Parks
	Total FTE	3.2	3.2	2.7	2.8	3.0	1.7	2.9	4.0	3.0	and Recreation.
Total Community Services	Seasonal/Part Time Positions	514.3	502.0	497.5	467.9	469.0	456.1	462.4	456.1	459.5	454.5
	Season/Part Time FTE	126.2	121.6	117.7	109.6	111.1	114.5	115.3	116.4	116.1	118.2
	Full Time FTE	41.7	40.9	38.5	34.7	34.1	35.4	38.2	41.7	41.2	46.4
	Total FTE	167.9	162.5	156.2	144.3	145.2	149.9	153.5	158.1	157.2	164.5
Beach	Seasonal/Part Time Positions	109.5	97.4	99.0	96.9	94.0	89.0	88.1	90.6	86.6	95.6
	Season/Part Time FTE	21.2	18.7	18.4	18.0	17.3	14.3	13.2	12.4	11.2	14.4
	Full Time FTE	4.6	3.9	3.9	4.0	3.0	2.8	2.1	2.5	3.1	3.7
	Total FTE	25.8	22.6	22.3	22.0	20.3	17.1	15.3	14.9	14.3	18.1
Administration	Seasonal/Part Time Positions	4.0	4.0	0.0	1.0	1.0	2.0	2.0	3	4.0	4.0
	Season/Part Time FTE	1.1	1.5	0.0	0.5	0.4	0.4	0.3	0.9	1.2	1.2
	Full Time FTE	22.2	21.8	22.8	22.7	20.7	22.6	20.7	20.2	21.2	21.2
	Total FTE	23.3	23.3	22.8	23.2	21.1	23.0	21.0	21.1	22.4	22.4
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
	Full Time FTE	4.8	3.8	3.8	3.8	2.8	2.8	2.8	2.8	2.8	2.8
	Total FTE	5.1	4.1	4.1	4.1	3.1	3.1	3.1	3.1	3.0	3.0
Fleet	Seasonal/Part Time Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Full Time FTE	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0
	Total FTE	7.0	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	6.0	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	6.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	4.0	5.0	5.0	5.0	3.0	3.0	2.0	2.0	1.0	2.0
	Season/Part Time FTE	2.4	3.4	3.4	3.3	1.2	1.0	0.7	0.7	0.0	0.7
	Full Time FTE	32.2	31.2	31.2	31.2	31.2	31.2	30.2	31.2	31.3	31.7
	Total FTE	34.6	34.6	34.6	34.5	32.4	32.2	30.9	31.9	31.3	32.4
District Wide	Seasonal/Part Time Positions	633.8	610.4	603.5	572.8	569.0	552.1	556.5	553.7	561.1	558.1
	Season/Part Time FTE	151.7	146.0	140.3	132.2	130.8	131.0	130.3	131.2	129.2	135.2
	Full Time FTE	118.6	113.6	112.2	108.4	102.8	104.8	104.0	108.4	109.6	116.8
	Total FTE	270.3	259.6	252.5	240.6	233.6	235.8	234.3	239.6	238.8	252.0

Source: Incline Village General Improvement District Operating Budget for Authorized Positions.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

User Statistics, Last Ten Fiscal Years

Total number of users (unaudited)

Program	Unit Measured	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Water	Locations	4,269	4,270	4,251	4,243	4,234	4,229	4,223	4,217	4,217	4,216
Sewer	Locations	4,180	4,178	4,160	4,152	4,144	4,139	4,124	4,121	4,118	4,116
Refuse	Locations	4,345	4,345	4,338	4,177	4,162	4,138	4,151	4,149	4,233	4,233
Championship Course	Rounds played	21,650	23,139	21,353	22,881	23,142	23,784	23,744	22,860	20,417	21,841
Mountain Course	Rounds played	16,062	17,111	15,209	15,687	14,983	14,570	13,129	13,556	13,386	15,748
Beach	Individual visits	192,321	189,291	186,146	171,772	172,628	173,963	165,089	165,387	155,671	128,241
Tennis	Individual visits	13,082	13,630	14,683	14,823	14,129	13,337	13,009	14,398	14,080	12,333
Skier	Individual visits	130,922	120,847	160,613	167,064	84,568	93,935	103,397	98,818	131,371	126,867
Recreation Center	Individual visits	129,831	123,561	121,598	115,662	126,799	130,887	125,294	124,356	119,459	125,629

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Budgeted Facility Fees per parcel, Last Ten Fiscal Years (unaudited)

Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Ski	\$ 29	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22
Tennis	20	20	18	16	9	21	6	18	15	19
Parks	118	117	117	97	108	86	102	200	120	131
Recreation Center	262	268	269	197	241	204	241	112	118	106
Championship Golf	98	97	83	126	81	75	87	47	30	38
Mountain Golf	63	62	54	69	31	29	40	20	22	21
Beaches	125	125	100	100	100	100	100	115	100	113
Youth	25	26	26	24	21	20	15	25	22	22
Seniors	21	20	20	19	12	19	16	20	23	26
Adult Programs	-	-	-	-	1	1	2	2	3	4
Catering	-	-	-	-	-	(13)	(8)	26	(2)	(6)
Facilities	57	56	57	47	46	52	35	33	48	33
Reserves for Recreation	-	-	-	-	-	49	75	40	-	-
Golf/Tennis/Ski Bonds	-	-	-	-	85	85	85	85	85	85
Ski Lodge Bond	-	110	110	110	110	110	110	110	110	110
Defensible Space	12	12	12	12	12	12	12	12	12	12
Coverage sales	-	-	-	-	-	-	-	-	(27)	-
Other/Unclassified	-	-	-	-	-	-	-	-	-	-
Total	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 736
Total Collected (in 1,000's)	\$ 6,758	\$ 6,746	\$ 6,747	\$ 6,746	\$ 6,746	\$ 6,742	\$ 6,737	\$ 6,819	\$ 6,850	\$ 5,992

Bracketed amounts represent a venue that does not collect, but rather puts back an amount per parcel into the total for other venues to use the proceeds for operations.

Coverage sales in 2011 relate to the specific application of proceeds designated to reduce capital costs in Community Service venues.

The Facility Fee can be a resource for operating expenses, debt service or capital purchases. It is set annually by the Board of Trustees.

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water and Sewer Single Family Base Rates Last Ten Fiscal Years (unaudited)

Fiscal Year 6/30	Water Monthly Base Rate	Consumption Rate Per 1,000 gallons	Sewer Monthly Base Rate	Consumption Rate Per 1,000 gallons
2019	\$ 32.09	\$ 0.93	\$ 54.96	\$ 3.20
2018	30.84	0.93	52.76	3.10
2017	29.82	0.95	51.45	3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40

The District charges based on pay for what you use
 Rate changes are considered for implementation May each year.
 In 2013 the changes were not effective until July 19, 2013.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water Sold by Customer Type
Last Ten Fiscal Years (unaudited)
(in millions of gallons)

Fiscal Year	Residential	Commercial	Total
2019	606	259	865
2018	633	282	915
2017	604	256	860
2016	594	255	849
2015	634	258	892
2014	673	292	965
2013	701	300	1,001
2012	626	312	938
2011	620	239	859
2010	636	253	889

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION



**Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 18, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control

What inspires you, inspires us. Let's talk. | eidebailly.com

5441 Kietzke Ln., Ste. 150 Reno, NV 89511-2094 T 775.689.9100 F 775.689.9299 EOE

over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
November 18, 2019



CPAs & BUSINESS ADVISORS

Auditor's Comments

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 1E to the financial statements. In addition, the District recorded a prior period adjustment as described in Note 22 to ensure compliance with NRS 354.6215.

Progress on Prior Year Statute Compliance

The District reported no instances of noncompliance with significant constraints on its financial administration during the year ended June 30, 2018.

Prior Year Recommendations

There were no findings for the year ended June 30, 2018.

Current Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal control for the current year.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
November 18, 2019

What inspires you, inspires us. Let's talk. | eidebailly.com

5441 Kietzke Ln., Ste. 150 Reno, NV 89511-2094 T 775.689.9100 F 775.689.9299 EOE



GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM

893 Southwood Blvd., Incline Village, NV 89451

(775) 832-1100

www.YourTahoePlace.com

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
Interim General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Review, discuss, comment, and provide direction to Staff regarding "Popular Report" format for District Capital Improvement Projects

STRATEGIC PLAN: Long Range Principle #2 - Finance

DATE: November 18, 2019

I. RECOMMENDATION

Staff has no specific recommendation at this time rather Staff suggests continued discussion of what information needs exist and can be met by the proposed format and other sources.

A worksheet with several reporting examples is presented for the discussion. Staff is also providing definitions that have been used for the last two years.

Staff recommends discussion on at least:

1. The different objectives of budget preparation and execution once adopted, and the consequences to reporting (three examples attached – 06/30; 09/30; and 11/15)
2. A definition of "reallocation".
3. Communication needs for details surrounding multi-year or multi-phase projects versus equipment and rolling stock. A sample updated Stress Test for the Burnt Cedar Pool and the Mountain Course Cart Paths have been included.

II. DISTRICT STRATEGIC PLAN

"Utilize Annual and Interim financial reports to build understanding of the different aspects between operations, capital improvement and debt service."

D. Actively manage planning and financial reporting to inform decision makers to sustain a strong financial base for operations, while increasing

net assets, and maintaining care and condition of capital assets and infrastructure.

1. Prepare standard format and popular reporting presentations of financial position and results of operations to inform users about budget to actual results, capital project status and relevant performance measures.

2. Utilize the District's Financial Transparency website to provide ready access to a variety of reports and information to support a greater level of detail than standard reports allow.

III. BACKGROUND

During 2017, the Board of Trustees, General Manager, and Staff opened the discussion of developing a series of popular reports to provide an alternative way to present financial and other information from those prescribed by the State of Nevada Department of Taxation forms and the annual audit report. By avoiding a prescribed format, the desire was to give a quick overview of the District's financial status. If more information was desired, a user could then refer to the multiple other forms that exist including the Financial Transparency website.

The General Manager Committee reviewed examples from other agencies. Their 2017 status report was updated to reflect developing this example for discussion. Popular Reporting was included in the Board Work Plan for 2018. Staff has used some of the fundamentals discussed in quarterly reports issued over the least two years. This is the first re-engagement since 2017, by the Board, for a format on Capital Improvement Projects. A sample report was distributed September 25, 2019 which the Board of Trustees discussed and determined that it would be beneficial to take the submitted report and enter several project examples so that further discussion could occur.

An objective of this process is to support the budget process for determining carry over and newly funded capital projects. Adopting a Popular Reporting format will allow for internal use that provides communication on our process independent of the forms set submitted to the State. Different project types may have various needs. Staff wishes to highlight multi-year multi-phase projects.

IVGID
Proposed CIP Report Format

Prepare report on a quarterly basis

Project Description	CIP Project Number	Original Budget	Carry Forward from Prior Fiscal Year	Capital Budget Current Fiscal Year	Projects Cancelled Current Fiscal Year	Adjustments Current Fiscal Year	Budget Reallocations Current Fiscal Year	Carryover Next Fiscal Year	Adjusted Budgeted Expenditures Current Fiscal Year	Actual Current Fiscal Year To Date Expenditures	Projected Expenditures Remainder of Current Fiscal Year	Total Expected Current Fiscal Year Expenditures	Variance	Project % Completion
How it was determined for 2019-2020 Budget														
Mountain Clubhouse Roof	3299BD1702		\$ 82,400.00	\$ 25,000.00					\$ 107,400.00		\$ 6,000.00	\$ 101,400.00		
Alternative:														
Mountain Clubhouse Roof -17	3299BD1702	\$ 12,400.00	\$ 12,400.00				\$ (12,400.00)		\$ -					
Mountain Clubhouse Roof -18	3299BD1702	\$ 70,000.00	\$ 70,000.00				\$ (70,000.00)		\$ -					
Mountain Clubhouse Roof -19	3299BD1702			\$ 25,000.00			\$ 82,400.00		\$ 107,400.00		\$ 6,000.00	\$ 101,400.00		
How it was determined for 2019-2020 Budget														
Incline Creek Restoration	4378LI1504	Acquisition	\$ 178,800.00	\$ 163,200.00					\$ 342,000.00			\$ 342,000.00		
Incline Creek Restoration	4378LI1504B	Design	\$ 37,000.00						\$ 37,000.00		\$ 1,000.00	\$ 36,000.00		
How it was determined for 2019-2020 Budget														
Check Writer Printer Replace	1212OE1601		\$ 6,000.00						\$ 6,000.00			\$ 6,000.00		
How it was determined for 2019-2020 Budget														
2004 GMC 1 Ton Flatbed #542	2097LV1746			\$ 48,000.00					\$ 48,000.00			\$ 48,000.00		
Notes							Column should net to zero; includes new unbudgeted projects		Reflect on report as a negative number; should tie to the following year Carry Forward from Prior Fiscal Year	Sum cols E through K	Projected expenditures for the remainder of the CY	Sum cols M & N	Col K minus P	To be determined by Engineering

As presented at October 30, 2019 Board of Trustees meeting

**Incline Village General Improvement District
Management Discussion and Analysis
Capital Improvement Project Expenditures
For the Fiscal Year ending June 30, 2018**

Definitions for Status Terms

- **Added** - An unbudgeted project that meets capital improvement criteria and established after the start of the fiscal year.
 - **Cancelled** - A project that was scheduled, but is no longer being considered for construction or acquisition.
 - **Carried Over** - A project re-scheduled to another fiscal year, and has had its remaining budget updated.
 - **Completed** - A project that has finished all phases and is set up as a capital asset.
 - **Delayed** - A project timeline extended for either for a change in scope of work or the conditions, without adjustment to its budget.
 - **Multi-Year** - A project scheduled to be executed over multiple fiscal years to facilitate each phase (pre-design, design and construction or acquisition).
 - **Ongoing** - A project that represents a continuous flow of rehabilitation or renewal of an operating system with added revenues and costs over time.
 - **Opened Early**- A scheduled project that starts ahead of plan due to a change in conditions or assumptions.
 - **Postponed** - A project with some reason to not be active, but is still intended to be executed at some future time.
-
- ***“Reallocation – A project added or altered by the addition of spending authority from a specified completed or cancelled project from the same fiscal year.” (Suggested definition to be considered December 11, 2019)***

	PRE-DESIGN	DESIGN	ACQUISITION
Objective	Match needs with possibilities	Focused plans on selected solution	Purchase or construct to place into service
Actions	Assessment	Testing	Quotes or Bids
	Analysis	Engineering	Selection
	Alternatives	Architect	Permitting/Order
	Choice	Entitlements	Delivery/Construction
	Acceptance	Specifications	Inspection/Acceptance

IVGID
Executive Summary
Special Revenue Fund Balance Stress Test
Audited Fund Balance versus Planned Capital Project Transfers
Presented to Board of Trustees December 11, 2019

	<u>Community Services Spec. Rev. Fund</u>	<u>Beach Spec. Rev. Fund</u>
Audited Unrestricted Fund Balance June 30, 2019	\$ 12,261,649	\$ 1,774,846
Projected Operating & Other Sources FYE 6/30/20	22,598,780	2,479,800
Projected Operating Uses FYE 6/30/20	(17,926,815)	(2,109,190)
Transfer of Work Comp residual	241,875	13,125
Capital Project Expenditure Budgeted	(8,886,502)	(990,050)
Debt Service Expenditure Budgeted	(384,354)	(6,289)
Projected Unrestricted Fund Balance June 30, 2020	<u>7,904,633</u>	<u>1,162,242</u>
Anticipated Changes within Asset Replacements:		
3970BD2601 BC Pool Improvements not performed as budgeted	-	600,000
3970BD2601 BC Pool Replacement estimate		(2,500,000)
Shift in Facility Fee to allow for Pool construction	(1,250,000)	1,250,000
Placeholder 2020-21 Championship Course Maintenance Bldg.	(700,000)	
Added replacement of Championship Course gas tank	(50,000)	
Savings on Mountain Clubhouse	200,000	-
Savings on Mountain Golf Carts	167,000	-
Predesign Project for Mountain Course Cart Paths	(161,500)	-
Add project to replace Mountain Course Cart Paths	(1,615,000)	
Defer Ski Way Reconstruction to main project	225,000	-
Added costs for Lakeview Lift	(150,000)	-
Fund Balance less planned items	<u>\$ 4,570,133</u>	<u>\$ 512,242</u>
Current Target by Policy	<u>\$ 4,480,000</u>	<u>\$ 479,000</u>
Remainder	<u>\$ 90,133</u>	<u>\$ 33,242</u>

Discussion:

Community Services Special Revenue Fund has resources to meet the planned completion of the Mountain Course Fuel Storage Facility (may reduce scope) later, adjusted Lakeview Lift, and the Tennis Center Renovation and possibly Bocce Courts. Planned uses for the Championship Maintenance Building based on current placeholder estimates.

Beach Special Revenue Fund alone does not have sufficient resources to proceed with the planned pool replacement at Burnt Cedar Beach. It does not have sufficient resources for the Incline Beach building renovation as of this measurement date.

The suggestion to shift an amount of the Facility Fee one-time to provide additional resources to the Beach Fund, can be done at the \$1,250,000 level.



INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL IMPROVEMENT EXPENDITURES

and

DEBT SERVICE EXPENDITURES

FOR THE YEAR ENDING JUNE 30, 2019

COVERING:

GENERAL FUND

UTILITIES FUND

COMMUNITY SERVICES

BEACH

INTERNAL SERVICES

**Incline Village General Improvement District
Capital Expenditure and Debt Service Budget and Actual
For the Year Ending June 30, 2019**

Background

The Board of Trustees adopted a 2018-2019 budget that includes capital expenditure authorizations added to carryover projects brought from the prior fiscal year. These expenditure budgets cover all funds. The detail for capital expenditures are in a separate section in the Budget book. Also a long term carryover is in the Utility Fund for the Effluent Pipeline.

The Board of Trustees also adopted a 2018-2019 budget for debt service. These expenditures occur in the Utility Fund (4 issues) and Community Service and Beach Funds (1 issue).

Profile

The District utilizes separate fund accounting for capital expenditure and debt service transactions for the Community Services and the Beach activities. The debt service transactions for the Utility Fund are reported in their annual audited cash flow statement. For internal budgeting purposes, they are listed as uses of funds. For the General Fund, capital expenditure is a regular functional line item.

The consideration and inclusion of carryover amounts in the budget occurs to reflect the renewed authority to spend on those projects, as they were in progress with the close of the prior fiscal year, and future activity will occur.

Purpose

The year to date expenditure reports reflect spending authority and what has occurred through the report date. (It is not a reconciliation of contracts in progress or the degree of completion of a project.) Each quarter new reports are issued for the cumulative results to that point in the fiscal year. Cumulative results are presented, as it is not practical to project the rate of acquisition or construction to imply a specific budget result at any single reporting date.

Summary for Capital Expenditure as of June 30, 2019				
Fund	Carry Over Projects	Fiscal Year Budget	Available Budget	Expended to Date
General	\$ 43,700	\$ 392,250	\$ 435,950	\$ 121,257
Beach	30,000	372,900	402,900	284,298
Int. Service	-	-	-	-
Comm. Serv:			-	
Championship	106,000	492,400	598,400	497,377
Mountain	255,963	150,300	406,263	338,149
Facilities	6,500	43,000	49,500	21,406
Ski	1,505,115	4,287,000	5,792,115	4,539,027
Recreation	181,030	166,500	347,530	259,918
C. S. Admin.	138,000	27,500	165,500	141,403
Parks	104,154	1,820,271	1,924,425	142,040
Tennis	50,000	98,000	148,000	104,180
Utility Fund	2,298,048	4,675,674	6,973,722	2,816,092
District Total	\$ 4,718,510	\$ 12,525,795	\$ 17,244,305	\$9,265,147

Detail Project List is in a separate document

Summary for Debt Service as of June 30, 2019:

Fund	Fiscal Year Budget	Actual to Date
Utility		
Principal	\$ 509,678	\$ 509,678
Interest	\$ 133,457	\$ 133,456
Community Services		
Recreation Facilities and Recreation Refunding bond of 2012		
Principal	\$ 344,365	\$ 344,365
Interest	\$ 37,036	\$ 37,036
Beach		
Recreation Facilities and Recreation Refunding bond of 2012		
Principal	\$ 5,635	\$ 5,635
Interest	\$ 606	\$ 606
District Total	\$ 1,030,777	\$ 1,030,776

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2019

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 6/30/2019	Status
General	A.V. Building Immediate Term Maintenance	1099BD1704	\$ 43,700	\$ 41,837	
	Administration Fire Panel Replacement	1099BD1803	18,000	18,000	
	Digital Records Management System	1099CO1802	75,000	-	Carry Over
	Replace Carpeting 893 Southwood Admin Building	1099FF1503	51,500	-	Cancelled
	Pavement Maintenance - Administration Building	1099LI1705	5,000	5,135	Ongoing
	Check Writer Printer Replacement	1212OE1601	6,000	-	Carry Over
	IT Master Plan - IT Security Devices	1213CE1101	15,000	-	
	District Communication Radios	1213CE1701	6,000	7,350	Ongoing
	District Wide PC, Laptops, Peripheral Eq. and Desk Top Printers	1213CO1703	82,750	35,761	Ongoing
	Email Security Gateway	1213CO1801	13,000	13,174	
	Human Resource Management and Payroll Processing Software	1315CO1801	120,000	-	Carry Over
		Total General Fund		\$ 435,950	\$ 121,257
Beach	Burnt Cedar Food & Beverage Customer Improvements	3939BD1803	\$ 10,000	\$ 1,750	Carry Over
	Burnt Cedar Swimming and Toddler Pool Resurface and Mech. Improv.	3970BD2601	75,000	119,497	Ongoing
	Pavement Maintenance, Ski Beach	3972BD1301	33,500	21,737	Ongoing
	Beaches Flatscape and Retaining Wall Enhancement and Replacement	3972BD1501	55,000	55,520	Ongoing
	Beach Furnishings	3972FF1704	58,400	36,505	Carry Over
	Pavement Maintenance, Incline Beach	3972LI1201	26,500	1,550	Ongoing
	Pavement Maintenance, Burnt Cedar Beach	3972LI1202	72,500	12,407	Ongoing
	Kayak and Paddle Board Rack Enhancements	3972LI1801	30,000	23,032	Ongoing
	Fall protection for Beach Venues	3999BD1802	12,000	11,700	
	Incline Beach Facility Study	3973LI1302	30,000	600	Carry Over
	Total Beach Fund		\$ 402,900	\$ 284,298	
Internal Services		Total Internal Services Fund	\$ -	\$ -	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2019

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 6/30/2019	Status
Combined All Community Services			\$ 9,431,733	\$ 6,043,500	
Championship Golf	Demolition of #10 Starter Shack	3141BD1703	\$ 10,000	\$ 10,389	
	Venue Signage Enhancement	3141BD1706	20,000	-	Carry Over
	Champ Golf Exterior Icemaker Replacement	3141FF1804	7,500	9,844	
	Irrigation Improvements	3141GC1103	25,000	24,996	Ongoing
	Championship Course Greens, Tees and Bunkers	3141GC1202	62,000	32,158	Carry Over
	Champ Course #17 Tee Rebuild	3141GC1704	15,000	16,002	
	Championship Course Greens and Surrounds	3141GC1802	15,000	9,468	
	Championship Course Tees	3141GC1803	13,000	15,032	
	Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201	25,000	24,893	Ongoing
	Pavement Maintenance of Cart Paths - Champ Course	3141LI1202	55,000	55,136	Ongoing
	Champ Grille Kitchen Equipment	3153FF1204	39,000	-	Cancelled
	1999 Ty-Crop Spreader #429	3142LE1720	36,400	32,777	
	2007 Club Car Carryall Ball Picker #600	3142LE1740	25,000	23,451	
	2011 Toro Greensmaster 1000 #652	3142LE1753	14,500	14,953	
	2011 Toro Greensmaster 1000 #653	3142LE1754	14,500	14,953	
	2011 Toro Greensmaster 1000 #654	3142LE1755	14,500	14,952	
	2011 Toro Greensmaster 1000 #655	3142LE1756	14,500	14,952	
	2011 Toro Greensmaster 1000 #656	3142LE1757	14,500	14,952	
	2011 Toro Greensmaster 1000 #657	3142LE1758	14,500	14,952	
	Toro Greensmaster 1600	3142LE1861	10,000	9,859	
	1989 Lely Fertilizer Spreader #365	3197LE1720	7,000	6,445	
	2004 John Deere Pro Gator #546	3197LE1738	34,000	31,111	
	2000 John Deere 5310 Tractor #464	3197LE1743	47,000	42,665	
	Replace Blade Grinding Equipment	3197LE1748	25,000	24,375	
	2011 Toro Tri-Plex 3250D Mower #664	3197LE1753	40,500	39,062	
Total Championship Golf			\$ 598,400	\$ 497,377	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2019

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 6/30/2019	Status	
Mountain Golf	Mountain Course Greens, Tees and Bunkers	3241GC1101	\$ 23,000	\$ 20,562	Ongoing	
	Mountain Golf Course Cart Path Retaining Walls	3241LI1704	19,668	7,000	Ongoing	
	ADA Access to On-course Restrooms	3241BD1402	95,000	7,687		
	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	71,395	121,089		
	Two projects combined budget to complete ADA Access			166,395	128,776	
	Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LI1204	6,000	-	Ongoing	
	Pavement Maintenance of Cart Paths - Mountain Golf Course	3242LI1205	45,000	-	Ongoing	
	Paint Exterior of Mountain Golf Clubhouse	3299BD1705	27,800	-	Carry Over	
	Replace Carpet in Mountain Golf Clubhouse	3299BD1801	24,000	-		
	Mountain Golf Roll Up Shop Doors	3299BD1803	12,000	14,200		
	Repair Roof - Mountain Golf Club House	3299BD1702	82,400	7,880	Carry Over	
	Mountain Clubhouse Fire Repairs - Unbudgeted	3299BD1902	-	150,751	Multi-Year	
	Mountain Golf Cart Barn Concrete Floor - Unbudgeted	3299BD1903	-	8,980		
	Total Mountain Golf			\$ 406,263	\$ 338,149	
	Facilities	Replace Air Walls Chateau	3350BD1704	\$ 7,500	\$ -	
Replace Carpet in Chateau Grill		3350BD1803	12,000	7,271		
Paint Both Food & Beverage Kitchens and Storage Areas		3350BD1806	12,000	5,966		
Enclose Chateau Exterior Storage Area		3350FF1601	6,500	-	Carry Over	
Aspen Grove - Replace Carpet		3351BD1501	11,500	8,169		
Total Chateau and Aspen Grove			\$ 49,500	\$ 21,406		

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2019

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 6/30/2019	Status
Ski	Replacement of Main and Snowflake Lodge Kitchen Equipment	3453FF1707	\$ 33,000	\$ 35,242	
	Vehicle Shop/Snowmaking Pumphouse Roof	3464BD1302	20,000	7,320	
	Fuel Management Program	3464CO1701	41,885	43,310	
	Ski Resort Snowmobile Fleet Replacement	3464LE1601	15,000	14,083	
	Diamond Peak Base Facilities Maintenance and Improvements	3464LI1501	70,000	73,010	
	2008 Yamaha Rhino (ATV) #639	3464LV1733	22,000	15,099	
	Fan Guns Purchase and Refurbishment	3464SI1002	27,750	19,800	
	Snowmaking Infrastructure Evaluation and Enhancement	3464SI1104	31,500	15,000	
	Upgrade Popular Snowmaking Power Alignment	3464SI1708	37,080	12,864	Carry Over
	Replace Ski Rental Equipment	3468RE0002	135,000	-	Carry Over
	Pavement Maintenance, Diamond Peak and Ski Way	3469LI1105	85,000	84,368	Ongoing
	Ski Way and Diamond Peak Parking Lot Reconstruction	3469LI1805	50,000	43,600	
	Diamond Peak Way Finding Signage Evaluation and Enhancement	3469RS1709	40,000	23,450	Carry Over
	Ski Fleet Fire Panel Replacement	3499BD1801	25,000	-	
	Snowflake Lodge Facilities Maintenance and Improvements	3499BD1803	27,000	21,401	
	Storage Building Replacement Design Evaluation (Net of Grants)	3499BD1804	40,000	-	Carry Over
	Skier Services Building Customer Service Counter	3499FF1607	19,700	12,535	
	Final costs on prior year lift improvements		-	4,923	
	Incline Creek Culvert Rehabilitation at Diamond Peak	3499LI1101	4,389,600	4,113,022	Completed
Ski Area Master Plan Implementation - Phase 1a and 1b	3653BD1501	682,600	-	Carry Over	
	Total Diamond Peak	\$ 5,792,115	\$ 4,539,027		
Recreation	Replace Walkway Bollard Lights	4884BD1703	\$ 56,500	\$ 1,550	Carry Over
	Replace Condensing Unit 2 and 4	4884BD1901	89,430	71,680	
	Resurface Recreation Center Patio Deck	4884FF1501	36,600	-	
	Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502	88,500	123,673	
	Pavement Maintenance, Recreation Center Area	4884LI1102	12,500	12,400	Ongoing
	Fitness Equipment	4886LE0001	43,500	30,345	
	Paint Interior of Recreation Center	4899BD1305	20,500	20,270	
	Total Recreation Center	\$ 347,530	\$ 259,918		

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2019

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 6/30/2019	Status
Comm. Serv. Admin.	Fall protection for District Venues	4999BD1803	\$ 27,500	\$ 10,480	
	Community Services Software System (prior year installation)	4499CO1801	-	(6,300)	
	Parks and Recreation Master Plan Update	4999RS1603	138,000	137,223	
	Total Community Services Administration			\$ 165,500	\$ 141,403
Parks	Dumpster Enclosure - Incline Park	4378BD1701	\$ 7,500	\$ -	
	Incline Park Fencing Refurbishment	4378BD1707	18,000	-	Carry Over
	Skate Park Enhancement Study	4378BD1711	5,000	-	
	Incline Park Backflow Device Replacement	4378DI1702	18,802	737	Carry Over
	1996 Lely Fertilizer Spreader #498	4378LE1723	12,000	6,791	
	2007 John Deere Pro Gator #604	4378LE1729	34,000	31,111	
	2007 Toro 3500D Rotary Mower #605	4378LE1743	33,700	32,761	
	Pavement Maintenance, East & West End Parks	4378LI1207	15,000	1,100	Ongoing
	Pavement Maintenance, Village Green Parking	4378LI1303	5,000	1,910	Ongoing
	Pavement Maintenance, Preston Field	4378LI1403	5,000	1,910	Ongoing
	Restoration Project - Upstream of SR-28 (funded by grants)	4378LI1504	186,000	-	Carry Over
	Restoration Project - Upstream of SR28	4378LI1504B	37,000	6,105	Carry Over
	Pavement Maintenance, Overflow Parking Lot	4378LI1602	5,000	1,910	Ongoing
	Pump Track Demonstration (funded by grants)	4378LI1604	300,000	-	Carry Over
	Pump Track Demonstration	4378LI1604	17,852	-	Carry Over
	Pavement Maintenance - Incline Park	4378LI1802	1,500	1,500	Ongoing
	Incline Park Improvements - Unbudgeted	4378BD1801	-	22,875	Multi-Year
	Incline Park Facility Renovations (funded by grants)	4378LI1803	1,208,071	33,330	Multi-Year
	Bocce Courts at Recreation Center Property Design	4378LI1804	15,000	-	Carry Over
	Total Parks			\$ 1,924,425	\$ 142,040
Tennis	Tennis Center Renovation	4588BD1604	\$ 50,000	\$ 52,315	Carry Over
	Pavement Maintenance, Tennis Facility	4588LI1201	5,000	3,100	Ongoing
	Resurface Tennis Courts 3 thru 7	4588RS1402	75,000	34,965	
	Tennis Center Pickle Ball Court Conversion	4588RS1801	18,000	13,800	
	Total Tennis			\$ 148,000	\$ 104,180

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2019

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 6/30/2019	Status
Utility Fund	Adjust Utility Facilities in NDOT/Washoe County Right of Way	2097DI1401	\$ 60,000	\$ 60,027	Ongoing
	Public Works Office Space Reconfiguration	2097FF1602	61,500	62,380	
	2010 International Vactor Truck #638	2097HV1732	430,000	-	Delayed
	Pavement Maintenance, Utility Facilities	2097LI1401	12,500	6,801	
	2009 Chevrolet Mid Size Pick-up #630 Compliance Dept.	2097LV1733	30,000	29,452	
	WRRF Crew Quarters	2097SS1708	218,994	216,342	
	Water Pumping Station Improvements	2299DI1102	115,000	96,631	
	Replace Commercial Water Meters, Vaults and Lids	2299DI1103	40,000	47,386	
	Water Reservoir Coatings and Site Improvements	2299DI1204	40,000	34,776	
	Burnt Cedar Water Disinfection Plant Improvements	2299DI1401	245,497	252,746	Multi-Year
	Water Reservoir Safety and Security Improvements	2299DI1701	418,600	46,151	
	Water Pump Station 2-1 Improvements	2299DI1702	800,000	45,700	Multi-year
	Leak Study R2-1 14 inch Steel	2299WS1801	65,000	78,156	
	Watermain Replacement - Alder Avenue	2299WS1802	50,000	37,588	
	Effluent Export Line - Phase II - 2018-2019 budget	2524SS1010	2,000,000	-	Multi-Year
	Effluent Line - Phase II - use from carryover (\$294,631 + \$1,057,000)	2524SS1010	1,351,631	1,032,785	Multi-Year
	Treatment Plant Fire Panel Replacement	2599BD1802	65,000	65,000	
	Sewer Pumping Station Improvements	2599DI1104	55,000	59,662	
	Sewer Pump Station #1 Improvements	2599DI1703	255,000	56,098	Multi-Year
	Sewer Pump Station #11 Replacement	2599DI1705	125,000	98,030	
	Water Resource Recovery Facility Improvements	2599SS1102	145,000	128,891	
	Wetlands Effluent Disposal Facility Improvements	2599SS1103	100,000	99,840	
	Replace & Reline Sewer Mains, Manholes and Appertenances	2599SS1203	80,000	66,559	
	WRRF Biosolids Bins	2599SS1702	60,000	61,300	
	WRRF Aeration System Improvements	2599SS1707	150,000	133,791	Multi-Year
	Total Utility Fund			\$ 6,973,722	\$ 2,816,092
District Total			\$ 17,244,305	\$ 9,265,147	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019
General	Administration Fire Panel Replacement	1099BD1803	\$ -	\$ -
	Digital Records Management System	1099CO1802	75,000	-
	Pavement Maintenance - Administration Building	1099LI1705	5,000	-
	Check Writer Printer Replacement - 893 Southwood Administration Building			
		1212OE1601	6,000	-
	IT Master Plan - IT Security Devices	1213CE1101	15,000	-
	District Communication Radios	1213CE1701	6,000	-
	IT Infrastructure	1213CO1505	132,800	201,357
	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	1213CO1703	95,000	2,158
	Microsoft Exchange Server	1213CO1802	28,600	
	Microsoft Office Licenses	1213CO1803	9,045	
	Windows Server Operating System	1213CO1804	14,000	
	Human Resource Management and Payroll Processing Software	1315CO1801	300,000	
		Total General Fund	\$ 686,445	\$ 203,515
Beach	Burnt Cedar Food & Beverage Customer Improvements	3939BD1803	\$ 8,650	\$ 400
	Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	3970BD2601	800,000	1,400
	Pavement Maintenance, Ski Beach	3972BD1301	11,000	-
	Beaches Flatscape and Retaining Wall Enhancement and Replacement	3972BD1501	55,000	-
	Burnt Cedar Dumpster enclosure	3972BD1707	10,000	-
	Beach Furnishings	3972FF1704	20,000	-
	Pavement Maintenance, Burnt Cedar Beach	3972LI1202	56,000	-
	Incline Beach Facility Study	3973LI1302	29,400	-
	Total Beach Fund	\$ 990,050	\$ 1,800	
Internal Services		Total Internal Services Fund	\$ -	\$ -

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019
Combined All Community Services			\$ 8,886,502	\$ 577,136
Championship Golf	Venue Signage Enhancement	3141BD1706	\$ 60,000	\$ -
	Championship Golf Course Bear Boxes	3141FF1903	7,000	-
	Irrigation Improvements	3141GC1103	30,000	1,383
	Championship Course Greens, Tees and Bunkers	3141GC1202	25,000	-
	Maintenance Building Drainage, Washpad and Pavement Improvements	3141GC1501	30,000	200
	Championship Course Greens and Surrounds	3141GC1802	15,000	-
	Championship Course Tees	3141GC1803	15,000	-
	Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201	17,500	-
	Pavement Maintenance of Cart Paths - Champ Course	3141LI1202	60,000	1,700
	2005 Carryall Club Car #564	3142LE1733	11,000	-
	2005 Carryall Club Car #565	3142LE1734	11,000	-
	2005 Carryall Club Car #566	3142LE1735	11,000	-
	2005 Carryall Club Car #567	3142LE1736	11,000	-
	Replacement of 2010 John Deere 8500 #641	3142LE1760	92,000	-
	Driving Range Improvements	3143GC1202	31,000	-
	Champ Grille Kitchen Equipment	3153FF1204	46,200	-
	1997 1-Ton Dump Truck #419	3197HV1749	5,000	-
	2015 John Deere 1500 Fairway Aerator #716	3197LE1732	27,000	-
	2005 John Deere Pro Gator #569	3197LE1740	34,500	-
	2015 Greens Roller #715	3197LE1741	17,000	-
	2014 Vibratory Greens Roller #696	3197LE1742	17,000	-
	2004 John Deere 4410 Tractor #548	3197LE1746	40,000	-
	Maintenance Shop Crane and Equipment Lift	3197ME1710	30,000	8,173
	Championship Golf Printer Copier Replacement 955 Fairway	3199OE1501	10,000	-
Total Championship Golf			\$ 653,200	\$ 11,456

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019	
Mountain Golf	ADA Access to On-course Restrooms	3241BD1402	\$ -	\$ -	
	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	60,000	27,358	
	Mountain Course Greens, Tees and Bunkers	3241GC1101	43,000	4,385	
	Irrigation Improvements	3241GC1404	39,000	2,377	
	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	3241GC1802	65,000	-	
	Mountain Golf Course Cart Path Retaining Walls	3241LI1704	17,500	1,150	
	Mountain Course 58 Cart Fleet	3241LV1899	288,000	-	
	Mountain Golf Cart Path Replacement	3241LI1903	-	-	
	Mountain Golf Fuel Storage Facility	3241ME1804	200,000	-	
	2005 Carryall Club Car #568	3242LE1725	11,000	-	
	Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LI1204	22,500	-	
	Pavement Maintenance of Cart Paths - Mountain Golf Course	3242LI1205	40,000	-	
	Repair Roof - Mountain Golf Club House	3299BD1702	101,400	2,000	
	Paint Exterior of Mountain Golf Clubhouse	3299BD1705	69,300	-	
	Mountain Clubhouse Improvements Project	3299BD1902	1,464,000	45,996	
		Total Mountain Golf		\$ 2,420,700	\$ 83,266
	Facilities	Chateau - Replace Carpet	3350BD1103	\$ 62,000	\$ -
Replace Hallway Tile at Chateau		3350BD1804	65,000	-	
Repair and Refinish Wood Walls Upstairs at Chateau		3350BD1805	10,000	-	
Catering Kitchen Equipment		3350FF1204	18,900	-	
Enclose Chateau Exterior Storage Area		3350FF1601	6,500	-	
Replacement Sod at Aspen Grove		3351LI1807	18,000	-	
		Total Chateau and Aspen Grove		\$ 180,400	\$ -

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019
Ski	Base Lodge Walk In Cooler and Food Prep Reconfiguration	3453BD1806	\$ 25,000	\$ -
	Replace Main Lodge/Snowflake Lodge Dinning Furniture and Fixtures	3453FF1706	38,000	-
	Lakeview Ski Lift Maintenance and Improvements	3462HE1702	250,000	-
	Red Fox Ski Lift Maintenance and Improvements	3462HE1712	30,000	-
	Replacement of 2008 Grooming vehicle # 628	3463HE1727	390,000	44,000
	Resurface Main Lodge Decks	3464BD1403	75,200	-
	Replace Snowmaking Air Compressor Microprocessor Control Units	3464HE1902	100,000	54,587
	Ski Resort Snowmobile Fleet Replacement	3464LE1601	15,500	14,518
	2012 Yamaha ATV #683	3464LV1731	18,000	17,883
	Diesel Exhaust Fluid Storage/Dispenser	3464ME1907	20,000	9,360
	Fan Guns Purchase and Refurbishment	3464SI1002	130,000	117,814
	Snowmaking Infrastructure Evaluation and Enhancement	3464SI1104	-	-
	Upgrade Popular Snowmaking Power Alignment	3464SI1708	24,000	5,084
	Replace Ski Rental Equipment	3468RE0002	335,000	-
	Pavement Maintenance, Diamond Peak and Ski Way	3469LI1105	55,000	18,800
	Ski Way and Diamond Peak Parking Lot Reconstruction	3469LI1805	225,000	700
	Diamond Peak Way Finding Signage Evaluation and Enhancement	3469RS1709	16,550	-
	Diamond Peak Facilities Flooring Material Replacement	3499BD1710	43,000	-
	Snowflake Lodge Facilities Maintenance and Improvements	3499BD1803	-	-
	Storage Building Replacement Design Evaluation (Net of Grants)	3499BD1804	40,000	-
	Ski Rental Shop Doors	3499BD1904	13,000	-
	HVAC Control Changeout	3499BD1905	21,000	-
	Ecommerce / Middleware Software	3499CE1909	202,000	-
	Skier Services Building Customer Service Counter	3499FF1607	12,000	800
	Skier Services Administration Printer Copier Replacement 1210 Ski Way	3499OE1502	10,000	-
	Ski Area Master Plan Implementation - Phase 1	3653BD1501	682,600	18,320
		Total Diamond Peak	\$ 2,770,850	\$ 301,866

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019
Recreation	Recreation Center Natatorium Mezzanine Safety Enhancements	4884BD1601	\$ 90,000	\$ -
	Replace Walkway Bollard Lights	4884BD1703	109,950	-
	External Surveillance Security Cameras for Recreation Center	4884CE1903	15,000	-
	Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502	20,000	5,670
	Pavement Maintenance, Recreation Center Area	4884LI1102	57,500	300
	Pool Facility Deck/Floor Re-coat	4885BD1606	34,000	-
	Fitness Equipment	4886LE0001	44,200	-
	Paint Interior of Recreation Center	4899BD1305	15,500	-
	Paver install Front Walkway at Recreation Center	4899BD1801	82,500	-
Total Recreation Center			\$ 468,650	\$ 5,970
Comm. Serv. Admin.	Total Community Services Administration		\$ -	\$ -
Tennis	Tennis Center Renovation	4588BD1604	\$ 1,293,450	\$ 28,664
	Pavement Maintenance, Tennis Facility	4588LI1201	23,500	-
	Resurface Tennis Courts 3 thru 7	4588RS1402	-	(1,690)
	Resurface Tennis Courts 1 and 2	4588RS1501	47,000	-
	Tennis Facility Study	4588RS1605	-	-
Total Tennis			\$ 1,363,950	\$ 26,974

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019
Parks	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement			
		4378BD1605	\$ 55,000	\$ -
	Rosewood Creek Foot Bridges	4378BD1705	8,000	-
	Incline Park Fencing Refurbishment	4378BD1707	18,000	-
	Incline Park Improvements	4378BD1801	-	-
	Village Green Restroom drainage improvements	4378BD1901	25,000	-
	Incline Park Backflow Device Replacement	4378DI1702	50,800	42,179
	2005 Shattertine Aerifier	4378LE1724	8,100	-
	2008 JD Pro-Gator #623	4378LE1730	35,000	-
	2013 Ball Field Groomer #681	4378LE1739	17,100	-
	2013 Ball Field Mower / Toro 3500D Groundsmaster #682	4378LE1740	35,400	-
	Pavement Maintenance, East & West End Parks	4378LI1207	-	-
	Pavement Maintenance, Village Green Parking	4378LI1303	5,000	-
	Pavement Maintenance, Preston Field	4378LI1403	5,000	-
	Incline Creek Restoration Project - Upstream of SR-28 (Net of Grants)	4378LI1504	342,000	13,850
	Restoration Project - Upstream of SR28	4378LI1504B	36,000	5,419
	Pavement Maintenance, Overflow Parking Lot	4378LI1602	5,000	-
	Pump Track Demonstration	4378LI1604	317,852	-
	Pavement Maintenance - Incline Park	4378LI1802	7,500	-
	Incline Park Facility Renovations (Net of Grants)	4378LI1803	-	86,156
	Bocce Courts at Recreation Center Property Design	4378LI1804	15,000	-
	2003 1-Ton Service Truck #520	4378LV1736	43,000	-
		Total Parks	\$ 1,028,752	\$ 147,604

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 9/30/2019
Utility Fund	Household Hazardous Waste Building Improvements	2097BD1802	\$ 15,000	\$ -
	Adjust Utility Facilities in NDOT/Washoe County Right of Way	2097DI1401	60,000	5,458
	2010 International Vactor Truck #638	2097HV1732	-	416,564
	1996 Peterbilt Dump Truck #299	2097HV1754	75,000	-
	2004 9' Western Snow Plow #542A	2097LE1723	9,000	-
	2015 Sander/Spreader #710	2097LE1724	20,000	6,950
	Pavement Maintenance, Utility Facilities	2097LI1401	45,000	-
	2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	2097LV1746	48,000	-
	2008 Chevrolet Service Truck #609 Meter Truck	2097LV1747	36,000	-
	Water Pumping Station Improvements	2299DI1102	45,000	-
	Replace Commercial Water Meters, Vaults and Lids	2299DI1103	20,000	572
	Water Reservoir Coatings and Site Improvements	2299DI1204	85,000	2,480
	Burnt Cedar Water Disinfection Plant Improvements	2299DI1401	50,000	-
	Water Reservoir Safety and Security Improvements	2299DI1701	396,600	-
	Water Pump Station 2-1 Improvements	2299DI1702	791,800	26,367
	Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank Upgrades	2299DI1707	200,000	200
	Watermain Replacement - Martis Peak Road	2299WS1704	50,000	-
	Leak Study R2-1 14inch Steel	2299WS1801	-	350
	Effluent Export Line - Phase II	2524SS1010	2,000,000	8,645
	Building Upgrades Water Resource Recovery Facility	2599BD1105	10,000	-
	Treatment Plant Fire Panel Replacement	2599BD1802	-	-
	Sewer Pumping Station Improvements	2599DI1104	15,000	1,559
	Sewer Pump Station #1 Improvements	2599DI1703	470,000	16,049
	Water Resource Recovery Facility Improvements	2599SS1102	100,000	3,465
	Wetlands Effluent Disposal Facility Improvements	2599SS1103	10,000	1,100
	Replace & Reline Sewer Mains, Manholes and Appertenances	2599SS1203	10,000	7,172
	WRRF Aeration System Improvements	2599SS1707	1,300,000	4,700
		Total Utility Fund	\$ 5,861,400	\$ 501,631
		District Total	\$ 16,424,397	\$ 1,284,082

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
General	Administration Fire Panel Replacement	1099BD1803	\$ -		
	Digital Records Management System	1099CO1802	75,000		
	Pavement Maintenance - Administration Building	1099LI1705	5,000		
	Check Writer Printer Replacement - 893 Southwood Administration Building				
		1212OE1601	6,000		
	IT Master Plan - IT Security Devices	1213CE1101	15,000		
	District Communication Radios	1213CE1701	6,000		
	IT Infrastructure	1213CO1505	132,800	201,356	
	District Wide PC, Laptops, Peripheral Equipment and Desk Top Printers	1213CO1703	95,000	21,132	
	Microsoft Exchange Server	1213CO1802	28,600		
	Microsoft Office Licenses	1213CO1803	9,045		
	Windows Server Operating System	1213CO1804	14,000		
	Human Resource Management and Payroll Processing Software	1315CO1801	300,000		
		Total General Fund	\$ 686,445	\$ 222,488	
Beach	Burnt Cedar Food & Beverage Customer Improvements	3939BD1803	\$ 8,650	\$ 600	
	Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	3970BD2601	800,000	1,400	
	Pavement Maintenance, Ski Beach	3972BD1301	11,000	780	
	Beaches Flatscape and Retaining Wall Enhancement and Replacement	3972BD1501	55,000	-	
	Burnt Cedar Dumpster enclosure	3972BD1707	10,000	-	
	Beach Furnishings	3972FF1704	20,000	-	
	Pavement Maintenance, Burnt Cedar Beach	3972LI1202	56,000	2,742	
	Kayak Rack Enhancements	3972LI1801	-	-	
	Incline Beach Facility Study	3973LI1302	29,400	600	
	Total Beach Fund	\$ 990,050	\$ 6,122		
Internal Services		Total Internal Services Fund	\$ -	\$ -	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
Combined All Community Services			\$ 8,886,502	\$ 2,163,498	
Championship Golf	Venue Signage Enhancement	3141BD1706	\$ 60,000	\$ -	
	Championship Golf Course Bear Boxes	3141FF1903	7,000	-	
	Irrigation Improvements	3141GC1103	30,000	1,673	
	Championship Course Greens, Tees and Bunkers	3141GC1202	25,000	6,129	
	Maintenance Building Drainage, Washpad and Pavement Improvements	3141GC1501	30,000	800	
	Championship Course Greens and Surrounds	3141GC1802	15,000	-	
	Championship Course Tees	3141GC1803	15,000	3,357	
	Pavement Maintenance of Parking Lots - Champ Course & Chateau	3141LI1201	17,500	-	
	Pavement Maintenance of Cart Paths - Champ Course	3141LI1202	60,000	53,834	
	2005 Carryall Club Car #564	3142LE1733	11,000	-	
	2005 Carryall Club Car #565	3142LE1734	11,000	-	
	2005 Carryall Club Car #566	3142LE1735	11,000	-	
	2005 Carryall Club Car #567	3142LE1736	11,000	-	
	Replacement of 2010 John Deere 8500 #641	3142LE1760	92,000	-	
	Driving Range Improvements	3143GC1202	31,000	-	
	Champ Grille Kitchen Equipment	3153FF1204	46,200	400	
	1997 1-Ton Dump Truck #419	3197HV1749	5,000	-	
	2015 John Deere 1500 Fairway Aerator #716	3197LE1732	27,000	-	
	2005 John Deere Pro Gator #569	3197LE1740	34,500	-	
	2015 Greens Roller #715	3197LE1741	17,000	-	
	2014 Vibratory Greens Roller #696	3197LE1742	17,000	-	
	2004 John Deere 4410 Tractor #548	3197LE1746	40,000	-	
	Maintenance Shop Crane and Equipment Lift	3197ME1710	30,000	8,173	
	Championship Golf Printer Copier Replacement 955 Fairway	3199OE1501	10,000	-	
Total Championship Golf			\$ 653,200	\$ 74,366	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
Mountain Golf	ADA Access to On-course Restrooms	3241BD1402	\$ -	\$ -	
	Mtn. Golf Course Remodel On Course Bathrooms, #6 & #13/14	3241BD1503	60,000	27,358	
	Mountain Course Greens, Tees and Bunkers	3241GC1101	43,000	16,853	
	Irrigation Improvements	3241GC1404	39,000	6,165	
	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	3241GC1802	65,000	-	
	Mountain Golf Course Cart Path Retaining Walls	3241LI1704	17,500	2,450	
	Mountain Course 58 Cart Fleet	3241LV1899	288,000	-	
	Mountain Golf Cart Path Replacement	3241LI1903	-	-	
	Mountain Golf Fuel Storage Facility	3241ME1804	200,000	-	
	2005 Carryall Club Car #568	3242LE1725	11,000	-	
	Pavement Maintenance of Parking Lot - Mountain Golf Course	3242LI1204	22,500	-	
	Pavement Maintenance of Cart Paths - Mountain Golf Course	3242LI1205	40,000	24,178	
	Repair Roof - Mountain Golf Club House	3299BD1702	101,400	114,666	
	Paint Exterior of Mountain Golf Clubhouse	3299BD1705	69,300	-	
	Mountain Clubhouse Improvements Project	3299BD1902	1,464,000	305,002	
	Total Mountain Golf			\$ 2,420,700	\$ 496,672
Facilities	Chateau - Replace Carpet	3350BD1103	\$ 62,000	\$ -	
	Replace Hallway Tile at Chateau	3350BD1804	65,000	-	
	Repair and Refinish Wood Walls Upstairs at Chateau	3350BD1805	10,000	-	
	Catering Kitchen Equipment	3350FF1204	18,900	-	
	Enclose Chateau Exterior Storage Area	3350FF1601	6,500	3,875	
	Replacement Sod at Aspen Grove	3351LI1807	18,000	-	
Total Chateau and Aspen Grove			\$ 180,400	\$ 3,875	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
Ski	Base Lodge Walk In Cooler and Food Prep Reconfiguration	3453BD1806	\$ 25,000	\$ -	
	Replace Main Lodge/Snowflake Lodge Dinning Furniture and Fixtures	3453FF1706	38,000	-	
	Lakeview Ski Lift Maintenance and Improvements	3462HE1702	250,000	-	
	Red Fox Ski Lift Maintenance and Improvements	3462HE1712	30,000	4,992	
	Replacement of 2008 Grooming vehicle # 628	3463HE1727	390,000	374,500	
	Vehicle Shop/Snowmaking Pumphouse Roof	3464BD1302	-	-	
	Resurface Main Lodge Decks	3464BD1403	75,200	55,338	
	Replace Snowmaking Air Compressor Microprocessor Control Units	3464HE1902	100,000	54,587	
	Ski Resort Snowmobile Fleet Replacement	3464LE1601	15,500	14,518	
	2012 Yamaha ATV #683	3464LV1731	18,000	17,883	
	Diesel Exhaust Fluid Storage/Dispenser	3464ME1907	20,000	11,225	
	Fan Guns Purchase and Refurbishment	3464SI1002	130,000	117,814	
	Snowmaking Infrastructure Evaluation and Enhancement	3464SI1104	-	-	
	Upgrade Popular Snowmaking Power Alignment	3464SI1708	24,000	5,084	
	Replace Ski Rental Equipment	3468RE0002	335,000	-	
	Pavement Maintenance, Diamond Peak and Ski Way	3469LI1105	55,000	20,410	
	Ski Way and Diamond Peak Parking Lot Reconstruction	3469LI1805	225,000	1,300	
	Diamond Peak Way Finding Signage Evaluation and Enhancement	3469RS1709	16,550	-	
	Diamond Peak Facilities Flooring Material Replacement	3499BD1710	43,000	17,110	
	Snowflake Lodge Facilities Maintenance and Improvements	3499BD1803	-	-	
	Storage Building Replacement Design Evaluation (Net of Grants)	3499BD1804	40,000	-	
	Ski Rental Shop Doors	3499BD1904	13,000	-	
	HVAC Control Changeout	3499BD1905	21,000	-	
	Ecommerce / Middleware Software	3499CE1909	202,000	-	
	Skier Services Building Customer Service Counter	3499FF1607	12,000	800	
	Skier Services Administration Printer Copier Replacement 1210 Ski Way	3499OE1502	10,000	-	
	Ski Area Master Plan Implementation - Phase 1	3653BD1501	682,600	19,320	
		Total Diamond Peak	\$ 2,770,850	\$ 714,881	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
Recreation	Recreation Center Natatorium Mezzanine Safety Enhancements	4884BD1601	\$ 90,000	\$ -	-
	Replace Walkway Bollard Lights	4884BD1703	109,950	-	-
	External Surveillance Security Cameras for Recreation Center	4884CE1903	15,000	-	-
	Repair Deck Stairs and Powder Coat All Patio Deck Railings	4884FF1502	20,000	5,670	-
	Pavement Maintenance, Recreation Center Area	4884LI1102	57,500	1,469	-
	Pool Facility Deck/Floor Re-coat	4885BD1606	34,000	-	-
	Fitness Equipment	4886LE0001	44,200	-	-
	Paint Interior of Recreation Center	4899BD1305	15,500	-	-
	Paver install Front Walkway at Recreation Center	4899BD1801	82,500	-	-
	Total Recreation Center		\$ 468,650	\$ 7,139	
Comm. Serv. Admin.	Total Community Services Administration		\$ -	\$ -	
Tennis	Tennis Center Renovation	4588BD1604	\$ 1,293,450	\$ 39,692	-
	Pavement Maintenance, Tennis Facility	4588LI1201	23,500	-	-
	Resurface Tennis Courts 3 thru 7	4588RS1402	-	(1,690)	-
	Resurface Tennis Courts 1 and 2	4588RS1501	47,000	-	-
	Tennis Facility Study	4588RS1605	-	-	-
	Total Tennis		\$ 1,363,950	\$ 38,002	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
Parks	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	4378BD1605	\$ 55,000	\$ -	
	Rosewood Creek Foot Bridges	4378BD1705	8,000	-	
	Incline Park Fencing Refurbishment	4378BD1707	18,000	-	
	Incline Park Improvements	4378BD1801	-	-	
	Village Green Restroom drainage improvements	4378BD1901	25,000	300	
	Incline Park Backflow Device Replacement	4378DI1702	50,800	42,180	
	2005 Shattertine Aerifier	4378LE1724	8,100	-	
	2008 JD Pro-Gator #623	4378LE1730	35,000	-	
	2013 Ball Field Groomer #681	4378LE1739	17,100	-	
	2013 Ball Field Mower / Toro 3500D Groundsmaster #682	4378LE1740	35,400	-	
	Pavement Maintenance, East & West End Parks	4378LI1207	-	-	
	Pavement Maintenance, Village Green Parking	4378LI1303	5,000	-	
	Pavement Maintenance, Preston Field	4378LI1403	5,000	-	
	Incline Creek Restoration Project - Upstream of SR-28 GrantFunded	4378LI1504	342,000	13,850	
	Restoration Project - Upstream of SR28 Grant Funded	4378LI1504B	36,000	329,764	
	Total Restoration Project		<u>378,000</u>	<u>343,614</u>	
	Pavement Maintenance, Overflow Parking Lot	4378LI1602	5,000	-	
	Pump Track Demonstration	4378LI1604	317,852	-	
	Pavement Maintenance - Incline Park	4378LI1802	7,500	-	
	Incline Park Facility Renovations (Prior Budget Grant \$1,208,071))	4378LI1803	-	441,469	
	Bocce Courts at Recreation Center Property Design	4378LI1804	15,000	1,000	
	2003 1-Ton Service Truck #520	4378LV1736	43,000	-	
	Total Parks		<u><u>\$ 1,028,752</u></u>	<u><u>\$ 828,563</u></u>	

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CAPITAL PROJECT REPORT For the Fiscal Year Ending June 30, 2020

FUND	DESCRIPTION	PROJECT #	TOTAL BUDGET	Expended 11/15/2019	Status
Utility Fund	Household Hazardous Waste Building Improvements	2097BD1802	\$ 15,000	\$ -	
	Adjust Utility Facilities in NDOT/Washoe County Right of Way	2097DI1401	60,000	9,158	
	2010 International Vactor Truck #638 (Prior Budget \$430,000)	2097HV1732	-	416,564	
	1996 Peterbilt Dump Truck #299	2097HV1754	75,000	-	
	2004 9' Western Snow Plow #542A	2097LE1723	9,000	-	
	2015 Sander/Spreader #710	2097LE1724	20,000	6,950	
	Pavement Maintenance, Utility Facilities	2097LI1401	45,000	780	
	2004 GMC 1-Ton Flatbed #542 Pipeline Dept.	2097LV1746	48,000	-	
	2008 Chevrolet Service Truck #609 Meter Truck	2097LV1747	36,000	-	
	Water Pumping Station Improvements	2299DI1102	45,000	8,104	
	Replace Commercial Water Meters, Vaults and Lids	2299DI1103	20,000	5,836	
	Water Reservoir Coatings and Site Improvements	2299DI1204	85,000	19,727	
	Burnt Cedar Water Disinfection Plant Improvements	2299DI1401	50,000	-	
	Water Reservoir Safety and Security Improvements	2299DI1701	396,600	-	
	Water Pump Station 2-1 Improvements	2299DI1702	791,800	44,967	
	Burnt Cedar Water Disinfection Plant Emergency Generator Fuel Tank				
	Upgrades	2299DI1707	200,000	200	
	Watermain Replacement - Martis Peak Road	2299WS1704	50,000	1,700	
	Leak Study R2-1 14inch Steel	2299WS1801	-	350	
	Effluent Export Line - Phase II	2524SS1010	2,000,000	59,133	
	Building Upgrades Water Resource Recovery Facility	2599BD1105	10,000	-	
	Treatment Plant Fire Panel Replacement	2599BD1802	-	-	
	Sewer Pumping Station Improvements	2599DI1104	15,000	1,559	
	Sewer Pump Station #1 Improvements	2599DI1703	470,000	48,634	
	Water Resource Recovery Facility Improvements	2599SS1102	100,000	15,635	
	Wetlands Effluent Disposal Facility Improvements	2599SS1103	10,000	6,548	
	Replace & Reline Sewer Mains, Manholes and Appertenances	2599SS1203	10,000	18,100	
	WRRF Aeration System Improvements	2599SS1707	1,300,000	6,500	
		Total Utility Fund	\$ 5,861,400	\$ 670,445	
		District Total	\$ 16,424,397	\$ 3,062,553	

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra S. Winquest
Interim General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

FROM: Darren Howard
Director of Golf/Community Services

SUBJECT: Review, discuss, and possibly authorize a new Capital Improvement Project 3241LI1903 for the Mountain Golf Cart Path Replacement for 2019-2020 fiscal year, Pre-Design Phase for an amount not to exceed \$161,500 by reallocation of \$161,500 from CIP Project 3242LV1899 Mountain Course Cart Fleet

STRATEGIC PLAN: Long Range Principle #2 – Finance
Long Range Principle #4 - Service
Long Range Principle #5 – Assets and Infrastructure

DATE: November 18, 2019

I. RECOMMENDATION

Staff recommends the Board of Trustees authorize establishing a new Capital Improvement Project 3241LI1903 Mountain Golf Cart Path Replacement – Pre-Design Phase for an amount not to exceed \$161,500, by reallocation of \$161,500 from CIP Project 3242LV1899 Mountain Course Cart Fleet.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 – Finance – Prepare Annual Budgets that demonstrate the balance of allocated resources, with service expectations, and the capability to deliver.

- Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process, indebtedness reporting, and the annual audit.

Long Range Principle #4 – Service – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.

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.

- Maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

III. BACKGROUND

The Board of Trustees has recently made a decision to lease a fifty-eight (58) gas-powered cart fleet for the Mountain Golf Course. As part of those deliberations, considerable discussion included the identification for a comprehensive project to replace the asphalt paved cart paths at the Mountain Golf Course. The discussion requested Staff to return with an outline of the project. Following is the outline of this project:

PROJECT OUTLINE

The Mountain Golf Course has approximately 14,150 linear feet of cart pathways which equates to 110,000 square feet of pavement. In addition, there is approximately 5,000 linear feet of asphalt curb. The last major path project was over 15 years ago. The District has performed replacements at various points each year based on areas of greatest need and within the allotted budget. Due to issues of base material, overgrowth of sod, and intrusion by tree roots and other material, the current assessment of the condition of the paths suggests substantial remediation and reconstruction is needed. At a minimum, this should be approached in a multi-phase and probably multi-year manner to plan, design and construct the necessary improvement. A potential Project schedule, if authorized by the Board, would perform design and permitting in 2020. A TRPA Permit for a project of this type has an approximate 180-day turnaround. Construction would occur

over a two or three-year period as IVGID staff considers impacts to the operation of the golf course and weather conditions. Traditionally, excavation, paving and exterior work at the Mountain Course is infeasible in May because of the high elevation and snow pack. Course opening is typically late May. Construction is more favorable in September and must be completed by October 15 in the Tahoe Basin.

The Board of Trustees will have at least two other chances to review the project as it progresses through the phases.

PROJECT OUTLINE COST ESTIMATION

In order to estimate design costs, Staff has assembled a placeholder budget for the project. Pre-design and design are generally estimated at 10% of the base construction cost. **However, to put the entire project in perspective, a placeholder is presented for all items, even though the initial authorization is only for pre-design.** A final project would also need permitting and inspection.

Base Construction Cost Estimate as Placeholder:

• Demolition, Misc. treatments, and General Conditions	\$ 770,000
• 110,000 square feet - new base material	440,000
- new asphalt	330,000
• 5,000 linear feet of curbing	<u>75,000</u>
Total Base Construction Estimate	<u>\$1,615,000</u>

Pre-design & Design Placeholder at 10% of Base Total \$ 161,500

V. FINANCIAL IMPACT AND BUDGET

The Mountain Course Cart Fleet project was budgeted at \$288,000. The future minimum lease payments total \$121,605, leaving an excess budget of \$166,395. The Board discussion to establish a comprehensive project of the Mountain Course Cart Paths included applying any savings from the cart lease.

Staff has made a suggestion, in a separate business item under Popular Reporting, on how reallocation be defined by the Board of Trustees as a method

of funding. Since the project exceeds the General Manage authority, this action is for the Board of Trustees to determine.

If the project is authorized, the District's Engineering Division would manage the pre-design, design, bidding and construction phases of the project. The Engineering Division would evaluate total workload and make the determination on whether to perform the design in-house or issue a Request for Qualifications to Engineering Design Consultants. The project would require surveying, base map development, design details, retaining wall design, asphalt section design and TRPA permitting that could be extensive if land coverage is increased. The Golf team would also be a part of the project team working very closely to define project objectives, alignment of paths and integration of paths into existing fairways.

As a first step, pre-design would include preparation of a preliminary design report to define the full scope of the proposed project and provide a preliminary engineer's estimate of construction costs. This document will be presented to the Board prior to proceeding with final design.

VI. BUSINESS IMPACT

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

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
General Manager

FROM: Darren Howard
Director of Golf/Community Services

SUBJECT: Review, discuss and possibly approve 2020 Key Rates for the Championship Golf Course, Mountain Golf Course and Resident Play Passes

STRATEGIC PLAN: Long Range Principle 4 – Service

DATE: November 22, 2019

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve 2020 Key Rates, as presented, for the Championship Golf Course, Mountain Golf Course and Resident Play Passes.

II. DISTRICT STRATEGIC PLAN

Long Range Principle 4 – Service - The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Utilize best practice standards for delivery of services.

III. BACKGROUND

The Golf Courses at Incline Village are comprised of the Championship and Mountain Golf Courses. This report is a brief summary of the 2019 season and how its outcomes will affect our daily fee structure for the 2020 season. In general, each season this report is an opportunity to give a brief overview of the rounds played at each course to facilitate the decisions of rate planning for the season to come. For the past four seasons, the Board has approved Golf Key Rates in the winter as opposed to the spring, as was the case 5 seasons past, in order to give the golf staff the tools and resources to sell golf business during the winter months.

Review, discuss and possibly -2-
approve 2020 Key Rates for the
Championship Golf Course, Mountain
Golf Course and Resident Play Passes

November 22, 2019

This fee structure allows the staff to plan for programs, yield management tactics, golf club scheduling, outside tournament bookings, and other operational planning objectives for the coming golf season.

IV. FINANCIAL IMPACT AND BUDGET

Additional revenues are unknown at this time.

V. ALTERNATIVES

- Request Staff seek more information
- Do not approve Key Rates

VI. COMMENTS

None at this time.

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.

KEY GOLF RATES FOR 2020 SEASON

CHAMPIONSHIP & MOUNTAIN COURSE



Championship Course Review

-Revised-



	May	June	July	August	September	October	Totals
Residents	235	996	1577	1498	928	661	5895
Pass Play	187	1583	2233	2115	953	421	7492
Guest	74	260	577	714	379	181	2185
Non-Residents	246	849	1370	1203	1482	420	5570 *
Other	31	417	376	340	444	166	1774 *
Total	773	4105	6133	5870	4186	1849	22,916

YEAR-TO-DATE BY MONTH AND PLAY TYPE

***Revised**

Monthly Average Rounds Per Day

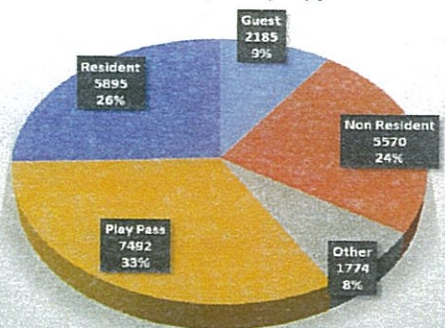
- **May – 51.5** (Opening day was May 17th – snowed 3 days)
- **June – 136.8**
- **July – 197.8**
- **August – 189.3**
- **September – 139.5** (Last 4 days were weather related)
- **October – 92.4** (Closing Day was October 20th)

Revised Play type by rounds and Revenue

Revised

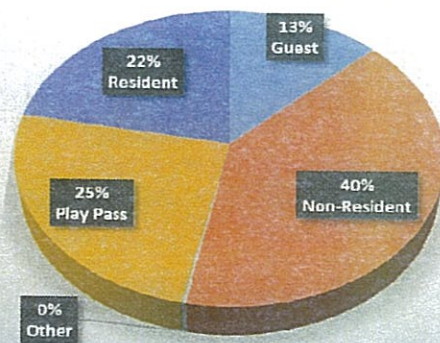
2019

Rounds by Play Type



Total Rounds 22,916

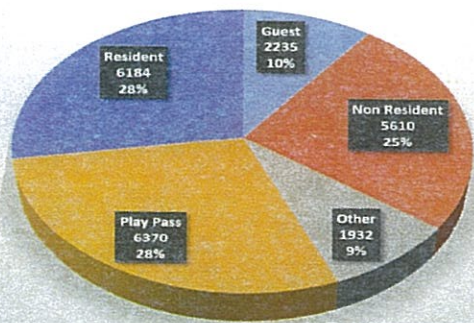
Net Revenue by Play Type



2018

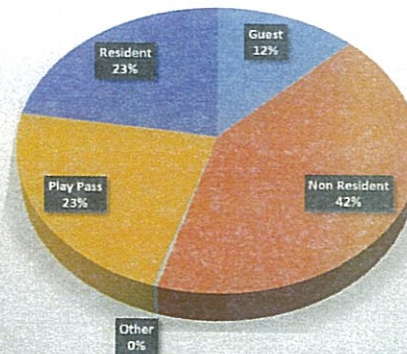
* These numbers are from previous Director of Golf files.

Rounds by Play Type



Total Rounds 22,331

Net Revenue by Play Type



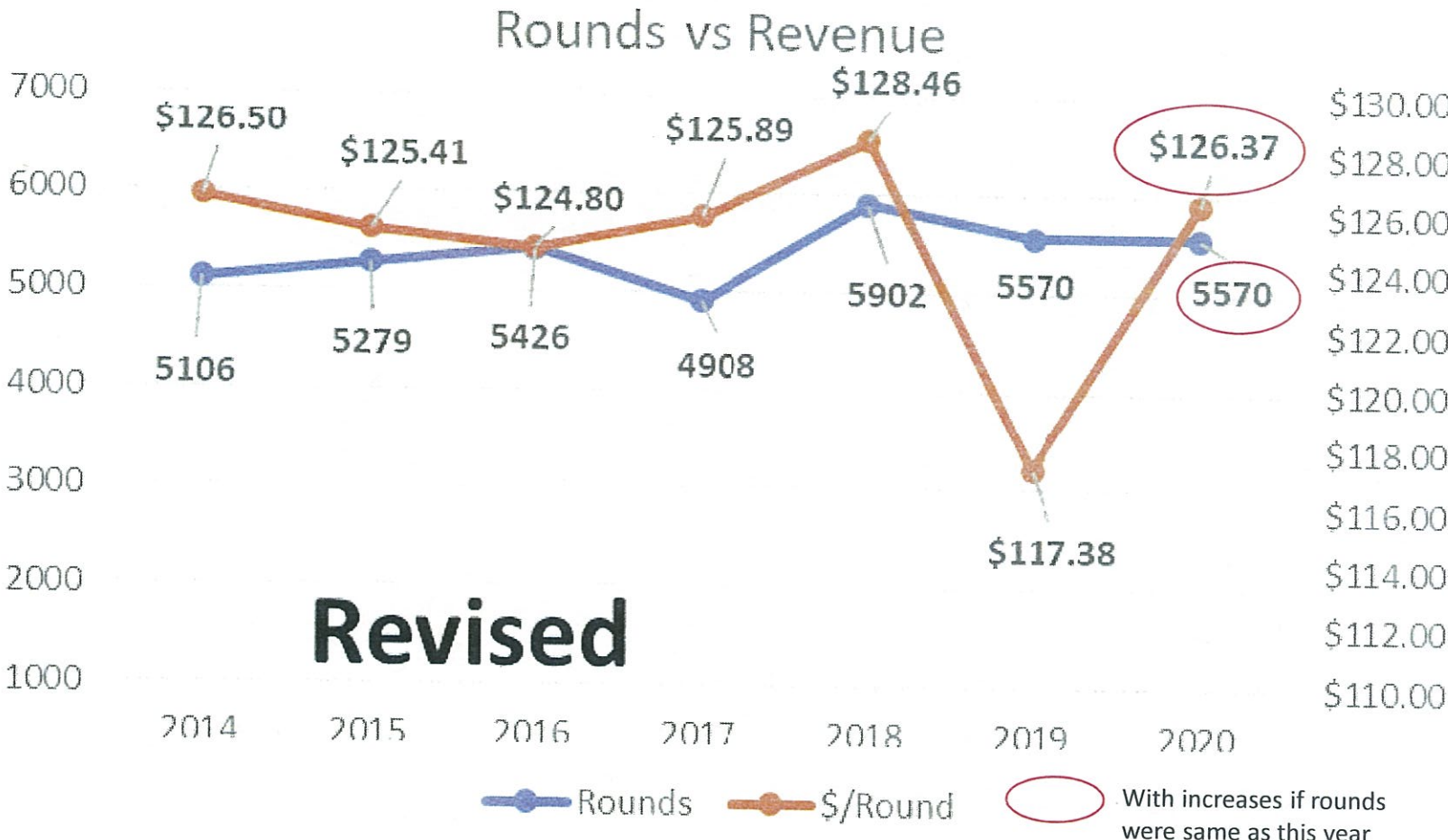
2019 Compared to 2018 and 10 year averages

	2019 Season	2018 Season	Variance
May, June, Oct.	6727	7891	-1164
July-Sept.	16,189	14,905	1284

Play mix for 2019, 2018 and 10 year average for entire season

	2019 Season	2018 Season	10 Year average
Residents	5895	6256	6933
Play Passes	7492	6372	6375
Guests	2185	2287	2342
Non-Residents	6170	5902	5358
Other	1174	1977	1575

Non-Resident Rounds/Revenue



Resident Rounds/Revenue

Rounds vs Revenue

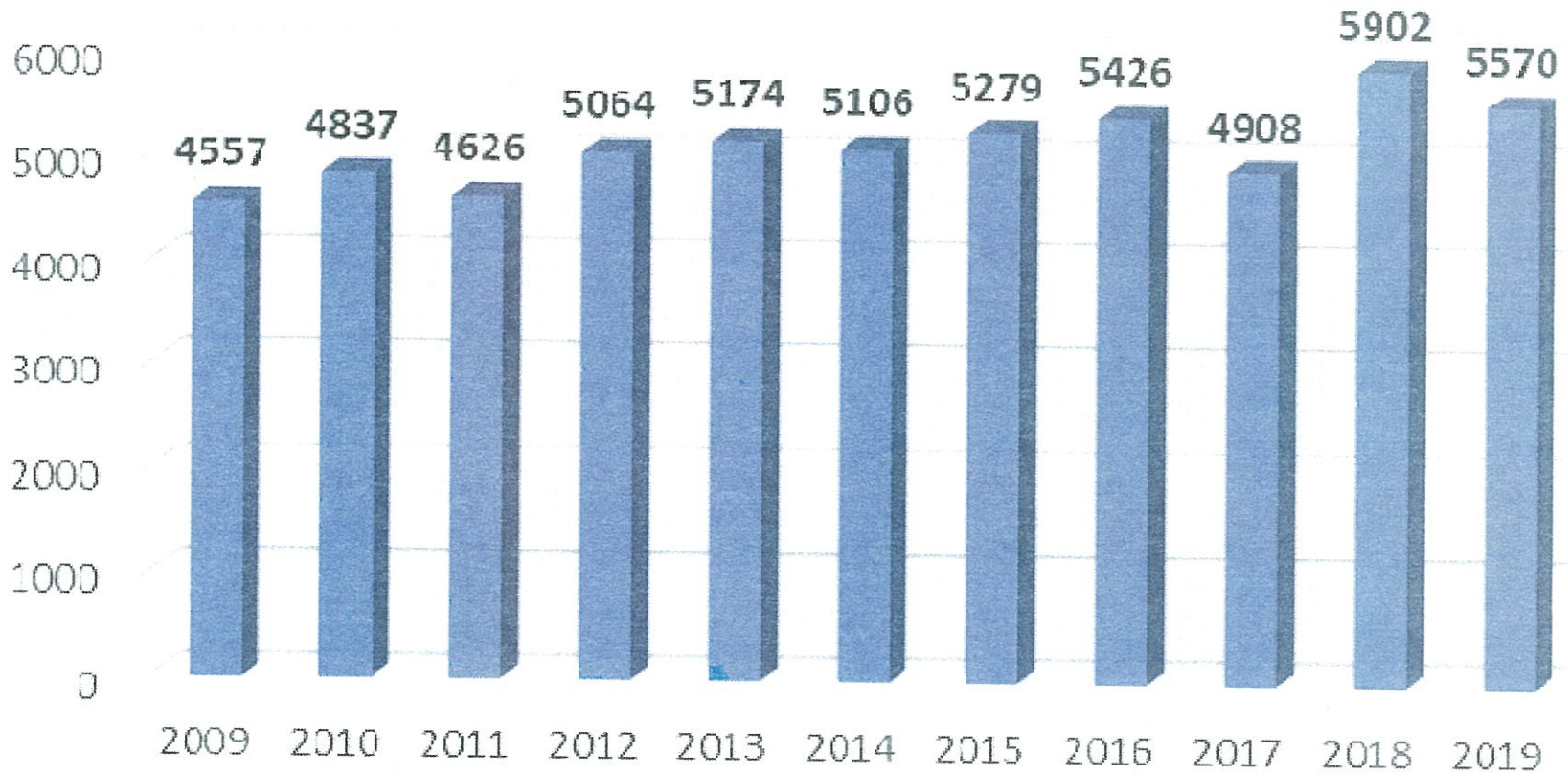


Revised

● Rounds
 ● \$/Round
 With increases if rounds were same as this year

Revised

Non Resident Champ



Total Average Dollar Per Round – All Play Types

Revised

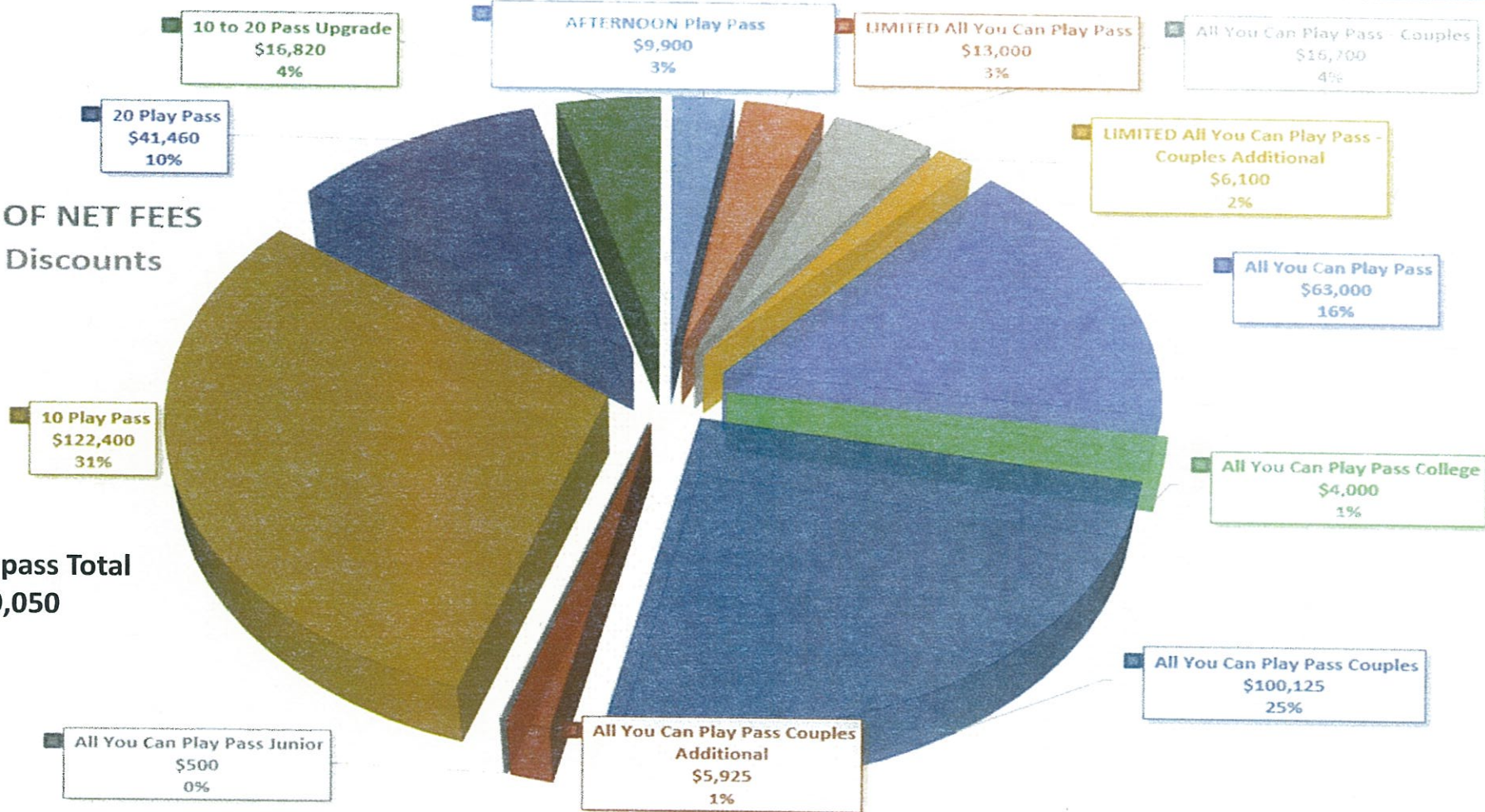
-2018-	-2019-
\$74.19	\$70.54
	\$3.65 less

Revised-
After Yearly Play Pass and
other accounting was
finalized.

2019 Play Pass Breakdown Championship

SUM OF NET FEES
After Discounts

Play pass Total
\$400,050



Mountain Course

Review

Revised



	May	June	July	August	September	October	Totals
Residents	43	1269	1784	1532	611	Closed	5239
Pass Play	38	663	669	709	709	Closed	2788
Guest	11	293	550	623	221	Closed	1698
Non-Residents	44	789	1620	1685	708	Closed	4846
Other	13	220	247	272	123	Closed	875
Total	149	3234	4870	4821	2372	Closed	15,446

Opening day May 28th

Closed September 18th

YEAR-TO-DATE BY MONTH AND PLAY TYPE

Monthly per day Average

- **May – 37.2** (Opening day was May 28th –Snow)
- **June - 107.8**
- **July – 157.09**
- **August – 155.5**
- **September – 158.1** (Closing day was September 15th)

2019 Compared to 2018 and 10 year averages

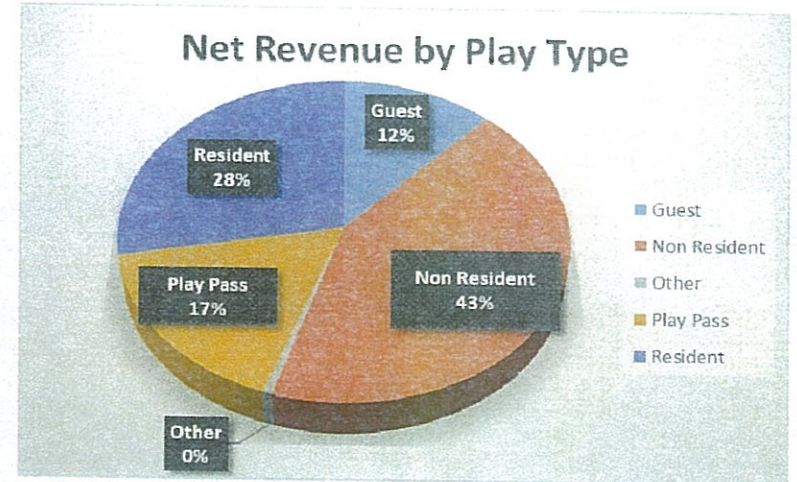
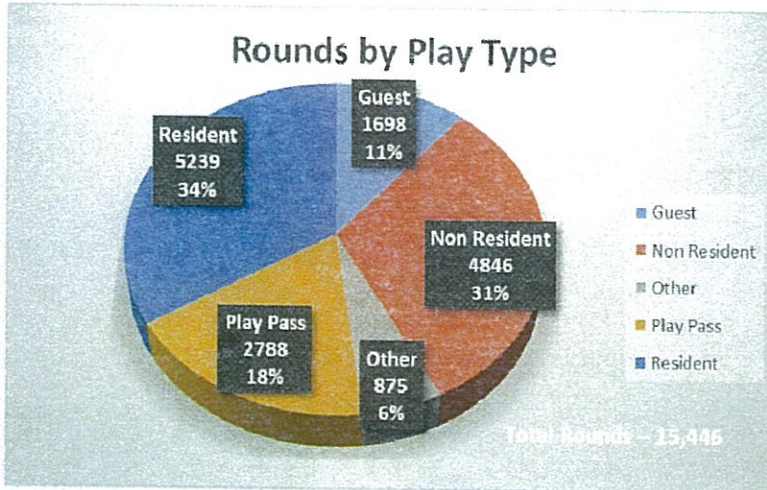
	2019	2018	Variance
May, June, Oct.	3383	4775	-1392
July-September	12,063	12,283	-220

Note: Course closed September 15th.
 In 2018 from September 16th-October 7th
 there were 1675 rounds played

Play mix for entire season	2019 Season	2018 Season	10 Year Average
Residents	5239	5546	5953
Play Passes	2788	3085	1360
Guests	1698	1518	1452
Non-Residents	4846	5497	4874
Other	875	1412	1446

2019

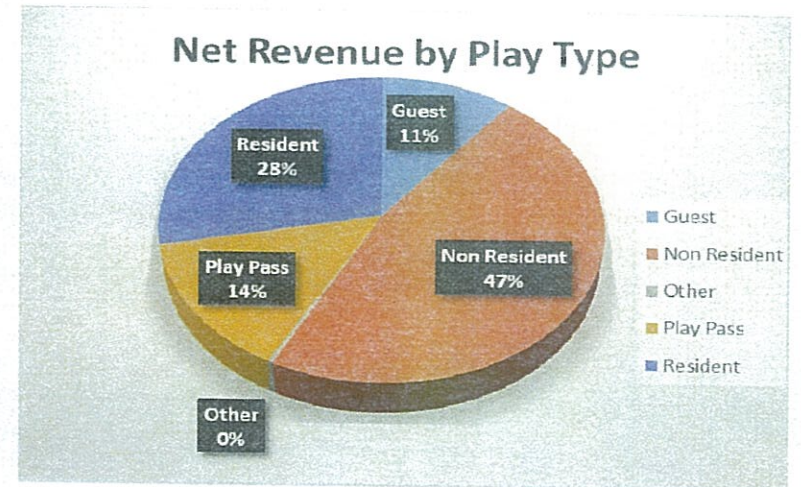
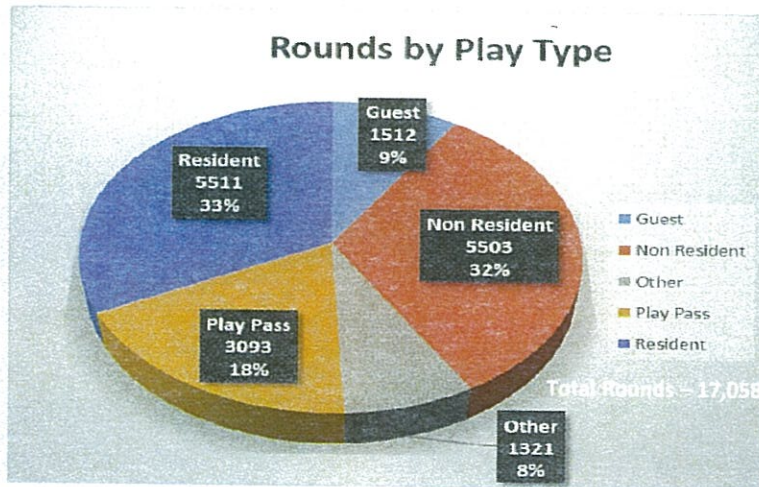
Revised Play type by Rounds and Revenue



Revised

2018

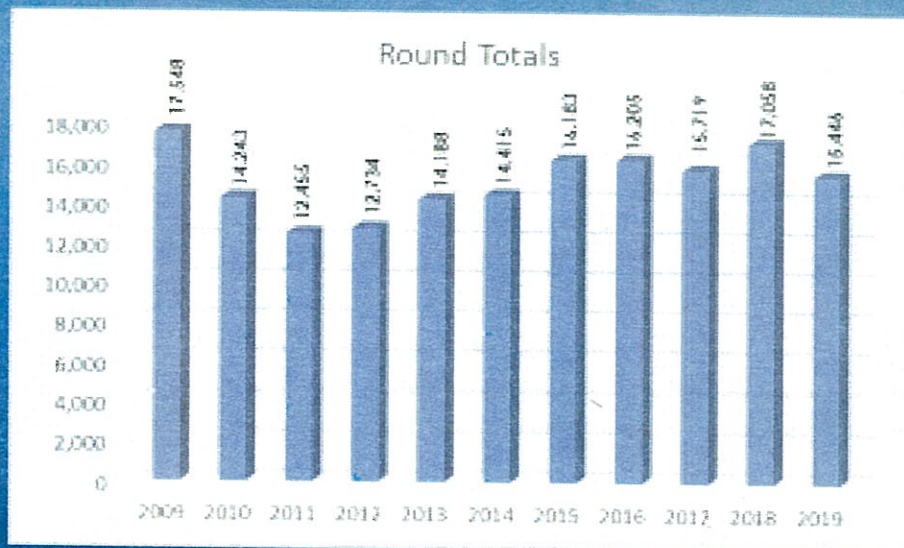
* These numbers are from previous Director of Golf files.



2019 Play mix – 9 holes vs 18 holes

	2019	2018	2017	2016
9 Hole Rounds	4258 (28%)	4614 (27%)	4559 (29%)	3946 (24%)
18 Hole Rounds	11,188 (72%)	12,444 (73%)	11,232 (71%)	12,259 (76%)
Total	15,446	17,058	15,791	16,205

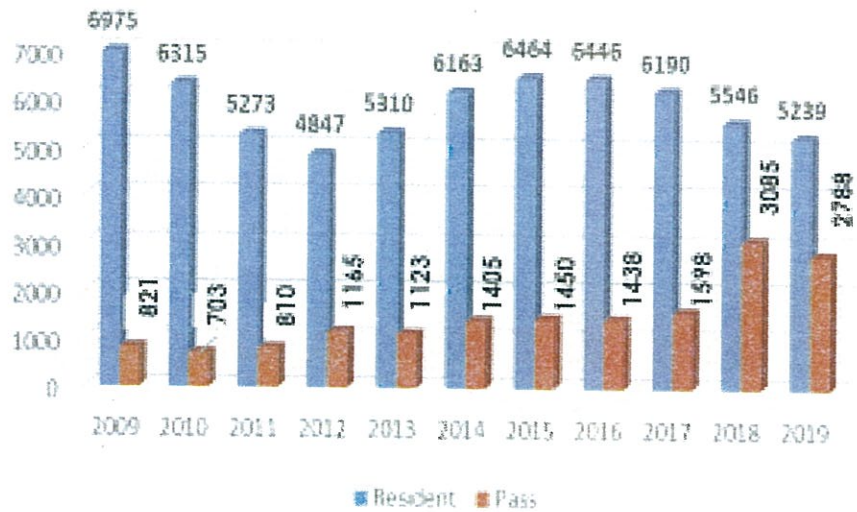
Historical Yearly Rounds Data



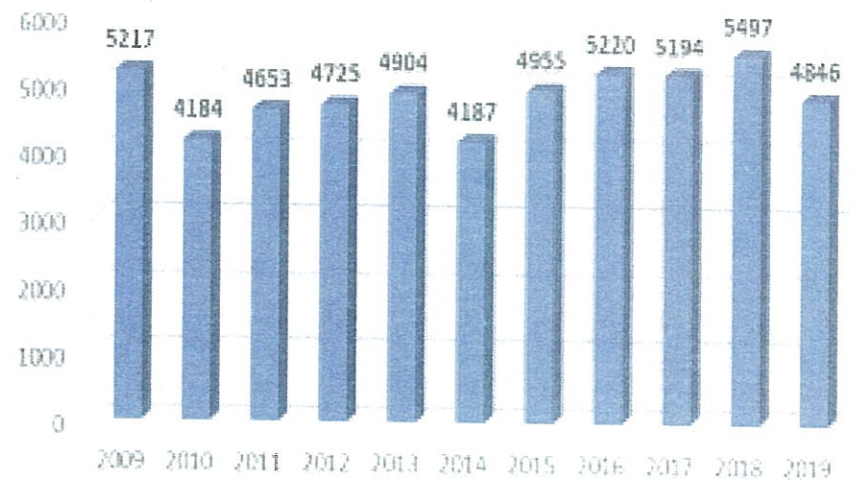
Average – 15,109

Resident & Non-Resident Historical Data

Resident Rounds Mountain

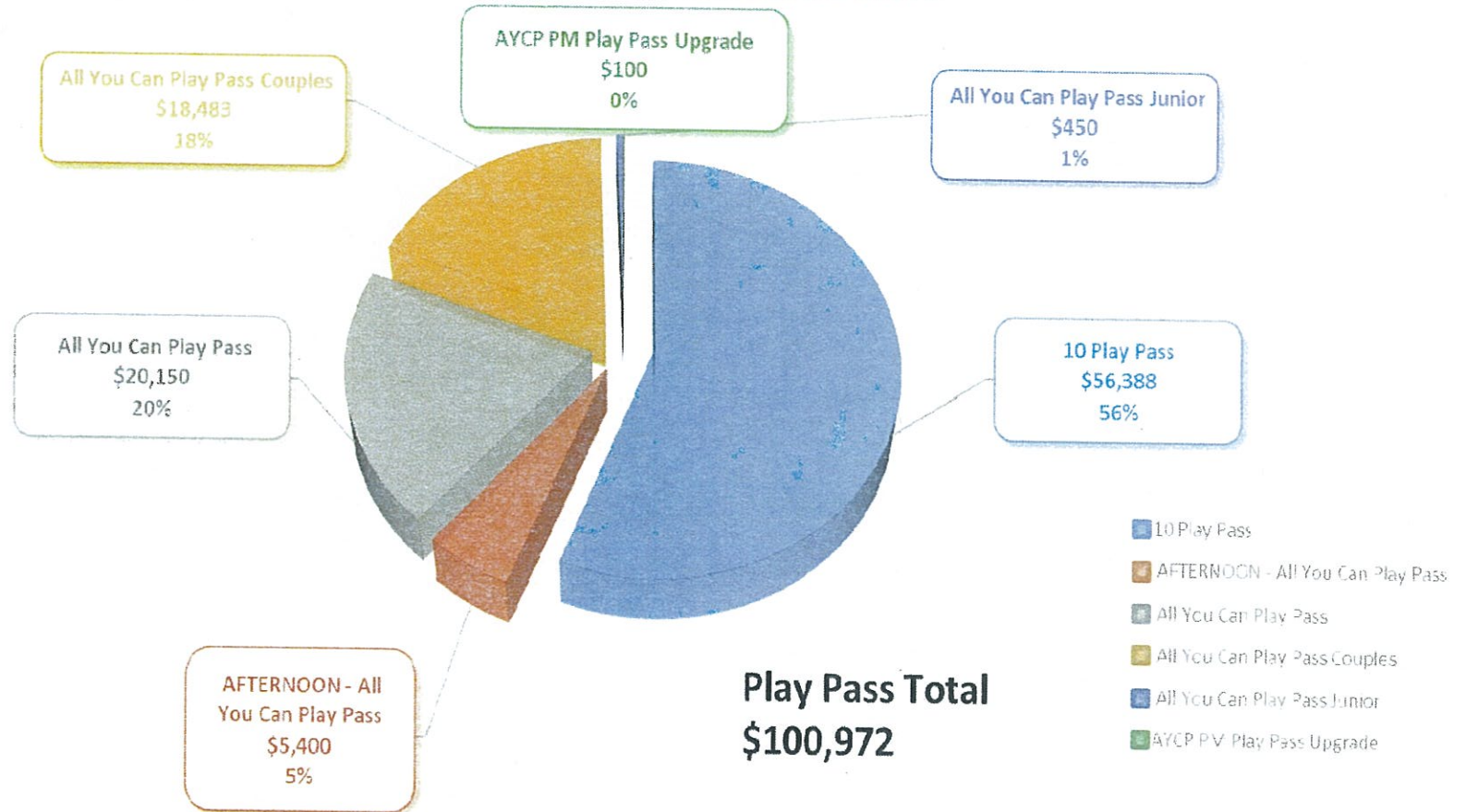


Non Resident Mountain



2019 Play Pass Breakdown at Mountain Course

2019 SUM OF NET - AFTER DISCOUNTS



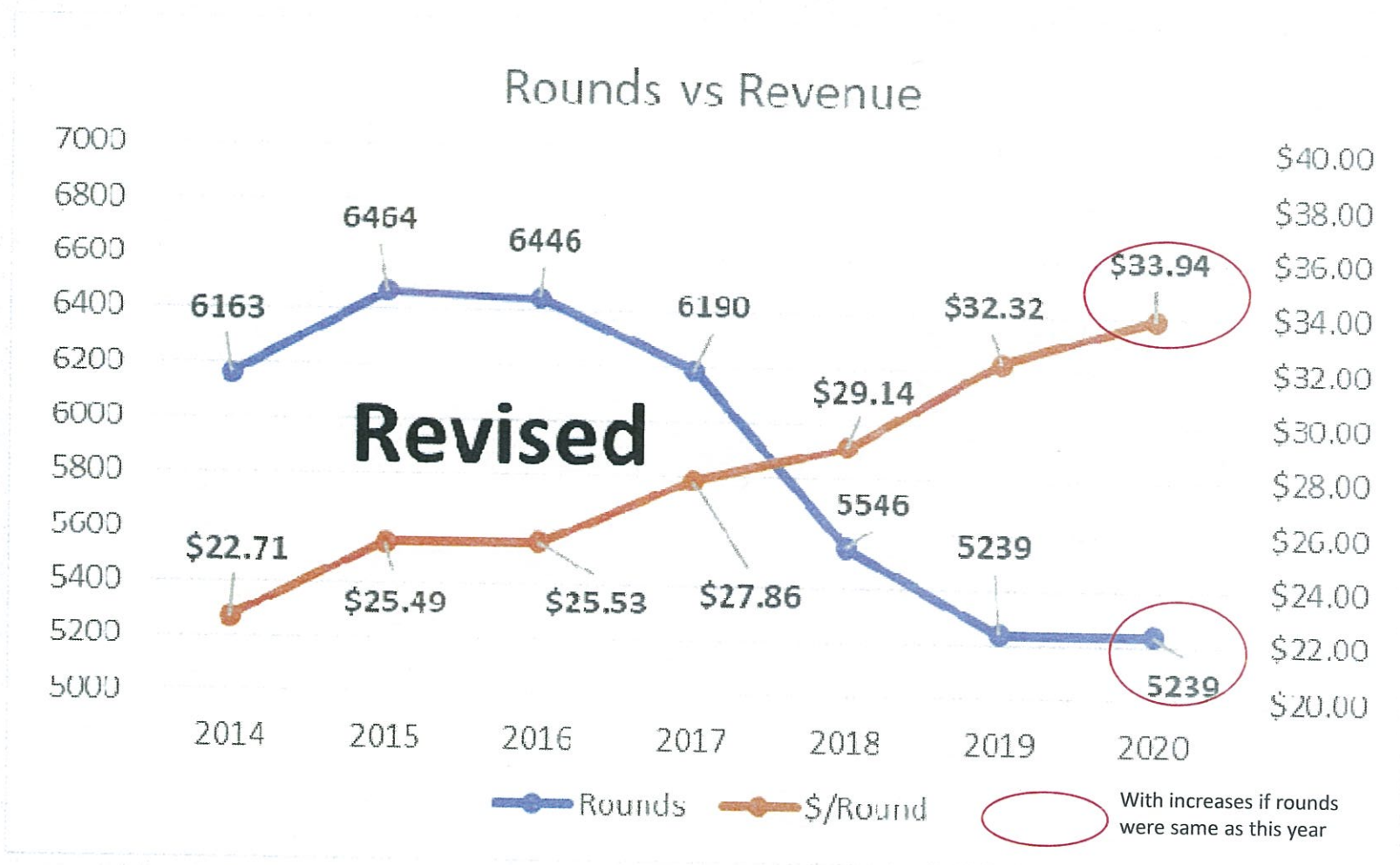
2018 Punch Card Program – Mountain Golf Course

	Quantity Sold	Quantity Sold Using Punch Card	% Sold Using Punch Card
Total Mountain Course Passes Sold Through 05/31/2018	211	178	84.4%

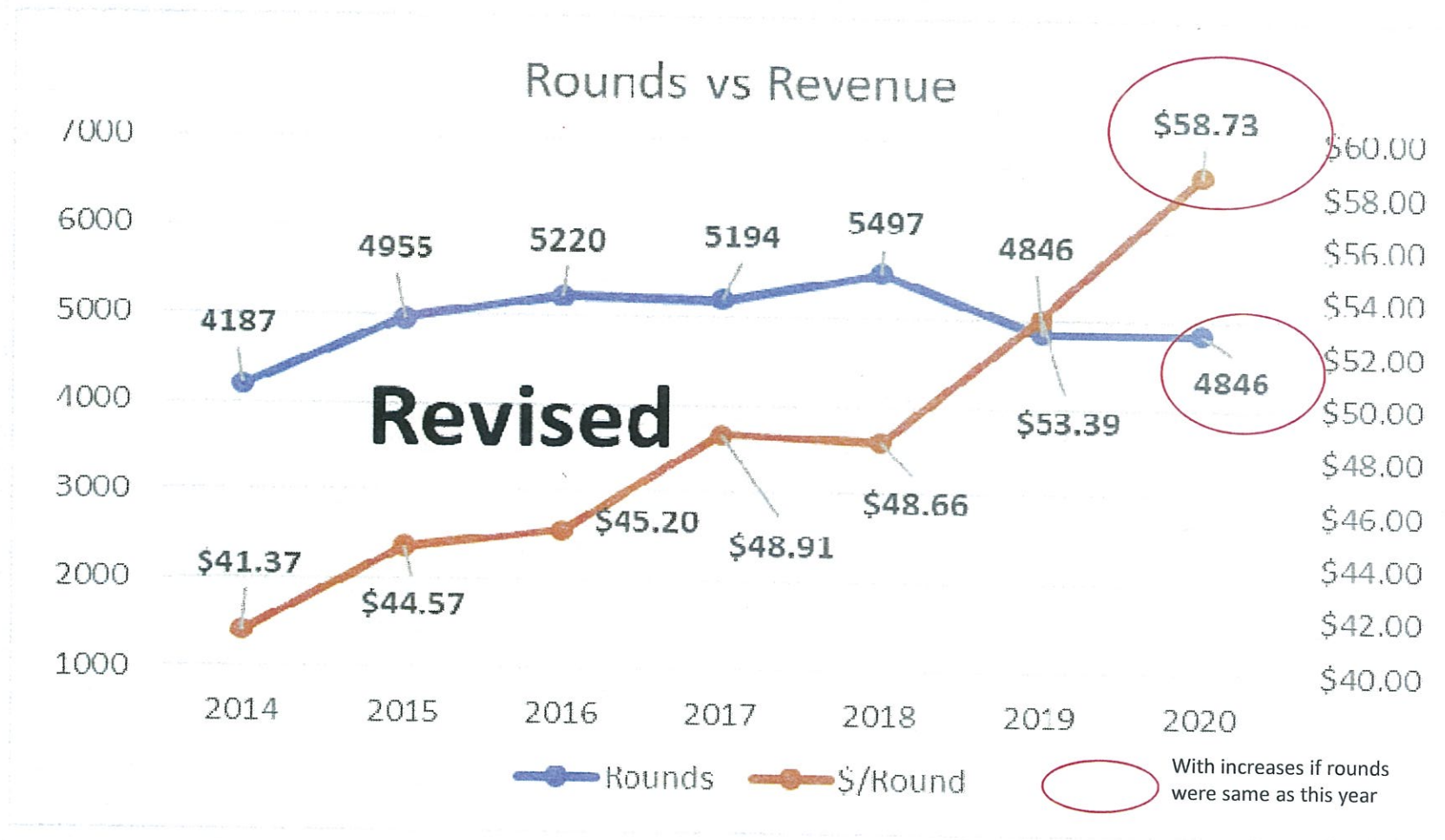
2019 Punch Card Program – Mountain Golf Course

	Quantity Sold	Quantity Sold Using Punch Card	% Sold Using Punch Card
Total Mountain Course Passes Sold Through 05/31/2019	200	181	90.5%

Resident Rounds and Revenue



Non-Resident Rounds and Revenue



Total Average Dollar Per Round – All Play Types

2018	2019
\$33.46	\$39.11
	Difference of \$5.65

Revised - After Yearly Play Pass and other accounting was finalized.

Driving Cost of Doing Business

- Rates and operational plan assumes no change in desired service levels.
- Rising cost
 - Wages (competition with California minimum wage)
 - Cost to live and work in Tahoe Basin
 - Maintenance cost (fertilizer, fuel, equipment, etc.)
 - Cost of Goods Sold (COGS) - Merchandise
 - Shipping
 - Utilities
 - Food costs
- Cost Mitigations
 - Staffing controls
 - Rising cost vs flat rates vs service levels vs product quality
 - Golf Operations has been run as an amenity

**Recommendations
for
2020 Key Rates**

Proposed Golf Fee Rates

Assumptions:

- Resident and Guest Rates - raise on average \$5 per time slot.
- Non-Resident - raise \$5 to \$20 dollars per time slot (average of 8%) Championship Course and \$5 to \$10 for Mountain Course.
- Play Pass – raise 4%-5% depending on rounding.
- Range

	<u>Resident</u>	<u>Non-Resident</u>
- \$5 Small Bucket (\$5 in 2019)		\$7 Small Bucket (\$7 in 2019)
- \$10 Medium Bucket (\$8 in 2019)		\$12 Medium Bucket (\$10 in 2019)
- \$15 Large Bucket (\$10 in 2019)		\$17 Large Bucket (\$13 in 2019)
- Charity Tournament Fee - \$1,100 to \$2,000 (this is the only fee they pay to use the entire golf course, other than Food and Beverage or Golf Shop sales).

2020 CHAMPIONSHIP COURSE -- Daily Rates ****PROPOSED****



NON-RESIDENT - Rack Rates								
	TIME OF DAY							
	Open - 2 (Prime Time)		2-4 (Twilight)		After 4 (Super Twilight)		After 5:30 (Super Twilight 9-Holes)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$130 (120)	\$150 (140)	\$80 (70)	\$95 (90)	\$60 (50)	\$65 (60)	\$45 (40)	\$50 (45)
June 14 - Sept 22	\$199 (190)	\$220 (200)	\$140	\$150	\$95 (90)	\$105 (100)	\$60 (55)	\$75 (70)
Sept 23 - closing	\$145 (140)	\$165 (160)	\$100	\$120	\$60 (40)	\$65 (45)	\$45 (45)	\$50 (45)

Non-Resident Pricing for 2020 is based on a \$5 to \$10 increase depending on time of day.

* Holiday pricing for Non-Residents based on availability/demand

RESIDENT - Rack Rates (50% or more discount off of Non-Resident Rack Rate)								
	TIME OF DAY							
	Open - 2 (Prime Time)		2-4 (Twilight)		After 4 (Super Twilight)		After 5:30 (Super Twilight 9-Holes)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$65 (60)	\$75 (70)	\$40 (35)	\$50 (45)	\$30 (25)	\$35 (30)	\$23 (20)	\$25 (23)
June 14 - Sept 22	\$90 (85)	\$95 (90)	\$65 (60)	\$75 (70)	\$45	\$55 (50)	\$30 (28)	\$37 (35)
Sept 23 - closing	\$65 (60)	\$75 (70)	\$45 (40)	\$55 (55)	\$25 (20)	\$30 (23)	\$23 (20)	\$25 (23)

Resident pricing is \$5 increase depending on time of day except for Super Twilight

Super Twilight and after 5:30pm, (these rates were slightly increased last year)

GUEST - Rack Rates (\$25 more than Resident Rack Rate from open until 4 p.m. and \$15 more than Resident Rack Rate from 4 p.m. to close)								
	TIME OF DAY							
	Open - 2 (Prime Time)		2-4 (Twilight)		After 4 (Super Twilight)		After 5:30 (Super Twilight 9-Holes)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$90 (85)	\$100 (95)	\$65 (60)	\$75 (70)	\$45 (40)	\$50 (45)	\$38 (35)	\$40 (38)
June 14 - Sept 22	\$115 (110)	\$120 (115)	\$90 (85)	\$100 (95)	\$75 (70)	\$80 (75)	\$45 (43)	\$52 (50)
Sept 23 - closing	\$90 (85)	\$100 (95)	\$70 (65)	\$80 (75)	\$40 (35)	\$45 (38)	\$38 (35)	\$40 (38)

Guest pricing is \$5 increase depending on time of day except for Super Twilight

Super Twilight and after 5:30pm, (these rates were slightly increased last year)

NOTE(S) COMMON TO ALL RATES

Holidays: Memorial Day - Mon. May 27th

Holidays: July 4th- M/Tu/W/Th July 1st-4th

Labor Day- Mon. Sept. 2nd

All rates include shared cart

2020 MOUNTAIN COURSE -- Daily Rates ****PROPOSED****

9 HOLES

NON- RESIDENT - Rack Rates

	Time of Day					
	Open - 12 (Prime Time)		12-4 (Mid-Day)		After 4 (Twilight)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$34 (25)	\$37 (31)	\$29 (22)	\$34 (28)	\$21 (18)	\$27 (20)
June 14 - Sept 2	\$42 (40)	\$46 (43)	\$37	\$42 (40)	\$26 (25)	\$32 (30)
Sept 15 - Closing	\$34 (31)	\$37 (34)	\$29 (28)	\$34 (31)	\$21 (20)	\$27 (25)

RESIDENT - Rack Rates (30% or more discount off of Non Resident Rack Rate)

	Time of Day					
	Open - 12 (Prime Time)		12-4 (Mid-Day)		After 4 (Twilight)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$24 (18)	\$26 (24)	\$20 (17)	\$24 (21)	\$13 (10)	\$16 (13)
June 14 - Sept 14	\$30	\$33	\$25	\$30	\$16 (15)	\$19 (18)
Sept 15 - Closing	\$24	\$26	\$20	\$24	\$13 (12)	\$16 (15)

GUEST - Rack Rates (\$10 more than Resident Rack Rate open - 12 and \$5 more than Resident Rack Rate 12 - 4, 4 - close is same as Resident Rack Rate)

	Time of Day					
	Open - 12 (Prime Time)		12-4 (Mid-Day)		After 4 (Twilight)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$29 (23)	\$31 (29)	\$25 (22)	\$29 (26)	\$13 (10)	\$16 (13)
June 14 - Sept 14	\$35	\$38	\$30	\$35	\$16 (15)	\$19 (18)
Sept 15 - Closing	\$29	\$31	\$25	\$29	\$13 (12)	\$16 (15)

Most of all Mountain Course rates were increased by 4-5% depending on rounding.



NOTE(S) COMMON TO ALL RATES
Holidays: Memorial Day - Mon. May 27th
Holidays: July 4th- M/Tu/W/Th July 1st-4th
Labor Day- Mon. Sept. 2nd
 All rates include shared cart

2020 MOUNTAIN COURSE -- Daily Rates **PROPOSED******

18 HOLES

NON- RESIDENT - Rack Rates

	Time of Day					
	Open - 12 (Prime Time)		12-4 (Mid-Day)		After 4 (Twilight)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$50 (40)	\$55 (50)	\$40 (35)	\$55 (45)	\$40 (30)	\$45 (35)
June 14 - Sept 2	\$70 (65)	\$75 (70)	\$65 (60)	\$70 (65)	\$45 (40)	\$50 (45)
Sept 15 - Closing	\$55 (50)	\$60 (55)	\$50 (45)	\$55 (50)	\$40 (35)	\$45 (40)

RESIDENT - Rack Rates (30% or more discount off of Non Resident Rack Rate)

	Time of Day					
	Open - 12 (Prime Time)		12-4 (Mid-Day)		After 4 (Twilight)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$36 (28)	\$41 (35)	\$33 (25)	\$37 (32)	\$21 (18)	\$24 (21)
June 14 - Sept 14	\$44 (42)	\$48 (46)	\$44 (42)	\$48 (46)	\$26 (25)	\$29 (28)
Sept 15- Closing	\$36 (35)	\$41 (39)	\$33 (32)	\$37 (35)	\$21 (20)	\$24 (23)

GUEST - Rack Rates (\$10 more than Resident Rack Rate open - 12 and \$5 more than Resident Rack Rate 12 - 4, 4 - close is same as Resident Rack Rate)

	Time of Day					
	Open - 12 (Prime Time)		12-4 (Mid-Day)		After 4 (Twilight)	
	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)	Mon-Thu	Fri-Sun (& holidays)
Open - June 13	\$46 (38)	\$51 (45)	\$37 (30)	\$42 (37)	\$21 (18)	\$24 (21)
June 14 - Sept 14	\$54 (52)	\$58 (56)	\$47	\$53 (51)	\$26 (25)	\$29 (28)
Sept 15 - Closing	\$46 (45)	\$51 (49)	\$37	\$42 (40)	\$21 (20)	\$24 (23)

Most of all Mountain Course rates were increased by 4-5% depending on rounding.



NOTE(S) COMMON TO ALL RATES

Holidays: Memorial Day - Mon. May 27th
Holidays: July 4th- M/Tu/W/Th July 1st-4th
Labor Day- Mon. Sept. 2nd
 All rates include shared cart

RESIDENT PLAY PASSES (Must be a valid IVGID Resident Picture Pass Holder)

BOTH COURSES

	2019 Rates	2020 Rates (Proposed)	All Play Pass Rates were increased by 4%-5% depending on rounding
UNLIMITED All You Can Play Season Pass - Individual	\$2,450 (Non-Res \$3,675)	\$2,550.00	> Includes Free Bag Storage
UNLIMITED All You Can Play Season Pass - Couples	\$3,950 (Non-Res \$5,925)	\$4,100.00	
<i>*Couple is two married people or domestic partners living together in the same household as a family unit</i>			
UNLIMITED Junior Pass	\$250	\$250	> Walking Only, Up to age 17, Stand By Only
UNLIMITED College Pass	\$400	\$400	> Walking Only, Up to age 26, Currently Enrolled in College, Stand By Only

CHAMPIONSHIP COURSE

	2019 Rates	2020 Rates (Proposed)	
10 Play Pass	\$720 (Non-Res \$1,100)	\$750.00	
20 Play Pass	\$1,300 (Non-Res \$1,950)	\$1,400.00	
LIMITED All You Can Play Season Pass - Individual	\$1,950 (Non-Res \$2,950)	\$2,050.00	> Open - June 17 & Sept. 17 - Closing = Unlimited Play Any Day/Any Time > June 18-Sept. 16 = Monday - Thursday Any Day/Any Time & Friday - Sunday After 12pm Only > Includes Free Bag Storage > If playing within Restricted times above = Applicable daily greens fee apply
LIMITED All You Can Play Season Pass - Couples	\$3,050 (Non-Res \$4,600)	\$3,175.00	
<i>*Couple is two married people or domestic partners living together in the same household as a family unit</i>			
PM All You Can Play Season Pass - Individual	\$999 (Non-Res \$1,500)	\$1,050.00	> Open - June 17 & Sept. 17 - Close = Unlimited Play AFTER 12pm > June 18-Sept. 16 = Unlimited Play AFTER 2pm > If playing within Restricted times above = Applicable daily greens fee apply

MOUNTAIN COURSE

	2019 Rates	2020 Rates (Proposed)	
10 Play Pass	\$350 (Non-Res \$525)	\$365.00	
UNLIMITED All You Can Play Season Pass - Individual	\$650 (Non-Res \$975)	\$675.00	
UNLIMITED All You Can Play Season Pass - Couples	\$999 (Non-Res \$1,500)	\$1,050.00	
<i>*Couple is two married people or domestic partners living together in the same household as a family unit</i>			
PM All You Can Play Season Pass - Individual	\$450 (Non-Res \$750)	\$470.00	> Unlimited Play AFTER 2pm All Season > If playing within Restricted times above = Applicable daily greens fee apply
UNLIMITED Junior Pass	\$150	\$150	> Walking Only, Up to age 17, Stand By Only

NOTE: For the 2020 rates, the non-resident products were removed as there were none sold in 2019.

Projected Financial Impact at Mountain Course (with same rounds and price increase)

2020 Projected/round	2019 Per round avg.	Round Type	2019 Final	2020 Projected
\$ 43.92	\$ 41.83	Guest	\$ 71,035.00	\$ 74,576.00
\$ 58.73	\$ 53.39	Non-Resident	\$ 258,749.00	\$ 284,605.00
\$ 38.02	\$ 36.21	Play Pass	\$ 100,971.00	\$ 106,000.00
\$ 33.94	\$ 32.32	Resident	\$ 169,364.00	\$ 177,812.00
Yearly Totals			\$ 600,119.00	\$ 642,993.00
Net Gain				\$ 42,874.00

***Assumptions are based on rounds staying the same**

Projected Financial Impact at Championship Course (with same rounds and price increase)

2020 Projected/round	2019 Per round avg.	Round Type	2019 Final	2020 Projected
\$ 98.26	\$ 93.26	Guest	\$ 203,783.00	\$ 214,698.00
\$ 126.37	\$ 117.01	Non-Resident	\$ 651,729.00	\$ 703,697.00
\$ 56.06	\$ 53.40	Play Pass	\$ 400,050.00	\$ 420,053.00
\$ 65.38	\$ 60.38	Resident	\$ 355,935.00	\$ 385,415.00
Yearly Totals			\$ 1,611,497.00	\$ 1,723,863.00
Net Gain				\$ 112,366.00

***Assumptions are based on rounds staying the same**

Projections with Championship Course Rounds increasing 5% and Mountain Course Rounds increasing 10%

2020 Rounds Assumption	Mountain 10%	Champ 5%	New Rates Mtn	New Rates Champ	Total Mtn	Total Champ
Resident	6100	6190	\$ 33.94	\$ 65.38	\$ 207,034.00	\$ 404,702.20
Play Pass	3394	7866	\$ 38.02	\$ 56.06	\$ 129,039.88	\$ 440,967.96
Guest	1670	2294	\$ 43.92	\$ 98.26	\$ 73,346.40	\$ 225,408.44
Non-Resident	6046	5849	\$ 58.73	\$ 126.37	\$ 355,081.58	\$ 739,138.13
Projected Totals	17210	22199			\$ 764,501.86	\$ 1,810,216.73

Basin Golf Courses Comparable to Incline Village

Old Greenwood & Grays Crossing

May 17-June 13 8am-1:50pm - \$150
 2pm-3:50pm - \$150
 After 4pm - \$75
 June 14-Sept. 30 - 7am-1:50pm - \$220
 2:00pm-3:50pm - \$140
 After 4pm - \$90

Closest comparison to the
 Mountain Course



July 1- Oct 1

Old Brockway

9 Holes - \$65
 18 Holes - \$105
 Twilight - \$65
 * all prices with cart

Edgewood

May 19 - \$150 weekday	Oct 19 - \$200 weekday
\$175 weekend	\$225 weekend
June 19 - \$210 weekday	
\$230 weekend	
July and August - \$280 weekday	
\$300 weekend	
Sept 19 - \$250 weekday	
\$275 weekend	

Tahoe Donner

Under Renovation

All prices are carts inclusive!

Questions from last Board Meeting

Tree work so far this year vs budget – Championship Budgeted \$6,000, spent so far this year \$10,335; Mountain Course Budgeted \$5,000, spent so far this year \$12,243.

Play pass purchases with Punch Cards - **included**

Competitor Rates around the Basin - **included**

Golf Clubs discussion - **ongoing**

RECOMMENDATION

That the Board of Trustees makes a motion to approve 2020 Key Rates, as presented, for the Championship Golf Course, Mountain Golf Course and Resident Play Passes.

M E M O R A N D U M

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: Review, discuss, and possibly direct to develop operational alternatives to the Guest Access Ticket process (*Discussion Only*)

STRATEGIC PLAN: Long Range Principle 4 – Service
Long Range Principal 6 – Communication

DATE: December 11, 2019

I. RECOMMENDATIONS

That the Board of Trustees review, discuss and provide Staff direction to explore and develop operational alternatives to the current Guest Access Ticket process. Additionally, direct Staff to bring back recommendations when developed.

II. DISTRICT STRATEGIC PLAN

Long Range Principle 4 – Service

- Provide well defined customer centric service levels consistent with fiscal goals and community expectations.

Long Range Principal 6 – Communication

- Promote transparency in all areas including finance, operations and public meetings.

III. BACKGROUND

The purpose of the Guest Access Ticket is to allow an opportunity for property owners to provide their guests access to the beaches without having to be present with the guests at the beach gate.

The initial concept of the Guest Access Ticket was developed approximately twenty (20) years ago. It was first referred to as the “Beach and Boat Launching Authorization Form”. The overall required process has not changed much since its

inception. However, modifications to the process have taken place to add more controls and create efficiencies. Most recently, the concept of the Guest Access Ticket was developed and included additional internal controls. The current process includes verification that the request is coming from the parcel owner or the authorized agent on file. Additionally, the Guest Access Ticket is barcoded and use is limited to the range of dates related to the provided length of stay of the guest. The guest takes the Guest Access Ticket to either the Recreation Center or the Beach Gates to pay the applicable guest fees after the Guest Access Ticket is scanned and determined active.

At the November 13, 2019 Board of Trustees meeting, during Staff's 2019 beach season wrap up, Staff presented information about the Guest Access Ticket and notified the Board that Staff would be bringing back an agenda item at the December 11, 2019 meeting to further discuss, review, and provide feedback on possible operational alternatives.

IV. FINANCIAL IMPACT AND BUDGET

None at this time.

V. ALTERNATIVES

Provide Staff direction to not make any changes to the current Guest Access Ticket process.

VI. COMMENTS

The current process provides some inefficiencies and challenges including:

1. Administrative – Staff is processing over 4,000 transactions to produce Guest Access Tickets and approximately 40% of the issued Guest Access Tickets go unused. This takes considerable staff time and there are material costs associated with producing the Guest Access ticket. A more efficient process of administering guest access would be beneficial as it would aim to simplify the process and limit risk for both the parcel owner and the District.
2. Overall Customer Experience – The transaction of validating and processing payment for a Guest Access Ticket daily entry takes considerably more time than scanning a pre purchased daily beach pass which increases the congestion at the beach gates during peak time. In 2015, Parks & Recreation Staff implemented a pilot program

over the July 4th holiday that did not allow cash or credit card transactions at the beach gates. This program worked extremely well and significantly reduced traffic flow times at the beach gates.

3. Parcel Owner Awareness – As the number of short term rentals and second homeowners have increased over the past several years, beach visits have also increased and this impacts the IVGID beach properties. Increased visitation equates to more staffing resources to respond to increased trash collection, general grounds maintenance, janitorial, gate operations and administrative operations. Parcel owners and Picture Pass Holders should be aware of these impacts as they make decisions about how much access they provide to their guests and/or tenants.

A methodical approach is preferred as any changes to the guest access process will require significant outreach and advanced communication. Staff will need time to explore opportunities to potentially find a solution to automate the process. This would be the overall goal as it could add more efficiency and control. Additionally, it will be important to create a user friendly process while achieving the goal of making sure the parcel owner and picture pass holder are aware of the access that is being granted.

Staff could create a pilot program that shifts to a pay to play model that would require guest access to be paid for either at the beach gates, or in advance at the Recreation Center. A verification process would still exist for parcel owners and/or authorized agent's pre purchasing access for short term rental guests. If successful, additional efficiencies can be explored moving forward.

Lastly, Staff is also evaluating the merit of utilizing a pricing structure similar to pricing structures currently being utilized at the other community services venues where we have rack rate pricing and discounted pricing for residents and in some cases, guests of residents (resident must be present with the guest).



Guest Access Ticket



Interim District General Manager Indra Winqest – December 11, 2019

Guest Access Tickets

- Provides beach access for guests without a punch card
- Owner not required to be present
- Staff confirms owner/agent on parcel file
- Good for length of stay only
- Must pay daily applicable fee
- 4019 Total Transactions at Recreation Counter between May 1- September 29
- 14, 835 Tickets processed
- 6,822 Guest Access Tickets scanned at beach gates



One District ~ One Team



Challenges

- Administrative inefficiencies
- Staff time
- Materials costs
- Increased transaction time at the beach gates impacts overall experience
- High percentage of guest access tickets never utilized
- Challenging to control usage
- Overall perception



One District ~ One Team



Alternatives/Options

- Use Pilot Program to potentially shift to a pay to play model. Picture Pass Holder/Agent must pre-purchase daily passes in advance for guests or be present with guest at the gate. (explore 3,5,7 day pass)
- Research “guest recreation punch card” possibilities
- Picture Pass Holder/Agent may utilize Recreation Punch Cards for their guests.
- Picture Pass Holder/Agent may utilize exchange passes off existing value of their Recreation Punch Card
- Parcel Owners/Agent may purchase additional Recreation Punch Cards
- Consider a cap or tiered pricing on daily guest tickets and additional Recreation Punch Cards purchased (may require changes to Ordinance 7)



Recommendations

- Based on feedback received this evening, direct Staff to proceed with developing an updated process to replace the current guest access ticket.
- Direct Staff to bring back to the Board of Trustees for final direction and approval once developed.



One District ~ One Team



Thank You!!



One District ~ One Team

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: Review, discuss, and possibly provide direction for the next step in the process to possibly revise Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District

STRATEGIC PLAN: Long Range Principle 4 – Service
Long Range Principal 6 – Communication

DATE: December 11, 2019

I. RECOMMENDATIONS

That the Board of Trustees review, discuss and provide direction to Staff to proceed with next steps in the process of making administrative revisions to Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District, which includes but is not limited to setting a public hearing date and agenda item at a future meeting.

II. DISTRICT STRATEGIC PLAN

Long Range Principle 4 – Service

– Provide well defined customer centric service levels consistent with fiscal goals and community expectations.

Long Range Principal 6 – Communication

– Promote transparency in all areas including finance, operations, and public meetings.

III. BACKGROUND

At the March 28, 2019, Board of Trustees workshop, the Board of Trustees undertook a conversation about Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District. There was additional Board discussion regarding Ordinance 7, An Ordinance Establishing Rates, Rules and

Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District, at the April 10, 2018 and May 1, 2019 Board of Trustee meetings.

The Trustees prioritized the following issues as future discussion items for the possible modification of Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District:

- No longer combine beach policies and regulations with other recreational policies and regulations;
- Remove sections which are outdated or are purely administrative in nature;
- Review punch card policies;
- Review guest access policies and procedures;

As part of the public input process for these potential modifications, there was a public forum on Beach policies and procedures on July 24, 2019.

This would be the second public meeting regarding the beaches in the past twelve months. A very well attended “Beaches 101” public meeting was held on July 11, 2018. A recording of the meeting along with the supporting materials is available on the District’s website.

IV. FINANCIAL IMPACT AND BUDGET

None at this time.

V. ALTERNATIVES

Board of Trustees can direct staff to not make revisions to Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District.

VI. COMMENTS

The current revisions being explored are listed below. These potential revisions are mostly administrative by nature. Next steps may also include restructuring of the ordinance to more clearly define recreation access and the policies that govern.

Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District

Administrative Provisions considered for Amendment

- Article III. Item 28 Fees Kept Current – changed to match procedures followed by Washoe County Treasurer to determine delinquency.
- Article IV. Item 31 Application – expand to allow other electronic forms of communication.
- Article V. Item 38 Assignment Procedures – expand to allow other electronic forms of communication.
- Article V. Item 39 Agent Designation - expand to allow other electronic forms of communication.
- Article V. Item 40 Multi-Parcel Designation - expand to allow other electronic forms of communication.
- Article VI. Item 46 – update list of covered products and service types.
- Article VI. Item 47 Term of Issuance – change renewal period.
- Article VI. Item 51 Lost/Stolen Recreation Pass – remove “of \$15 per pass” to allow fees to be set outside of the Ordinance.
- Article VI. Item 52 Reassignment Fee - remove “of \$15 per pass” to allow fees to be set outside of the Ordinance.
- Article VI. Item 53 Ownership Transfer Fee – remove “of \$25.00 per parcel” to allow fees to be set outside of the Ordinance.
- Article VII. Item 55 Expiration Date – change May 1 to June 1 and April 30 to May 31, to facilitate coordinating setting the value for a Punch Card in relation to the budget adopted in the third week of May under Nevada Revised Statute.
- Article VII. Item 58 Exchange for Recreation Pass – remove “\$15.00” to allow fees to be set outside of the Ordinance.
- Article VIII. Item 60 – eliminate the limit on number of Recreation Passes per parcel that can be used to obtain discounts at golf (the original purpose for the limit is no longer relevant).
- Article VIII. Item 67 c 3 – Disciplinary Procedures for Misconduct; Suspension, Revocation, or Other Disposition; Board of Trustees – update reference to Nevada Revised Statute as NRS 241.030 (3) (d) no longer exists.
- Article VIII. Item 69 Purchase of Additional Recreation Passes or Cards – change “first April 30” to “first May 31” to coincide with Item 55.
- Article IX. Item 73 Effective Date – set a date based on the Board of Trustee action.

Note: Some of the changes may result in a renumbering of Articles or Items and, if necessary, will result in changing cross references throughout the ordinance.

MEMORANDUM

TO: Board of Trustees

FROM: Kendra Wong
Chairwoman

SUBJECT: Review, discuss, revise and possibly approve the District General Manager's Job Description

DATE: November 20, 2019

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve the District General Manager's Job Description.

II. BACKGROUND

At the November 13, 2019 Board of Trustees meeting, Trustee Dent asked that we bring this matter forward. All Trustees were reminded to make their edits and get them into to the District Clerk no later than December 2, 2019 so that the Board of Trustees could undertake this agenda item; Chairwoman Kendra Wong was the only submitter from the Board of Trustees. Director of Human Resources Dee Carey has updated the salary range to reflect the current environment.

The job description immediately following this memorandum is the current job description as approved in 2017. Following that job description is the edited version which is presented for adoption. A conformed copy is the final job description attached hereto.

CURRENT JOB DESCRIPTION



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

Job Title: General Manager
Job Number: 1110A
Salary Grade: Contract
Department: Administration
Reports to: Board of Trustees
FLSA Status: Exempt - Executive
Salary Range: \$100,000 to \$200,000 (which includes measurable incentives)

SUMMARY

Under the general direction of the District's Board of Trustees, assumes full responsibility for the operation and management of the Incline Village General Improvement District (IVGID).

ESSENTIAL DUTIES AND RESPONSIBILITIES

Not necessarily in order of priority, include the following. Other duties may be assigned by the Board of Trustees.

1. Provides excellent customer service to parcel owners, local businesses, government agencies and visitors to Incline Village/Crystal Bay.
2. Oversees the operation and management of the District, including the supervision and control of all of the District's property, activities, personnel, business, and operations. The General Manager is the chief executive officer of IVGID, responsible for all services, programs, budgets, and the overall operational and financial performance of the District.
3. Recommends, supports the development of, and implements policies and directives set by the Board of Trustees.
4. Directs operation and management of the District in compliance with Ordinances, Resolutions, Regulations, Long Range Principles, Policies and Practices.
5. Directs and participates in the development and implementation of long and short range goals, objectives, policies, practices, and procedures for the District.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

6. Implements all personnel rules and regulations, recommends staffing levels, and maintains authority to hire, discipline, or discharge employees as may be necessary to carry out District business.
7. Leads, manages, mentors, empowers and coaches direct reports such as, but not limited to, the Executive Assistant/District Clerk, Communications Coordinator, Director of Finance, Director of Community Services, Director of Public Works, Director of Human Resources, Director of Asset Management and the Director of Information Systems & Technology.
8. Negotiates a variety of contracts and agreements on the District's behalf including labor negotiations with various union bargaining units.
9. Prepares and coordinates preparation of and administers the annual operating budget, long range financial planning, and capital improvement programs for approval by the Board of Trustees.
10. Coordinates preparation and presents to the Board of Trustees agenda packages as requested by the Board of Trustees.
11. Controls, monitors, and reports on programs, projects, and activities in collaboration with Department Heads and Directors.
12. Participates in the development of departmental strategic management and business plans.
13. Leads and supports District wide efforts and training to provide excellent customer service with a focus on retention and loyalty building service.
14. As supported and guided by the Board of Trustees, represents IVGID to the community, media, and other entities, organizations, and government agencies at the local, regional, state, and federal levels.
15. Confers with and responds to District stakeholders and their requests for services, suggestions, and complaints.
16. Supports District managers in identifying day-to-day and IVGID organization-wide departmental operating issues and problems; analyzes



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

alternatives and initiates solutions through effective leadership, collaboration and communication.

17. Directs staff in the preparation, award, and administration of service, maintenance, construction, concessionaire, material, and other contracts.
18. Assists, advises, and supports the Board of Trustees on special projects, problems, and initiatives.
19. In support of the Board of Trustees, acts as primary interface with the District's General Counsel.
20. Adheres to and enforces stated safety policies and procedures.

LEADERSHIP AND SUPERVISORY RESPONSIBILITIES

1. Leads and manages a staff of Directors and Department Heads who, in turn, lead and supervise a total of approximately 750 employees (including seasonal employees) in the General Manger Department, Administrative, Internal Services, Community Services and Public Works areas.
2. Responsible for the overall leadership, direction, coordination, and evaluation of these units.
3. Carries out leadership responsibilities in accordance with the organization's policies, practices and procedures and applicable laws.
4. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.
5. Works closely with the Senior Staff which is defined as Director of Human Resources, Executive Assistant/District Clerk, Director of Finance, Ski Resort General Manager, Director of Parks & Recreation, Director of Public Works, Director of Asset Management and Director of Information Systems & Technology.
6. Is responsible for fostering a positive and productive organizational culture.

QUALIFICATIONS



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

1. To perform this job successfully, an individual must be qualified to perform each essential duty satisfactorily.
2. The requirements listed below are representative of the knowledge, skill, and/or ability required.
3. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION

1. A Bachelor's degree in Public Administration, Business, Finance, Accounting, Engineering or other related field from an accredited four year college or university is required.
2. A Master's Degree in Public Administration or Business Administration is strongly preferred.

EXPERIENCE

1. A minimum of ten (10) years of related, increasingly responsible, management experience within a customer-service driven and multi-functional environment is required.
2. Experience must also include successful leadership and management of disparate disciplines, i.e., finance, engineering, operations, administration, recreation, and marketing.
3. Experience within a municipal, governmental, community based organization, or recreational service environment is strongly preferred.
4. Experience reporting to a publically elected Board and experience in providing public services subject to public scrutiny is also strongly preferred.

COMPREHENSION/COMMUNICATIONS SKILLS

1. Ability to read, analyze, and interpret complex documents.
2. Ability to understand, use, and effectively communicate to a diverse audience financial, technical, regulatory, and operational data.
3. Ability to respond effectively to sensitive inquiries or complaints and to establish and maintain effective working relationships with a broad variety of people.
4. Ability to develop presentations and write articles to address a community-wide audience.
5. Ability to make effective and persuasive speeches and presentations on controversial or complex topics to employees, management, public groups, and the Board of Trustees.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

6. Ability to effectively communicate in a single one on one environment, where emotions may run extremely high.
7. Ability to influence others through persuasion, leading by example and team decision-making skills as opposed to the authority of rank is essential.
8. Overall, must be an extremely effective communicator, orally and in writing, with an open and approachable style.
9. The duties and responsibilities of this position necessitate the use of a cellular phone/mobile communication device for District business reasons.

MATHEMATICAL SKILLS

1. Ability to apply advanced mathematical concepts and mathematical operations to tasks such as development of budgets, review of budgets, operating statements and other financials, and analysis of strategy/policy making decisions and related economic impacts.

COLLABORATION ABILITY

1. Must have validated strong collaborative and consensus building skills to be applied in leadership and problem solving situations.
2. Ability to create a climate in which people want to do their best and encourage participation and open dialogue at all levels.

REASONING ABILITY

1. Ability to apply principles of logical or scientific thinking to a wide range of intellectual and practical problems.
2. Ability to deal with a variety of abstract and concrete variables.

CERTIFICATES, LICENSES, REGISTRATIONS

1. Valid and current drivers' license, acceptable to the State of Nevada, with a driving record which ensures insurability is required.
2. Successful completion State of Nevada/Federal background check through fingerprinting because position has unsupervised access to children, the elderly or individuals with disabilities and/or has access to their records. Pursuant to National Child Protection Act (NCPA) of 1993 as amended by the Volunteers for Children Act (VCA).
3. Licensure or certification as an engineer, public accountant, or similar pertinent professional field is preferred.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

It is the employee's responsibility to maintain all required certifications and licenses and to report any changes to the supervisor

OTHER SKILLS AND ABILITIES

1. Well developed and proven leadership skills, especially in the use of delegation, collaboration, participation and example; and strong interpersonal and customer 'retention' service skills; excellent organizational, planning, analytical and problem solving skills; ability to set priorities, but also remain flexible.
2. Must be ethical, trustworthy, self-confident, open and approachable, decisive, responsible, dependable, resourceful, enthusiastic, highly motivated, community oriented, and goal and results-oriented.
3. Ability to ski/snowboard and golf is preferred.
4. Experience or ability to turn enterprise(s) from loss to profit/breakeven.

PHYSICAL DEMANDS

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. In compliance with applicable disability laws, reasonable accommodations may be provided for qualified individuals with a disability who require and request such accommodations. Applicants and incumbents are encouraged to discuss potential accommodations with the employer.
2. While performing the duties of this job, the employee is regularly required to sit; use hands to finger, handle, or feel; and talk or hear. The employee frequently is required to reach with hands and arms. The employee is occasionally required to stand; walk; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

1. The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. While performing the duties of this job, the employee is occasionally exposed to outside weather conditions. The noise level in the work environment is usually moderate.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

3. Requires mental dexterity to handle emergency situations and be on call twenty four hours per day/seven days per week.

TRAVEL REQUIREMENTS

1. Should be able to travel, as required, to further the interests and needs of the District.

RESIDENCY

1. The District General Manager must reside within the Incline Village General Improvement District service area boundaries (Incline Village and Crystal Bay, Nevada) during the term of this employment contract.

I have read and understand this explanation and job description.

Employee Signature: _____ Date : _____

Employee Name: _____

EDITED JOB DESCRIPTION



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

Job Title: General Manager
Job Number: 1110A
Salary Grade: Contract
Department: Administration
Reports to: Board of Trustees
FLSA Status: Exempt - Executive
Salary Range: ~~\$1100,000 to \$200,000 (which includes measurable incentives)~~ \$182,000 to \$230,000 (which includes measurable incentives)

Formatted: Tab stops: 1.27", Left

SUMMARY

Under the general direction of the District's Board of Trustees, assumes full responsibility for the operation and management of the Incline Village General Improvement District (IVGID).

ESSENTIAL DUTIES AND RESPONSIBILITIES

Not necessarily in order of priority, include the following. Other duties may be assigned by the Board of Trustees.

1. Provides excellent customer service to parcel owners, local businesses, government agencies and visitors to Incline Village/Crystal Bay.
- ~~3.2.~~ Oversees the operation and management of the District, including the supervision and control of all of the District's property, activities, personnel, business, and operations. The General Manager is the chief executive officer of IVGID, responsible for all services, programs, budgets, and the overall operational and financial performance of the District.
- ~~5.3.~~ Recommends, supports the development of, and implements policies and directives set by the Board of Trustees.
- ~~7.4.~~ Directs operation and management of the District in compliance with Ordinances, Resolutions, Regulations, Long Range Principles, Policies and Practices.
- ~~9.5.~~ Directs and participates in the development and implementation of long and short range goals, objectives, policies, practices, and procedures for the District.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

- 11-6. Implements all personnel rules and regulations, recommends staffing levels, and maintains authority to hire, discipline, or discharge employees as may be necessary to carry out District business.
- 13-7. Leads, manages, mentors, empowers and coaches direct reports such as, but not limited to, the ~~Executive Assistant/District Clerk, Communications Coordinator, Director of Finance, Director of Community Services, Director of Public Works, Director of Human Resources, Director of Asset Management and the Director of Information Systems & Technology Senior Team.~~
- 15-8. Negotiates a variety of contracts and agreements on the District's behalf including labor negotiations with various union bargaining units.
- 17-9. Prepares and coordinates preparation of and administers the annual operating budget, long range financial planning, and capital improvement programs for approval by the Board of Trustees.
- 19-10. Coordinates preparation and presents to the Board of Trustees agenda packages as requested by the Board of Trustees.
- 21-11. Controls, monitors, and reports on programs, projects, and activities in collaboration with Department Heads and Directors.
- 23-12. Participates in the development of departmental strategic management and business plans.
- 25-13. Leads and supports District wide efforts and training to provide excellent customer service with a focus on retention and loyalty building service.
- 27-14. As supported and guided by the Board of Trustees, represents IVGID to the community, media, and other entities, organizations, and government agencies at the local, regional, state, and federal levels.
- 29-15. Confers with and responds to District stakeholders and their requests for services, suggestions, and complaints.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

- 31-16. Supports District managers in identifying day-to-day and IVGID organization-wide departmental operating issues and problems; analyzes alternatives and initiates solutions through effective leadership, collaboration and communication.
- 33-17. Directs Staff in the preparation, award, and administration of service, maintenance, construction, concessionaire, material, and other contracts.
- 35-18. Assists, advises, and supports the Board of Trustees on special projects, problems, and initiatives.
- 37-19. In support of the Board of Trustees, acts as primary interface with the District's General Counsel.
- 39-20. Adheres to and enforces stated safety policies and procedures.

LEADERSHIP AND SUPERVISORY RESPONSIBILITIES

1. Leads and manages a staff of Directors and Department Heads who, in turn, lead and supervise a total of approximately 750 employees (including seasonal employees) in the General Manger Department, Administrative, Internal Services, Community Services and Public Works areas.
2. Responsible for the overall leadership, direction, coordination, and evaluation of these units.
3. Carries out leadership responsibilities in accordance with the organization's policies, practices and procedures and applicable laws.
4. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.
5. Works closely with the Senior Staff which is defined as Director of Human Resources, Executive Assistant/District Clerk, Director of Finance, –Ski Resort General Manager, Director of Parks & Recreation, Director of Public Works, Director of Asset Management and Director of Information Systems & Technology.
6. Is responsible for fostering a positive and productive organizational culture.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

QUALIFICATIONS

1. To perform this job successfully, an individual must be qualified to perform each essential duty satisfactorily.
2. The requirements listed below are representative of the knowledge, skill, and/or ability required.
3. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION

1. A Bachelor's degree in Public Administration, Business, Finance, Accounting, Engineering or other related field from an accredited four year college or university is required or relevant work experience with increasing responsibilities which include the management and leadership of a sizable organization.
2. A Master's Degree in Public Administration or Business Administration is strongly preferred.

EXPERIENCE

1. A minimum of ten (10) years of related, increasingly responsible, management experience within a customer-service driven and multi-functional environment is required.
2. Experience must also include successful leadership and management of disparate disciplines, i.e., finance, engineering, operations, administration, recreation, and marketing.
3. Experience within a municipal, governmental, community based organization, or recreational service environment is strongly preferred.
4. Experience reporting to a publically elected Board and experience in providing public services subject to public scrutiny is also strongly preferred.

COMPREHENSION/COMMUNICATIONS SKILLS

1. Ability to read, analyze, and interpret complex documents.
2. Ability to understand, use, and effectively communicate to a diverse audience financial, technical, regulatory, and operational data.
3. Ability to respond effectively to sensitive inquiries or complaints and to establish and maintain effective working relationships with a broad variety of people.
4. Ability to develop presentations and write articles to address a community-wide audience.



**JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION**

5. Ability to make effective and persuasive speeches and presentations on controversial or complex topics to employees, management, public groups, and the Board of Trustees.
6. Ability to effectively communicate in a ~~single~~-one on one environment, where emotions may run extremely high.
7. Ability to influence others through persuasion, leading by example and team decision-making skills as opposed to the authority of rank is essential.
8. Overall, must be an extremely effective communicator, orally and in writing, with an open and approachable style.
9. The duties and responsibilities of this position necessitate the use of a cellular phone/mobile communication device for District business reasons.

MATHEMATICAL SKILLS

1. Ability to apply advanced mathematical concepts and mathematical operations to tasks such as development of budgets, review of budgets, operating statements and other financials, and analysis of strategy/policy making decisions and related economic impacts.

COLLABORATION ABILITY

1. Must have validated strong collaborative and consensus building skills to be applied in leadership and problem solving situations.
2. Ability to create a climate in which people want to do their best and encourage participation and open dialogue at all levels.

REASONING ABILITY

1. Ability to apply principles of logical or scientific thinking to a wide range of intellectual and practical problems.
2. Ability to deal with a variety of abstract and concrete variables.

CERTIFICATES, LICENSES, REGISTRATIONS

1. Valid and current drivers' license, acceptable to the State of Nevada, with a driving record which ensures insurability is required.
2. Successful completion State of Nevada/Federal background check through fingerprinting because position has unsupervised access to children, the elderly or individuals with disabilities and/or has access to their records. Pursuant to National Child Protection Act (NCPA) of 1993 as amended by the Volunteers for Children Act (VCA).

Formatted: Indent: Hanging: 0.5"



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

- ~~3. Licensure or certification as an engineer, public accountant, or similar pertinent professional field is preferred.~~

It is the employee's responsibility to maintain all required certifications and licenses and to report any changes to the supervisor

OTHER SKILLS AND ABILITIES

1. Well developed and proven leadership skills, especially in the use of delegation, collaboration, participation and example; and strong interpersonal and customer 'retention' service skills; excellent organizational, planning, analytical and problem solving skills; ability to set priorities, but also remain flexible.
2. Must be ethical, trustworthy, self-confident, open and approachable, decisive, responsible, dependable, resourceful, enthusiastic, highly motivated, community oriented, and goal and results-oriented.
3. Ability to ski/snowboard and golf is preferred.
4. Experience or ability to turn enterprise(s) from loss to profit/breakeven.

PHYSICAL DEMANDS

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. In compliance with applicable disability laws, reasonable accommodations may be provided for qualified individuals with a disability who require and request such accommodations. Applicants and incumbents are encouraged to discuss potential accommodations with the employer.
2. While performing the duties of this job, the employee is regularly required to sit; use hands to finger, handle, or feel; and talk or hear. The employee frequently is required to reach with hands and arms. The employee is occasionally required to stand; walk; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.

WORK ENVIRONMENT

1. The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

- 2. While performing the duties of this job, the employee is occasionally exposed to outside weather conditions. The noise level in the work environment is usually moderate.
- 3. Requires mental dexterity to handle emergency situations and be on call twenty four hours per day/seven days per week.

TRAVEL REQUIREMENTS

- 1. Should be able to travel, as required, to further the interests and needs of the District.

RESIDENCY

- 1. The District General Manager must reside within forty five (45) miles of the ~~the~~ Incline Village General Improvement District service area boundaries (Incline Village and Crystal Bay, Nevada) during the term of this employment contract.

Formatted: Indent: Hanging: 0.5"

I have read and understand this explanation and job description.

Employee Signature: _____ Date: _____

Employee Name: _____

**CONFIRMED
JOB
DESCRIPTION –
PROPOSED FOR
ADOPTION**



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

Job Title: General Manager
Job Number: 1110A
Salary Grade: Contract
Department: Administration
Reports to: Board of Trustees
FLSA Status: Exempt - Executive
Salary Range: \$182,000 to \$230,000 (which includes measurable incentives)

SUMMARY

Under the general direction of the District's Board of Trustees, assumes full responsibility for the operation and management of the Incline Village General Improvement District (IVGID).

ESSENTIAL DUTIES AND RESPONSIBILITIES

Not necessarily in order of priority, include the following. Other duties may be assigned by the Board of Trustees.

1. Provides excellent customer service to parcel owners, local businesses, government agencies and visitors to Incline Village/Crystal Bay.
2. Oversees the operation and management of the District, including the supervision and control of all of the District's property, activities, personnel, business, and operations. The General Manager is the chief executive officer of IVGID, responsible for all services, programs, budgets, and the overall operational and financial performance of the District.
3. Recommends, supports the development of, and implements policies and directives set by the Board of Trustees.
4. Directs operation and management of the District in compliance with Ordinances, Resolutions, Regulations, Long Range Principles, Policies and Practices.
5. Directs and participates in the development and implementation of long and short range goals, objectives, policies, practices, and procedures for the District.
6. Implements all personnel rules and regulations, recommends staffing levels, and maintains authority to hire, discipline, or discharge employees as may be necessary to carry out District business.
7. Leads, manages, mentors, empowers and coaches direct reports such as, but not limited to, the Senior Team.
8. Negotiates a variety of contracts and agreements on the District's behalf including labor negotiations with various union bargaining units.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

9. Prepares and coordinates preparation of and administers the annual operating budget, long range financial planning, and capital improvement programs for approval by the Board of Trustees.
10. Coordinates preparation and presents to the Board of Trustees agenda packages as requested by the Board of Trustees.
11. Controls, monitors, and reports on programs, projects, and activities in collaboration with Department Heads and Directors.
12. Participates in the development of departmental strategic management and business plans.
13. Leads and supports District wide efforts and training to provide excellent customer service with a focus on retention and loyalty building service.
14. As supported and guided by the Board of Trustees, represents IVGID to the community, media, and other entities, organizations, and government agencies at the local, regional, state, and federal levels.
15. Confers with and responds to District stakeholders and their requests for services, suggestions, and complaints.
16. Supports District managers in identifying day-to-day and IVGID organization-wide departmental operating issues and problems; analyzes alternatives and initiates solutions through effective leadership, collaboration and communication.
17. Directs Staff in the preparation, award, and administration of service, maintenance, construction, concessionaire, material, and other contracts.
18. Assists, advises, and supports the Board of Trustees on special projects, problems, and initiatives.
19. In support of the Board of Trustees, acts as primary interface with the District's General Counsel.
20. Adheres to and enforces stated safety policies and procedures.

LEADERSHIP AND SUPERVISORY RESPONSIBILITIES

1. Leads and manages a staff of Directors and Department Heads who, in turn, lead and supervise a total of approximately 750 employees (including seasonal employees) in the General Manger Department, Administrative, Internal Services, Community Services and Public Works areas.
2. Responsible for the overall leadership, direction, coordination, and evaluation of these units.
3. Carries out leadership responsibilities in accordance with the organization's policies, practices and procedures and applicable laws.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

4. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.
5. Works closely with the Senior Staff which is defined as Director of Human Resources, Executive Assistant/District Clerk, Director of Finance, Ski Resort General Manager, Director of Parks & Recreation, Director of Public Works, Director of Asset Management and Director of Information Systems & Technology.
6. Is responsible for fostering a positive and productive organizational culture.

QUALIFICATIONS

1. To perform this job successfully, an individual must be qualified to perform each essential duty satisfactorily.
2. The requirements listed below are representative of the knowledge, skill, and/or ability required.
3. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

EDUCATION

1. A Bachelor's degree in Public Administration, Business, Finance, Accounting, Engineering or other related field from an accredited four year college or university is required or relevant work experience with increasing responsibilities which include the management and leadership of a sizable organization.
2. A Master's Degree in Public Administration or Business Administration is strongly preferred.

EXPERIENCE

1. A minimum of ten (10) years of related, increasingly responsible, management experience within a customer-service driven and multi-functional environment is required.
2. Experience must also include successful leadership and management of disparate disciplines, i.e., finance, engineering, operations, administration, recreation, and marketing.
3. Experience within a municipal, governmental, community based organization, or recreational service environment is strongly preferred.
4. Experience reporting to a publically elected Board and experience in providing public services subject to public scrutiny is also strongly preferred.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

COMPREHENSION/COMMUNICATIONS SKILLS

1. Ability to read, analyze, and interpret complex documents.
2. Ability to understand, use, and effectively communicate to a diverse audience financial, technical, regulatory, and operational data.
3. Ability to respond effectively to sensitive inquiries or complaints and to establish and maintain effective working relationships with a broad variety of people.
4. Ability to develop presentations and write articles to address a community-wide audience.
5. Ability to make effective and persuasive speeches and presentations on controversial or complex topics to employees, management, public groups, and the Board of Trustees.
6. Ability to effectively communicate in a one on one environment, where emotions may run extremely high.
7. Ability to influence others through persuasion, leading by example and team decision-making skills as opposed to the authority of rank is essential.
8. Overall, must be an extremely effective communicator, orally and in writing, with an open and approachable style.
9. The duties and responsibilities of this position necessitate the use of a cellular phone/mobile communication device for District business reasons.

MATHEMATICAL SKILLS

1. Ability to apply advanced mathematical concepts and mathematical operations to tasks such as development of budgets, review of budgets, operating statements and other financials, and analysis of strategy/policy making decisions and related economic impacts.

COLLABORATION ABILITY

1. Must have validated strong collaborative and consensus building skills to be applied in leadership and problem solving situations.
2. Ability to create a climate in which people want to do their best and encourage participation and open dialogue at all levels.

REASONING ABILITY

1. Ability to apply principles of logical or scientific thinking to a wide range of intellectual and practical problems.
2. Ability to deal with a variety of abstract and concrete variables.



JOB DESCRIPTION DISTRICT GENERAL MANAGER POSITION

CERTIFICATES, LICENSES, REGISTRATIONS

1. Valid and current drivers' license, acceptable to the State of Nevada, with a driving record which ensures insurability is required.
2. Successful completion State of Nevada/Federal background check through fingerprinting because position has unsupervised access to children, the elderly or individuals with disabilities and/or has access to their records. Pursuant to National Child Protection Act (NCPA) of 1993 as amended by the Volunteers for Children Act (VCA).

It is the employee's responsibility to maintain all required certifications and licenses and to report any changes to the supervisor

OTHER SKILLS AND ABILITIES

1. Well developed and proven leadership skills, especially in the use of delegation, collaboration, participation and example; and strong interpersonal and customer 'retention' service skills; excellent organizational, planning, analytical and problem solving skills; ability to set priorities, but also remain flexible.
2. Must be ethical, trustworthy, self-confident, open and approachable, decisive, responsible, dependable, resourceful, enthusiastic, highly motivated, community oriented, and goal and results-oriented.
3. Ability to ski/snowboard and golf is preferred.
4. Experience or ability to turn enterprise(s) from loss to profit/breakeven.

PHYSICAL DEMANDS

1. The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. In compliance with applicable disability laws, reasonable accommodations may be provided for qualified individuals with a disability who require and request such accommodations. Applicants and incumbents are encouraged to discuss potential accommodations with the employer.
2. While performing the duties of this job, the employee is regularly required to sit; use hands to finger, handle, or feel; and talk or hear. The employee frequently is required to reach with hands and arms. The employee is occasionally required to stand; walk; climb or balance; stoop, kneel, crouch, or crawl; and taste or smell. The employee must occasionally lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and ability to adjust focus.



JOB DESCRIPTION
DISTRICT GENERAL MANAGER POSITION

WORK ENVIRONMENT

1. The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.
2. While performing the duties of this job, the employee is occasionally exposed to outside weather conditions. The noise level in the work environment is usually moderate.
3. Requires mental dexterity to handle emergency situations and be on call twenty four hours per day/seven days per week.

TRAVEL REQUIREMENTS

1. Should be able to travel, as required, to further the interests and needs of the District.

RESIDENCY

1. The District General Manager must reside within forty five (45) miles of the Incline Village General Improvement District service area boundaries (Incline Village and Crystal Bay, Nevada) during the term of this employment contract.

I have read and understand this explanation and job description.

Employee Signature: _____ Date: _____

Employee Name: _____

MEMORANDUM

TO: Board of Trustees

FROM: Kendra Wong
Chairwoman

SUBJECT: Review, discuss, revise and possibly approve the questions for Trustee Candidates

DATE: November 20, 2019

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve the questions for the Trustee Candidates.

II. BACKGROUND

At the November 13, 2019 Board of Trustees meeting, Trustee Phil Horan announced his pending resignation from the Board of Trustees effective December 16, 2019. At this same meeting, the Board of Trustees authorized Staff to begin the recruitment for a replacement to complete Trustee Horan's remaining one year term. Part of this effort was to provide to us, which the Staff did, a packet of information which includes questions to be asked of the candidates vying for this position. This agenda item is our time to review and revise the questions as presented. The presented questions are the same questions that we asked when we last undertook this effort.

Candidate Name: _____

At the start of your interview, you will be able to make an opening statement that can last up to two (2) minutes. During your opening statement, please make sure that you disclose any potential and/or existing conflicts of interest. Follow up questions can be asked by any Trustee after any question. At the end of your interview, you will be able to make a closing statement which should emphasize why the Board of Trustees should appoint you to this vacancy. This closing statement will be limited to three (3) minutes.

1. How many months do you spend in Incline Village/Crystal Bay each year?
2. How have you been involved in the Incline Village/Crystal Bay communities during the last five years? Include in your response specific organizations and activities.
3. Please tell us the most important challenge facing the District during the next two years and what are your recommendations for resolution of each challenge.
4. What background and experience would you bring to the Board in the area of (a) finance, (b) leadership and (c) Board level experience?
5. Tell us how you would negotiate a resolution, assuming it is possible, when the Board is split on a matter and then tell us how you would deal with and/or communicate with your constituents when the vote did not go as you would have liked?
6. Describe a work situation in which you had to deal with a sensitive personnel related issue. What were your major considerations when deciding how to proceed?
7. What is your understanding of the role of a Trustee?

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winqest
Interim General Manager

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

SUBJECT: Review, Discuss, and Possibly Authorize Multiple Contracts for the Water Resource Recovery Facility Improvements Project; 2019/2020 Capital Improvement Project: Fund: Public Works; Division: Sewer; Project # 2599SS1707; Vendors: K.G. Walters Construction Co., Inc., in the amount of \$1,508,500 and Jacobs Engineering in the amount of \$60,000. **and** Acknowledge the additional use of \$466,500 of Utility Fund cash to complete the project.

STRATEGIC PLAN: Long Range Principle #2 – Finance
Long Range Principle #4 - Service
Long Range Principle #5 – Assets and Infrastructure

DATE: November 26, 2019

I. RECOMMENDATION

That the Board of Trustees moves to:

1. Award a construction contract to K.G. Walters Construction Co., Inc. in the amount of \$1,508,500 for the Water Resource Recovery Facility Improvements Project.
2. Authorize Chair and Secretary to execute the contract with K.G. Walters Construction Co., Inc., based on a review by General Counsel and Staff.
3. Authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 10% of the project bid – \$150,000.

Review, Discuss and Possibly Authorize -2-
Multiple Contracts for the Water Resource
Recovery Facility Improvements Project; 2019/2020
Capital Improvement Project: Fund: Public Works;
Division: Sewer; Project # 2599SS1707; Vendors:
K.G. Walters Construction Co., Inc., in the amount
of \$1,508,500 and Jacobs Engineering in the amount
of \$60,000. **and** Acknowledge the additional use of
\$466,500 of Utility Fund cash to complete the Project

November 26, 2019

4. Authorize Staff to enter into an Additional Task Order with Jacobs Engineering totaling \$60,000 for services during construction of the project.
5. Acknowledge the additional use of \$466,500 from the Utility Fund cash to complete the Project Budget for CIP 2599SS1707.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 – Finance – Prepare Annual Budgets that demonstrate the balance of allocated resources, with service expectations, and the capability to deliver.

- Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process, indebtedness reporting and the annual audit.

Long Range Principle #4 – Service – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.

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.

- Maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.
- Comply with regulatory requirements and industry standards.

III. BACKGROUND

The District's Water Resource Recovery Facility (WRRF) processes the raw sewage collected from Incline Village and Crystal Bay into treated wastewater effluent for disposal at the District's Wetlands Facility in the Carson Valley. Constructed in 1962 and upgraded multiple times since, the WRRF utilizes multiple processes and mechanical systems to safely treat raw sewage to federal and state standards consistent with the requirements of the District's Nevada Department of Environmental Protection (NDEP) operating permit.

The aeration process at the WRRF supplies oxygen to facilitate the biological activity that converts the raw sewage into stabilized organic material. The WRRF has six 200,000 gallon aeration basins with two jet aeration clusters per basin. These clusters utilize low pressure air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms that provide the treatment of the raw sewage. The low pressure air system consists of three multi-stage centrifugal blowers that feed into a common piping header that supply the aeration clusters in the six aeration basins.

The low pressure air system and associated three multistage centrifugal blowers, controls, and mechanical appurtenances was installed during the last major WRRF upgrade completed in 1992. The system is largely at the end of its useful operational life and the three blowers and controls are no longer supported by the manufacturer.

In late 2016, the District experienced an unexpected failure in one of the three multistage centrifugal blowers. The blower was removed and shipped to the manufacturer's authorized service facility for the region where it was determined the failure was catastrophic. Additionally, parts that may have allowed reconstruction and rebuilding of the blower are no longer available from the manufacturer. The WRRF now has two functional blowers. As the WRRF now requires one of the two blowers operating in order to supply enough air to meet system demands during the summer month. An additional blower failure would place the WRRF in a critical state.

The District has planned a multi-year aeration system improvements project within the Capital Improvement Program to address the aging infrastructure and operational challenges associated with the system. Earlier phases of the project

Review, Discuss and Possibly Authorize -4-
Multiple Contracts for the Water Resource
Recovery Facility Improvements Project; 2019/2020
Capital Improvement Project: Fund: Public Works;
Division: Sewer; Project # 2599SS1707; Vendors:
K.G. Walters Construction Co., Inc., in the amount
of \$1,508,500 and Jacobs Engineering in the amount
of \$60,000. **and** Acknowledge the additional use of
\$466,500 of Utility Fund cash to complete the Project

November 26, 2019

were completed in 2016-17 that installed a dedicated blower for solids storage and aerated grit tank mixing. The WRRF Aeration pre-design completed in 2018, conducted a comprehensive evaluation of the aeration system's mechanical equipment, piping, controls, and structures; current process performance and energy usage; as well as current industry best practices and technologies; and made recommendations for system improvements.

In December 2018, the Board authorized a design contract for \$80,000 to Jacobs engineering to completed design drawings, construction estimate and construction documents. The Basis of Design report provided a construction cost estimate of \$1,178,524. The WRRF Aeration Improvement Project CIP data sheet was updated with \$1,200,000 for construction to reflect this cost estimate. The design drawings and construction specifications were fully complete in August 2019.

IV. BID RESULTS

The District publicly advertised this project for bidding on September 19, 2019 with a bid submittal due date on October 24, 2019, a 5 week bid period. The District conducted a pre-bid conference and provided a project site tour on October 1, 2019. The District posts all construction documents on PlanetBids. PlanetBids is a web-based eProcurement company that provides a modular suite of innovative and best-in-class solutions to help government, private, non-profit and educational procurement teams better serve their organization and has been in business since 2000. Vendors and contractors on PlanetBids can access all of the District's documents at no cost. The on-line portal also tracks questions, addenda to the documents, plan holders and interested vendors.

A total of 160 vendors and contractors were notified of the project on September 19, 2019. A total of 25 vendors responded on-line as prospective bidders. This included contractors, suppliers, equipment representatives and Plan rooms including Sierra Contractors Source, the Builders Exchange. Three General Contractors submitted bids that were publically opened and read on October 24, 2019. The bid results are as follows.

Review, Discuss and Possibly Authorize -5-
 Multiple Contracts for the Water Resource
 Recovery Facility Improvements Project; 2019/2020
 Capital Improvement Project: Fund: Public Works;
 Division: Sewer; Project # 2599SS1707; Vendors:
 K.G. Walters Construction Co., Inc., in the amount
 of \$1,508,500 and Jacobs Engineering in the amount
 of \$60,000. and Acknowledge the additional use of
 \$466,500 of Utility Fund cash to complete the Project

November 26, 2019

Contractor	Bid Amount
TNT Industrial	\$1,650,324
Resource Development	\$1,990,000
K.G. Walters Construction Co., Inc.	\$1,508,500

The lowest responsive bidder is K.G. Walters Construction Co., Inc. Staff checked their reference projects listed in the bid submittal and they have successfully performed multiple projects for water and wastewater utilities. K.G. Walters also has over 30 years of successfully completing projects for the District including the \$5 million upgrade to the Burnt Cedar Water Disinfection Plant in 2012 and the Sewer Pumping Station 8 Improvements Project in 2018. If awarded, the project is scheduled to be substantially complete by September 2020.

V. FINANCIAL IMPACT AND BUDGET

This multi-year Capital Project has a current 2019-20 budget of \$1,300,000. There is a capital carry forward of \$100,000 and there is \$1,200,000 in the 2019-20 CIP WRRF Aeration Systems Improvements Project data sheet included with this agenda item. The predesign, design, and bidding phase costs expended as of November 15, 2019 are \$140,291 with an additional engineering costs of \$38,000 still encumbered bringing the total design phase costs to \$178,291. The remaining Capital Budget for this project is \$1,262,000 after the final engineering costs are paid from the \$1,300,000 remaining budget.

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

Total Construction Phase Project Budget

Construction Phase	Cost
Construction Contract	\$1,508,500
10% Construction Contingency Reserve Fund	\$150,000
Design Consultant Services During Construction	\$60,000
District Construction Management and Inspection	\$10,000
Subtotal	\$1,728,500

The total construction phase budget of \$1,728,500 exceeds the current available project budget of \$1,262,000 by \$466,500. The submitted construction bid by K.G. Walters was \$330,000 above the Engineer's estimate. In speaking with Jacobs Engineering, they stated they had not properly kept up with equipment prices from the design phase into the construction phase and that this is the reason for the low estimate.

The District budget for the Utility Fund reports capital expenditure on Schedule F-2 of Form 4404LGF; this is the Statement of Cash Flows. Therefore, Staff recommends the acknowledgement of the additional use of \$466,500 in cash to complete the project in excess of the approved budget. Ending cash and cash equivalents on Schedule F-2 were estimated at \$4,717,867 at June 30, 2019, while the Audit report has \$4,366,202. Ending cash and cash equivalents at June 30, 2020 are budgeted to be \$2,709,985. Whether or not that balance is realized depends largely on the rate of spend for capital projects. Even the WRRF Project won't be completed before June 30, 2020. Since this is not an operating expense the use of augmentation or other budget amendment does not apply. Obviously how other projects are executed will need to be monitored. There is currently one Utility Fund 2019-20 CIP that is already coming under budget. The Board of Trustees awarded a construction contract for the Water Pump Station 2-1 Improvements Project on August 28, 2019. The total District allocated budget for that project was \$700,000 and the approved construction phase project budget was \$350,000. The remaining \$350,000 would not be spent from Utility Fund cash for the Fiscal Year 2019-20. Additionally, the Sewer Pump Station-1 Project, budgeted at \$470,000, was postponed for Fiscal Year 2019-20 after the Board approved rejecting all bids at the October 30, 2019 Board Meeting and will be re-budgeted in the CIP for Fiscal Year 2020-21.

VI. ALTERNATIVES

The District must move forward with the improvements to the WRRF low pressure air system in order to ensure continuous and reliable wastewater treatment operations; avoid violating the District's NDEP operating permit and the resulting fines; as well as negatively impacting the environment. The District received three competitive bids for the project with the low bid being very well qualified for the work and the named suppliers for equipment are very reliable and widely used in the industry.

Review, Discuss and Possibly Authorize -7-
Multiple Contracts for the Water Resource
Recovery Facility Improvements Project; 2019/2020
Capital Improvement Project: Fund: Public Works;
Division: Sewer; Project # 2599SS1707; Vendors:
K.G. Walters Construction Co., Inc., in the amount
of \$1,508,500 and Jacobs Engineering in the amount
of \$60,000. **and** Acknowledge the additional use of
\$466,500 of Utility Fund cash to complete the Project

November 26, 2019

The alternative to awarding the contract is rejecting all bids. District staff would then follow the procedure to increase the project budget in the CIP process and carry forward the project balance to the 2020-21 fiscal year. The project would then be rebid in summer of 2020. Although we can't predict what the bidding climate will be in 12 months, expectations are that at a minimum, costs would increase with inflation pressures. The low bidder stated he did not see any value engineering opportunities to increase efficiencies and save costs. Any reduction in project cost would come from reducing project scope and project functionality.

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

Project Number:	2599SS1707
Title:	WRRF Aeration System Improvements
Project Type:	D - Capital Improvement - Existing Facilities
Division:	99 - General Administration - Sewer
Budget Year:	2020
Finance Option:	
Asset Type:	SS - Sewer System
Active:	Yes

Project Description

The Wastewater Resource Recovery Facility (WRRF) was constructed by Incline Village General Improvement District (IVGID) in 1962. Since that time, there have been several upgrades and process replacements/improvements to modernize the WRRF and replace aging infrastructure. The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six 200,000 gallon aeration basins with two jet aeration clusters per basin. These clusters utilize pressurized air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms. The pressurized air is delivered by multistage centrifugal blowers that are metered by electronically operated valves in order to keep the correct balance of oxygen in the aeration basins at all times.

Project Internal Staff

Staff involvement is the coordination and contracting of the removal, procurement, and replacement of equipment with new equipment.

Project Justification

This project funds the design and replacement of the aeration system equipment at the WRRF. 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. Additionally, the blowers are no longer supported by the manufacturer and replacement parts are difficult to acquire. The pre-design phase of this project will evaluate current blower and aeration technologies and will select the technology best suited to the conditions at the District's WRRF. The design phase of this project will assemble the plans and specifications to facilitate equipment acquisition and installation. The pre-design report completed in 2018/19 includes the installation of three new turbo blowers, new blower control system, improvements to the motor control center, new aeration piping, new control valves and instrumentation. There is also the necessary demolition of existing aeration blowers and modifications necessary to the building to complete construction.

Forecast

Budget Year	Total Expense	Total Revenue	Difference
2020			
Construction	1,200,000	0	1,200,000
Year Total	1,200,000	0	1,200,000
	1,200,000	0	1,200,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2017	Jul 1, 2018	Jun 30, 2020	Engineering Manager	

MEMORANDUM

TO: Board of Trustees

FROM: Thomas P. Beko, Esq.
Erickson, Thorpe & Swainston, Ltd.
POOL/PACT Counsel

REVIEWED BY: Indra S. Winquest
Interim General Manager

Jason D. Guinasso, Esq.
District General Counsel

SUBJECT: Receive and discuss a verbal status report from litigation counsel, Thomas P. Beko, Esq., regarding litigation involving Aaron Katz Case No. CV11 01380 under Nevada Supreme Court Appeal Nos. 70440 & 71493

Review, discuss and possibly approve the filing of a motion to recover costs accumulated between the payment of \$241,046.11 made by the Plaintiff and the time of the order, which is estimated at up to \$150,000, with the cost of filing this motion to be not exceed \$25,000

DATE: December 3, 2019

I. PURPOSE OF THIS MEMORANDUM

The purpose this memorandum is to provide, at a noticed, public meeting, the latest activity on this case and provide the decision of the Nevada Supreme Court (see attached).

Further, it is to allow the Board to have an open conversation about the possibility of pursuing the recovery of public monies, which is estimated to be up to \$150,000, spent accumulated between the payment by the Plaintiff and the judgment, in favor of the District, by the Nevada Supreme Court. The Board may make a motion as follows:

Authorize Erickson, Thorpe, & Swainston, Ltd. to file a motion to recover costs accumulated between the payment of \$241,046.11, made by the Plaintiff and the time of the order, which is estimated at up to \$150,000, with the cost of filing this motion to be not exceed \$25,000

II. BACKGROUND OF THE COURT CASE(S) AND OUTCOME(S)

Attached is the August 17, 2018 which outlines the background of this case.

IN THE SUPREME COURT OF THE STATE OF NEVADA

AARON L. KATZ,
Appellant,
vs.
INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT, A
GENERAL IMPROVEMENT DISTRICT,
Respondent.

No. 71493

FILED

NOV 21 2019

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY S. Young
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is an appeal from a postjudgment order awarding attorney fees and costs. Second Judicial District Court, Washoe County; Patrick Flanagan, Judge.

Appellant Aaron Katz sued respondent Incline Village General Improvement District (IVGID), seeking to invalidate various actions IVGID took between 2011 and 2014 on the basis that IVGID was abusing its statutory power. The district court adjudicated all of Katz's claims in favor of IVGID, and this court affirmed the district court's orders on appeal. See *Katz v. Incline Village Gen. Improvement Dist.*, Docket No. 70440 (Order of Affirmance, Feb. 26, 2018). Katz now challenges the district court's postjudgment order awarding IVGID attorney fees and costs under NRS 18.010(2)(b). We affirm.¹

¹In this disposition, we have attempted to address all of Katz's arguments that are cogently presented, supported by relevant legal authority, and properly raised in district court. See *Maresca v. State*, 103 Nev. 669, 673, 748 P.2d 3, 6 (1987); *Old Aztec Mine, Inc. v. Brown*, 97 Nev. 49, 52, 623 P.2d 981, 983 (1981). To the extent that this disposition does not specifically address additional arguments that Katz raises, we have determined that those additional arguments do not warrant reversal.

Whether First Amendment principles apply

Katz first argues that because he sued a government entity and his lawsuit served the public, First Amendment principles apply to immunize him from liability for attorney fees. To the extent that Katz is asking this court to extend the *Noerr-Pennington* doctrine, which immunizes petitioning activity in the antitrust context, to the award of attorney fees here, we decline. See *United Mine Workers of Am. v. Pennington*, 381 U.S. 657, 664-65 (1965); *E. R.R. Presidents Conference v. Noerr Motor Freight, Inc.*, 365 U.S. 127, 144 (1961) (providing that legitimate petitioning activity intended to influence the government is immune from civil liability, even if it has anticompetitive effects, so long as it is not “a mere sham” to interfere with a competitor’s business). Liability for attorney fees to a prevailing party is not the same as civil liability for filing a lawsuit. See *Vargas v. City of Salinas*, 134 Cal. Rptr. 3d 244, 254 (Ct. App. 2011) (explaining that “fee shifting is not civil liability within the meaning of the *Noerr-Pennington* doctrine”); see also *Premier Elec. Constr. Co. v. Nat’l Elec. Contractors Ass’n, Inc.*, 814 F.2d 358, 373 (7th Cir. 1987) (characterizing “the proposition that the first amendment . . . has anything to say about fee-shifting statutes” as “too farfetched to require extended analysis”).

Further, we are not persuaded that NRS 18.010(2)(b) violates Katz’s First Amendment right to petition the government. It merely requires that Katz bear the costs incurred in exercising his rights. *Premier Elec. Constr. Co.*, 814 F.2d at 373 (reasoning that requiring the party responsible for creating the fees to pay those fees “is no more a violation of the first amendment than is a requirement that a person who wants to publish a newspaper pay for the ink, the paper, and the press”). Furthermore, Katz has failed to establish that his claims are protected

speech and thereby entitled to absolute immunity under the First Amendment. See *Bill Johnson's Rests., Inc. v. NLRB*, 461 U.S. 731, 743 (1983) (recognizing that the First Amendment protects the right to petition the government, but holding that “baseless litigation is not immunized by the First Amendment right to petition”); *Vargas*, 134 Cal. Rptr. 3d at 258 (upholding California’s fee-shifting statute and explaining that the right to petition the government does not entitle a party to clog the courts and impair everyone else’s right to justice). We therefore decline to apply First Amendment principles in the context of a postjudgment award of attorney fees under NRS 18.010(2)(b).

Whether Nevada’s anti-SLAPP statutes apply

Katz also argues that he is entitled to immunity under Nevada’s anti-SLAPP statutes. We disagree. Nevada’s anti-SLAPP statutes provide a procedural mechanism for parties to seek dismissal of meritless lawsuits that chill free speech “before incurring the costs of litigation.” *Coker v. Sassone*, 135 Nev., Adv. Op. 2, 432 P.3d 746, 748 (2019). IVGID’s postjudgment motion for attorney fees is not a meritless lawsuit for anti-SLAPP purposes. Even if it were, Katz did not file a special motion to dismiss IVGID’s motion for attorney fees and costs. See NRS 41.660 (requiring that a litigant file the motion within 60 days after service of the complaint and creating a two-pronged burden-shifting framework to guide district courts in determining whether dismissal is warranted). Nor did he satisfy his burden under the first prong of the anti-SLAPP analysis. See NRS 41.660(3)(a) (requiring the moving party to establish that the claim was “based upon a good faith communication in furtherance of the right to petition or the right to free speech”); NRS 41.637 (defining a “good faith communication” as one that “is truthful or is made without knowledge of its

falsehood"). Katz is therefore not entitled to immunity under Nevada's anti-SLAPP statutes.²

Whether the district court abused its discretion in awarding IVGID attorney fees and cost under NRS 18.010(2)(b)

IVGID moved for attorney fees and costs under NRS 18.010(2)(b), which authorizes a court to award attorney fees to a prevailing party when it finds that a party "brought or maintained [a claim] without reasonable ground or to harass the prevailing party." The district court granted IVGID's request, finding that Katz's lawsuit was baseless, unreasonable, and brought to harass IVGID. Katz now argues that the district court abused its discretion because he did not harass IVGID within the meaning of NRS 18.010(2)(b), his claims were not frivolous because they were complex issues of first impression, and at least one of his claims had merit because it survived multiple pretrial motions and proceeded to trial.³

This court reviews a district court's decision to award attorney fees for an abuse of discretion.⁴ See *Gunderson v. D.R. Horton, Inc.*, 130 Nev. 67, 80, 319 P.3d 606, 615 (2014). Here, we discern no abuse of discretion because the record supports the district court's findings and the district court did not base its decision on an erroneous view of the law. See

²Accordingly, we also conclude that Katz is not entitled to attorney fees under NRS 41.670, which authorizes the court to award attorney fees to a party who prevails on an anti-SLAPP special motion to dismiss.

³Katz makes various other arguments challenging the district court's award of attorney fees, but we conclude that these arguments are either waived, nonresponsive, unsupported by relevant legal authority, or incoherent, and decline to address them individually.

⁴Because we conclude that neither First Amendment principles nor Nevada's anti-SLAPP statutes apply here, we decline Katz's invitation to apply a "baseless litigation" or de novo standard of review.

Bergmann v. Boyce, 109 Nev. 670, 674, 856 P.2d 560, 563 (1993) (explaining that a district court abuses its discretion when it bases its decision on an erroneous view of the law or clearly disregards guiding legal principles), *superseded by statute on other grounds as stated in In re DISH Network Derivative Litig.*, 133 Nev. 438, 451 n.6, 401 P.3d 1081, 1093 n.6 (2017).

The record supports the district court's findings that Katz's lawsuit was baseless and unreasonable. The district court dismissed all but 1 of Katz's 24 claims through a series of orders that we affirmed. Katz argues that because one of his claims survived multiple pretrial motions and proceeded to trial, his lawsuit had merit. That 1 of his claims survived summary adjudication, however, does not excuse his 23 groundless claims. *See Bergmann*, 109 Nev. at 675, 856 P.2d at 563 ("The prosecution of one colorable claim does not excuse the prosecution of five groundless claims."). Regardless, it became abundantly clear at trial that Katz's sole remaining claim was likewise frivolous, as "IVGID had made every effort to accommodate Mr. Katz's numerous requests for documents" and "the only records not turned over to Mr. Katz either did not exist, or were privileged (as IVGID had always claimed)."⁵

The record also supports the district court's determination that Katz brought and maintained his lawsuit to harass IVGID. Throughout the years-long proceeding, Katz filed multiple motions to amend his complaint to add more claims against IVGID. His pleadings were nonresponsive and late, exceeded the page limit, included an avalanche of exhibits that were

⁵Katz argues that his claims were not frivolous because they were complex and involved issues of first impression, but these attributes are not mutually exclusive—a claim can be both complex and original, but frivolous nonetheless.

often duplicative, and sought to pursue actions that the court had expressly prohibited. His extensive public records requests continued up until the eve of trial, despite IVGID making every effort to accommodate Katz's requests.

We therefore conclude that the district court, having determined that Katz's lawsuit was frivolous, did not abuse its discretion when it awarded attorney fees and costs. See NRS 18.010(2)(b) (permitting courts to award attorney fees and requiring courts to liberally construe the statute "to punish for and deter frivolous or vexatious claims").

Whether the amount of attorney fees and costs was reasonable

The district court awarded IVGID \$226,466.80 in attorney fees and \$2,925.95 in costs. When awarding attorney fees, the district court must consider the factors this court provided in *Brunzell v. Golden Gate National Bank*, 85 Nev. 345, 455 P.2d 31 (1969). See *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 865, 124 P.3d 530, 549 (2005) (observing that courts must consider the *Brunzell* factors when determining the amount of fees to award, even though courts are granted a wide range of discretion in determining the amount). These factors are: (1) the quality of the advocate; (2) the character of the work, e.g., its difficulty, importance, etc.; (3) the work actually performed by the advocate; and (4) the result. *Brunzell*, 85 Nev. at 349, 455 P.2d at 33.

Katz focuses exclusively on the third factor—the work actually performed—and argues that IVGID's redactions to the billing statements made it impossible to evaluate the services rendered and that IVGID's attorney bills were not specific enough. In district court, he only challenged IVGID's redactions to Scott Brooke's (IVGID's in-house counsel)

memorandum of fees, so we limit our review to these redactions only.⁶ See *Old Aztec Mine, Inc. v. Brown*, 97 Nev. 49, 52, 623 P.2d 981, 983 (1981) (“A point not urged in the trial court, unless it goes to the jurisdiction of that court, is deemed to have been waived and will not be considered on appeal.”).

We agree that the redactions to Brooke’s memorandum of fees make it difficult to evaluate the services he rendered and the fees IVGID incurred for his services. Nonetheless, we conclude that the district court relied on sufficient evidence to calculate a reasonable amount for Brooke’s services. See *O’Connell v. Wynn Las Vegas, LLC*, 134 Nev. 550, 557-58, 429 P.3d 664, 670 (Ct. App. 2018) (holding that billing records are not required to support an award of attorney fees so long as the court can calculate a reasonable fee); see also *Shuette*, 121 Nev. at 864, 124 P.3d at 549 (emphasizing that “in determining the amount of fees to award, the court is not limited to one specific approach”).

Specifically, the district court relied on a sworn statement from IVGID’s attorney of record, Thomas P. Beko, that “Brooke’s involvement was necessary to the defense of this matter, and the fees he charged are believed by Affiant to be reasonable and necessary in his capacity of official attorney for [IVGID].” The district court also relied on its familiarity with the lawyers involved in the litigation and the quality of their work. We have previously upheld awards of attorney fees based on similar evidence. See, e.g., *Herbst v. Humana Health Ins. of Nev., Inc.*, 105 Nev. 586, 591, 781 P.2d 762, 765 (1989) (holding that an affidavit documenting the hours of work

⁶Nonetheless, it appears that the rest of IVGID’s billing statements are comprehensive and the redactions likely did not impair Katz’s ability to dispute the expenses or the district court’s ability to review them.

performed, the length of litigation, and the number of volumes of appendices on appeal was sufficient evidence to enable the court to make a reasonable determination of attorney fees, even in the absence of a detailed billing statement); *Cooke v. Gove*, 61 Nev. 55, 57, 114 P.2d 87, 88 (1941) (upholding an award of attorney fees based on, among other evidence, two depositions from attorneys testifying about the value of the services rendered). We therefore conclude that the district court did not abuse its discretion when it awarded IVGID attorney fees for Brooke's services, even though IVGID did not provide a detailed breakdown of Brooke's fees.⁷

Katz also argues that the district court abused its discretion in awarding costs because IVGID's verified memorandum of costs was insufficient. District courts have broad discretion to award costs. *Cadle Co. v. Woods & Erickson, LLP*, 131 Nev. 114, 120, 345 P.3d 1049, 1054 (2015). Before awarding costs, however, a court must determine that the costs were reasonable, necessary, and actually incurred. *Id.* Katz's primary argument on appeal is that IVGID failed to explain that its costs were "necessarily incurred." In support of its request for costs, however, IVGID listed every cost it incurred and attached receipts and documentation (including receipts for the clerk's fees, court reporter fees, photocopies, postage, and other necessary expenses, like transcription of IVGID's utility rate meetings). Although IVGID did not explicitly state that the costs were

⁷We also conclude that IVGID presented sufficient evidence to establish that Brooke worked directly on this litigation. Brooke's memorandum of fees identifies the case name (*Katz v. IVGID*) and the fees incurred (\$45,070.80). Further, IVGID provided billing statements from Beko's law firm, Erickson, Thorpe & Swainston, LTD., that document phone calls and email correspondence between firm attorneys and Brooke during the course of the Katz litigation.

"necessarily incurred" in its motion for fees and costs, it stated that it submitted its motion "pursuant to NRS Chapter 18." To the extent that this statutory reference is insufficient, we conclude that IVGID cured any defect in its opposition to Katz's motion to retax costs by thoroughly explaining how each cost was necessary. Further, we conclude that Katz, by failing to provide relevant legal authority, has failed to demonstrate that the district court abused its discretion in reviewing these explanations (which IVGID provided after it filed its verified memorandum of costs).

We therefore conclude that the district court did not abuse its discretion when it awarded IVGID \$226,466.80 in attorney fees and \$2,925.95 in costs, and therefore affirm the district court's order.

It is so ORDERED.

Pickering J.
Pickering

Parraguirre J.
Parraguirre

Cadish J.
Cadish

cc: Chief Judge, Second Judicial District
Margaret M. Crowley, Settlement Judge
Richard F. Cornell
Erickson Thorpe & Swainston, Ltd.
Washoe District Court Clerk

Reference Memorandum

MEMORANDUM

TO: Board of Trustees

FROM: Thomas P. Beko, Esq.
Erickson, Thorpe & Swainston, Ltd.
POOL/PACT Counsel

REVIEWED BY: Steven J. Pinkerton
General Manager

Jason D. Guinasso, Esq.
District General Counsel

SUBJECT: Receive and discuss a verbal status report from litigation counsel, Tom Beko, Esq., regarding litigation involving Aaron Katz Case No. CV11 01380 under Nevada Supreme Court Appeal Nos. 70440 & 71493

Review, discuss, and possibly approve one of four options, outlined in the body of the memorandum supporting this agenda item or created at the Board meeting, regarding the continued defense of award of attorney fees subject to Mr. Katz's appeal under Nevada Supreme Court Appeal Nos. 70440 and 71493 (decision of Board of Trustees could have a financial impact on the District of more than \$400,000)

DATE: August 17, 2018

I. PURPOSE OF THIS MEMORANDUM

The purpose this memorandum is to provide, at a noticed, public meeting, the background on this court case and provide options to the Board of Trustees on the next steps. It is important for the Counsel to have an affirmation of this Board of Trustees direction on this case as this case began with an entirely different Board of Trustees in place.

II. BACKGROUND OF THE COURT CASE(S) AND OUTCOME(S)

This is agenda item arises out of ongoing litigation with resident Aaron Katz. While legal counsel to the District has provided several comprehensive regular updates on this litigation to the Board and to the Public over the years, we now provide a brief summary of the background and report.

A. Five Years of Litigation Before the Washoe County District Court

Mr. Aaron L. Katz moved from California to Incline Village in 2009. Mr. Katz is a former CA attorney. In 1983, Mr. Katz was convicted on one felony count of perjury involving a personal tax avoidance scheme and subsequently suspended from the practice of law for three years by the State Bar of California. Mr. Katz is a serial vexation litigant who has had a well-documented history of suing government entities, as well as filing administrative claims. Mr. Katz is an adversary who has initiated a multitude of frivolous attacks against IVGID in every conceivable forum, including the Nevada Attorney General's office, the Nevada Commission on Ethics, the Public Utilities Commission, the Department of Taxation, the Nevada Legislature, the Washoe County Commission, the Washoe County Sheriff and the Washoe County District Court.

Within two years of moving to Incline Village, Mr. Katz continued his litigious ways and sued the Incline Village General Improvement (IVGID) on May 4, 2011 (Case No. CV11 01380). The sitting Board of Trustees at that time consisted of Ted Fuller, Bruce Simonian, Chuck Weinberger, Bea Epstein, and Joe Wolfe. Once sued, IVGID reported this litigation to its insurer, POOL/PACT, who assigned Erickson, Thorpe, & Swainston, Ltd. to be the counsel of record. Mr. Katz's case against IVGID initially stemmed from his objection to paying IVGID's annual \$830.00 recreation fee, and eventually developed into a five-years of litigation against the District. Mr. Katz represented himself.

During the litigation, Mr. Katz filed 28 separate causes of action against IVGID with 250 charging paragraphs in a Complaint that was over 80 pages in length. Mr. Katz alleged causes of action primarily sought to invalidate the recreation fee, and also included a single cause of action alleging the failure to respond to certain requests for production of public records according to Chapter 239. Eventually, all of Mr. Katz's claims were dismissed by the Court because they did not have any legal or factual support; however, because there were disputes over facts concerning his public records claims, the Court heard testimony on the public records claims during a bench trial before Judge Patrick Flanagan on March 21, and 22, 2016.

IVGID takes the requirements of Nevada's Public Records Act very seriously, and has appointed a Public Records Officer to ensure compliance with the law and respond to records requests from the public. IVGID does not conceal public records and the evidence presented to Judge Flanagan at Trial proved that IVGID had fully complied with the law. At the bench trial, the District's evidence proved that IVGID fully complies with the Nevada public records law. The evidence also revealed that Mr. Katz' requests were not legitimate attempts to obtain documents but were utilized as a weapon to harass and distract the employees of IVGID from

their mission to serve the community at large. After carefully considering this evidence, Judge Flanagan ruled decisively that IVGID and its appointed Public Records Officer had fully complied with Nevada's public records law and acted in good faith and with due diligence in responding to Mr. Katz' numerous requests for records. Written judgment was rendered in favor of IVGID. In his Order, Judge Flanagan gave great deference to the right of the public to inspect public records and documents. However, the Court also emphasized that the government must retain the ability to function without undue harassment and unreasonable interference. In reviewing the evidence regarding the specific public records requests at issue, the Court concluded IVGID's responses were appropriate.

Following the final judgment on the merits, IVGID pursued a motion for attorney's fees and costs against Mr. Katz under NRS 18.010(2)(b), which allows a District Court to award attorney's fees to a prevailing party where the opposing party brought or maintained a claim without reasonable ground or for the purposes of harassment. In addition to Mr. Katz's litigation tactics, with which the Court was intimately familiar after overseeing the case for five years, IVGID also presented evidence of Mr. Katz's actions in pursuing meritless actions before the Nevada Commission on Ethics, complaints under the Open Meeting Law and relentless requests for voluminous public records – including a harassing request made during the bench trial – as part of Mr. Katz's campaign against IVGID.

The Court agreed with IVGID. Judge Flanagan issued a well-reasoned written decision on July 15, 2016, awarding IVGID \$229,372.75 in attorney's fees and costs against Mr. Katz (*which along with the required interest were deposited into a trust account pending the appeal process; those monies remain in that trust account as of the date of this memorandum*). Judge Flanagan's order reveals the award was appropriately based upon Mr. Katz's vexatious and harassing conduct. In awarding fees, Judge Flanagan saw through the arguments presented by Mr. Katz, ruling that his "entire suit was a pretext for Mr. Katz to obstruct and impede IVGID's operation to the detriment of thousands of other residents." (Order, p. 4, ll. 1-3).

Regarding the public records claim, Judge Flanagan explained that:

"[a]t trial, it became abundantly clear that IVGID had made every effort to accommodate Mr. Katz's numerous request[s] for documents."

(Order, p. 4, ll. 18-19). Continuing on, the Court found that:

"Mr. Katz [was] under the dubious impression that simply having the ability to make a public records request entitles him to treat the employees of IVGID as his own . . . [displaying] an unfounded sense of entitlement that goes far

beyond the bounds of what the Nevada public records laws allow for, and further illustrat[ing] Mr. Katz's contempt for both this court and the orderly operation of IVGID."

(Order, p. 6, ll. 6-16). The Court continued on as follows

While Mr. Katz may fancy himself a community watchdog, his actions, taken as a whole, lead this court to one undeniable conclusion: this was a frivolous lawsuit. NRS 18.010(2)(b) was designed precisely for these matters "because such claims . . . overburden limited judicial resources, hinder the timely resolution of meritorious claims and increase the costs of engaging in business and providing professional services to the public." NRS 18.010(2)(b).

What began as a quest by Mr. Katz to invalidate the \$800 recreation fee he was required to pay as a resident of Incline Village, morphed into an obsession with obstructing the staff of IVGID with burdensome records requests and contentious litigation. Neither courts nor the laws of Nevada exist so that those who detest their local governments can bully them into submission. At some point, these actions must come to an end. That point has now been reached.

(Order, pp. 6-7, ll. 17-6).

B. Post-judgment Appeals to the Nevada Supreme Court and Efforts to Collect Attorney Fees and Costs.

Mr. Katz appealed the decisions of the Washoe County District Court to the Nevada Supreme Court. The appeal was for the dismissal of his substantive causes of action under Appeal No. 70440, as well as the award of attorney's fees and costs in favor of the District under Appeal No. 71493. It was at this time that Mr. Katz engaged the services of Richard F. Cornell, Esq. As detailed below, the first appeal (of the underlying substantive issues) was fully briefed and submitted to the Nevada Supreme Court for decision. On February 26, 2018, the Nevada Supreme Court affirmed each of the Washoe County District Court's decisions in favor of IVGID. In April of 2018, Mr. Katz filed a petition for rehearing asking the deciding panel of the Nevada Supreme Court to reconsider the decision affirming the Washoe County District Court. The Nevada Supreme Court denied that petition. Thereafter, on May 23, 2018, Mr. Katz filed another petition, this time

asking the entire Nevada Supreme Court (all seven justices) to rehear the case. On July 26, 2018, the Nevada Supreme Court unanimously denied that petition as well. Thus, short of an appeal to the United States Supreme Court, this portion of the litigation is now final.

Appeal No. 70440, on February 26, 2018, the Nevada Supreme Court issued an Order of Affirmance finding no reversible error by the District Court; **see attached Exhibit 1.**

Mr. Katz filed a motion for reconsideration, which was summarily denied; **see attached Exhibit 2.**

Thereafter, Mr. Katz requested en banc reconsideration, which was also denied; **see attached Exhibit 3.**

The second appeal, regarding the award of attorney's fees to the District (Appeal No. 71493), was put on hold by the Court's order entered March 1, 2017. Mr. Katz' attorney filed a Motion to Stay proceedings in the second appeal pending disposition of the first appeal. He argued that if the underlying judgment was not affirmed then the District would not have a basis for an award of attorney's fees because it would validate that some or all of Katz' claims were not frivolous or not brought for the purpose of harassment. IVGID opposed that motion and argued that proceeding in a piecemeal fashion would not be efficient. Nonetheless, the Nevada Supreme Court ordered that the briefing schedule and other deadlines in Case No. 71493 be suspended until a decision was entered in the first appeal. However, the Nevada Supreme Court did not stay the enforcement of the judgment entered against Mr. Katz. Therefore, IVGID was permitted to take the necessary steps to collect the judgement.

Regarding IVGID's efforts to enforce the judgment, this was a very complex process because of the award of fees against Mr. Katz personally and the vast majority of his assets are held in various trusts. IVGID attorneys proceeded with post-judgment discovery to gain information about Mr. Katz's assets so that IVGID could collect the money it was owed under the judgment. Post-judgment discovery included the scheduling of a Judgment Debtors Examination. Mr. Katz refused to answer several discovery requests and opposed being examined under oath by filing a motion to stay discovery and execution proceedings with the Washoe County District Court. On August 24, 2017, a hearing was held on Mr. Katz' motions. After hearing the arguments, the Court denied all of Mr. Katz's motions.

After the ruling, Mr. Katz' debtor's exam was scheduled for August 31, 2017. At the Judgment Debtors Examination, negotiations ensued and resulted in an agreement between Mr. Katz and the District. In this regard, Mr. Katz agreed to

tender the entire amount currently due (through September 13, 2017) pursuant to the Judgment previously rendered against him by the District Court (\$241,646.11). After the check cleared, IVGID filed and recorded a full satisfaction of the judgment.

Exhibit 4 attached to this memorandum are the excerpts of the agendas, minutes, and presentations given to the Board of Trustees, in noticed, public meetings, since May 18, 2016 regarding this case. The dates of these attachments are as follows:

- ✓ May 18, 2016
- ✓ July 27, 2016
- ✓ September 28, 2016
- ✓ April 25, 2017
- ✓ June 12, 2017
- ✓ August 22, 2017
- ✓ September 13, 2017
- ✓ January 24, 2018
- ✓ March 13, 2018

III. NEXT STEPS

This Board of Trustees consisting of Tim Callicrate, Matthew Dent, Phil Horan, Peter Morris, and Kendra Wong now are in the position to decide what the future of this litigation will be for the Incline Village General Improvement District.

The District has, in a trust account, \$241,646.11 which is being held in trust until Appeal No. 71493 (dealing with the award of attorney's fees and costs) has been decided by the Nevada Supreme Court. The Court has not established a briefing schedule to date; however, we anticipate one to be set in the near future. It is also possible that the Nevada Supreme Court might refer this appeal into the Supreme Court mediation program.

The estimated cost to file briefing in defense of Appeal No. 71493 will be approximately \$40,000. IVGID's retained counsel has indicated that the actual cost of defending the award of IVGID's litigation costs could be significantly less than this estimate if Mr. Katz properly limits his briefing to the issues raised in this second appeal. However, counsel cautions that given Mr. Katz' previous history, they expect that rather than limit his arguments to the issues raised in the appeal of the attorney fee award, Mr. Katz will seek to once again reargue all the issues he lost in the underlying appeal. Should he do so, that will dramatically increase the costs of defending that award to IVGID.

In summary, the District has spent a total of approximately \$399,160.11 (\$241,646.11 for proceedings at the Washoe County District Court and \$157,514 on appeal before the Nevada Supreme Court under Appeal No. 70440) over the past seven years to successfully defend against Mr. Katz's civil action. Legal counsel expects that the fees and cost to defend the Washoe County District Court's award of attorney fees and costs under Appeal No. 71493 will be an additional \$40,000. Additionally, the cost to recover attorney fees and costs incurred as a result of Mr. Katz's appeals will be an additional \$30,000. Therefore, the total fees and costs of Mr. Katz's lawsuit against the District is estimated to reach approximately \$469,160.11.

IV. OPTIONS

Recommended Action #1: Reaffirm and approve the continued legal efforts of retained litigation counsel, Tom Beko, Esq., to defend the attorney fees awarded by the Washoe County District Court (\$241,646.11) held in trust by the District. These legal services will continue under Appeal No. 71493 and are estimated to cost the District approximately \$40,000.

Recommended Action #2: Reaffirm and approve the legal services of retained litigation counsel, Tom Beko, Esq., to recover attorney fees and costs associated with Mr. Katz's appeals under Supreme Court Case Nos. 70440 & 71493. The anticipated cost to recover all the attorney fees and costs incurred will be approximately \$30,000. To date, approximately \$157,514.00 has been spent to defend against Mr. Katz's appeals. However, counsel recommends that IVGID wait to attempt to recover the fees and costs spent on appeal until Appeal No. 71493 has been briefed and decided by the Supreme Court.

Alternative Action #1: Do not approve continued defense of award of attorney fees subject to Mr. Katz' appeal under Supreme Court Appeal No. 71493 and direct staff to refund the \$241,646.11 paid by Mr. Katz to the District in exchange for Mr. Katz withdrawing his appeal.

Alternative Action #2: Do not authorize litigation counsel, Tom Beko, Esq., to pursue attorney fees and costs associated with Mr. Katz' appeals under Nevada Supreme Court Appeal Nos. 70440 & 71493 and direct staff to return to the Board for authorization after Appeal No. 71493 is briefed and decided. To date, approximately \$157,514.00 has been spent to defend against Mr. Katz's appeals.

Other Action Proposed By Board: Board of Trustees can consider alternative proposed action within scope of this agenda item at the August 27, 2018 Board of Trustees meeting.

V. CONCLUDING COMMENT

This General Business item is being brought forth before this current Board of Trustees as it is imperative that counsel understands how this current Board of Trustees feels about this matter and that counsel gets this decision so it is prepared to pursue whatever option this Board of Trustees votes to pursue. The District has been successful, to date, in this case because all parties on the District team understood the plan of action. At this critical time in this case, it is the time to affirm the plan of action for this litigation.

Reference Minutes

Mr. Katz was causing trouble so we researched his background and he has a history of suing governments; he would urge the Board to continue with this effort.

D. APPROVAL OF AGENDA (for possible action)

Chairwoman Wong asked for changes to the agenda; none were requested therefore the agenda is approved as submitted.

E. DISTRICT STAFF UPDATES*

E.1. Verbal Update – Solid Waste Services Report – Director of Public Works Joe Pomroy

Director of Public Works Joe Pomroy gave a verbal update of the submitted materials.

Trustee Horan said that the statistics bear out the fact that we had a horrific winter that we weren't prepared for. IVGID has been working with Waste Management for over eighteen months and we have made a lot of progress. Waste Management has become problem solvers instead of problem creators. IVGID wasn't interested in collecting lot of fines rather interested in getting compliance. There is a Washoe County ordinance and we think we are in compliance. The community has rallied, made a lot of progress, and are moving forward with this program and he appreciates it.

F. GENERAL BUSINESS (for possible action)

- F.1. Receive and discuss a verbal status report from litigation counsel, Tom Beko, Esq., regarding litigation involving Aaron Katz Case No. CV11 01380 under Nevada Supreme Court Appeal Numbers 70440 & 71493**

AND

Review, discuss, and possibly approve one of four options, outlined in the body of the memorandum supporting this agenda item or created at the Board meeting, regarding the continued defense of award of attorney fees subject to Mr. Katz's appeal under Nevada Supreme Court Appeal Nos. 70440 and 71493 (decision of Board of Trustees could have a financial impact on the District of more than \$400,000) (Presenter: Tom Beko, Erickson, Thorpe & Swainston, Ltd. – POOL/PACT Attorney for the District)

Tom Beko, Esq. went over the submitted materials and distributed an "Order Regarding Costs" on Appeal No. 70440, from the Nevada Supreme Court, dated August 23, 2018.

Trustee Callicrate said it has been loudly and clearly stated by the community that we want the full amount to put that to rest once and for all. This has gone on way too long and it has to stop as it has created a toxic environment in the community that is not going to stop until this ends. It sounds like the first one is most prudent or do both to get as much as we can and get it done as quick as we can as this has gone way past the time. Mr. Beko said that the idea is good and that he is not sure if we win that Mr. Katz is going to stop as he is not motivated by good sense or money. Trustee Callicrate said to get back as much money as we can, that is what he is looking at, \$241,000 and attorney's fees is what he would like to see happen and that he understands that Mr. Katz is going to continue to go on until leaves or expires. Get back all that we have spent and not sit back and get walked over. Mr. Beko said to say that IVGID has gone out aggressively is not the case at all rather we have just defended what he has done and that we did file a motion to recover attorney's fees. IVGID has been fending off repeatedly arguments by Mr. Katz which, to quote Judge Flanagan, is a Manatar's maze. When we first started the process, he and his team spent several weeks laying all those out and that was a nightmare. Mr. Beko said he wanted to be very clear that IVGID hasn't pursued Mr. Katz other than one motion for costs.

Chairwoman Wong asked how we go about this – if the Board makes a motion on recommended action 1 and you are successful with this action do we then pursue recommended action 2. Mr. Beko said if the Board votes against this then it effectively cancels what we got on appeal and throws in the towel today thus we never reach action 2. Chairwoman Wong followed up by asking how much we have budgeted. District General Manager Pinkerton said ten to fifteen thousand dollars and we will access the General Fund for the rest.

Trustee Morris said, to check his understanding, Mr. Katz is appealing not paying \$241,000. Mr. Beko responded that Mr. Katz paid it to stop the accrual of interest. Trustee Morris said so the first action is to decide if we want to fight his appeal and get that money. Mr. Beko said we are going to try and get a decision to keep that money for forever even though he doesn't think there was a provision as such to set it aside but that IVGID was just being cautious by doing so. Trustee Morris said so IVGID has that money in a trust fund and now the Supreme Court has just awarded IVGID another \$500 by the order presented tonight. Mr. Beko said that the Supreme Court rules says the winner gets its fees and those fees are very

limited and they are for the ability to cover attorney's fees and other costs that would be a part of our second request as it is far in excess. Trustee Morris said that whilst this can be far from a given, is it your professional position, that we should go after it because the outcome may be favorable. Mr. Beko said that the Nevada Supreme Court has everything that was said by Judge Flanagan and that the underlying statement is that it was frivolous and so should the appeal. Trustee Morris asked if this was a sequential process; Mr. Beko answered yes. Trustee Morris said it is his desire to go get that \$241,000 and to give the authority to go to the next phase. Mr. Beko cautioned that we can't rule out that the Nevada Supreme Court will say something that we might want to reconsider. Trustee Morris said he appreciates that and that if it all turns out as expected or hoped for, he would like you to go for it and if it is not great, then come back to us. Mr. Beko said absolutely and that it was District General Manger's Pinkerton's decision to delay this and he was right; it was a good decision. Trustee Morris said the \$40,000 estimate is to get back the \$241,000 which could be a lot less however knowing Mr. Katz' history. Mr. Beko said it is a narrow issue and it should not take us hours upon hours to deal with this. Mr. Katz is not very good at being told he is not right and every time he gets one of these decision, although we won in District Court, it didn't come by one order rather it was six or seven orders over the life of this litigation and each time we try and make some sense of this Manatar's maze; each time we were successful. We are fearful that when the time cost to deal with this issue that Mr. Katz will argue the original then and when we are asked for reconsideration and when that was denied he put in even more thus this is another opportunity to talk which means that we have to respond to it all. We could be lucky as the issues are pretty narrow but he is not very optimistic about that. Trustee Morris said he wants to go after every single penny.

Trustee Dent said that Mr. Beko's presentation answered most of his questions. Mr. Beko said it is very unusual to have this discussion and that he is not waiving any attorney/client privilege. It is an important topic and there are so many accusations that he is trying to be transparent. Trustee Dent said, building on Trustee Morris' questions, up to \$40,000 that we could spend thus is that \$40,000 something we can recoup. Mr. Beko said yes as it is one more thing that goes on the pile when we go back for the last bite of the apple with what we have paid and incurred and get IVGID back what it paid.

Trustee Morris made a motion to reaffirm and approve the continued legal efforts of retained litigation counsel, Tom Beko, Esq., to defend the attorney fees awarded by the Washoe County District Court (\$241,646.11) held in trust by the District. These legal services will continue under Appeal No. 71493 and are estimated to cost the

District approximately \$40,000. Trustee Horan seconded the motion. Chairwoman Wong asked for any further comments.

Chairwoman Wong said this action is for every current and former employee and for every Board member who has listened and taken his abuse, this is for you.

Hearing no further comments, Chairwoman Wong called the question, the motion was passed unanimously.

Trustee Morris made a motion to reaffirm and approve the legal services of retained litigation counsel, Tom Beko, Esq., to recover attorney fees and costs associated with Mr. Katz's appeals under Supreme Court Case Nos. 70440 & 71493. The anticipated cost to recover all the attorney fees and costs incurred will be approximately \$30,000. To date, approximately \$157,514.00 has been spent to defend against Mr. Katz's appeals. However, counsel recommends that IVGID wait to attempt to recover the fees and costs spent on appeal until Appeal No. 71493 has been briefed and decided by the Supreme Court. Trustee Callicrate seconded the motion. Chairwoman Wong asked for any further comments. Hearing no further comments, Chairwoman Wong called the question, the motion was passed unanimously.

Chairwoman Wong called for a break at 7:30 p.m.; the Board reconvened at 7:40 p.m.

F.2. Review, discuss, and possibly take action on District General Manager Steven J. Pinkerton annual performance evaluation (Requesting Staff Member: Director of Human Resources Dee Carey)

Director of Human Resources Dee Carey went over the submitted materials.

Chairwoman Wong thanked all the Trustees for completing their evaluation and noted that on agenda packet page 96 there is a summary and then detailed comments follow the memorandum. Thank you to her fellow Board members as, for the most part, they were thoughtful, constructive, and highlighted where the District General Manager does really well. As she was reading through the individual evaluations, the Trustees have been talking with or working with the District General Manager on areas of improvements. Thank you also to District General Manager Pinkerton for his response to Trustee Dent's evaluation.

M E M O R A N D U M

TO: Board of Trustees

THROUGH: Indra S. Winquest
Interim General Manager

FROM: Thomas P. Beko, Esq.
Litigation Counsel

SUBJECT: Case No. CV18-01564 Mark E. Smith v. IVGID

- (1) Receive, review and discuss status report from litigation counsel, Thomas P. Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District ("IVGID"), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.
- (2) Review, discuss and possibly approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization).
- (3) Authorize litigation counsel, Thomas P. Beko, Esq., to pursue a motion to remove IVGID Board Chair Kendra Wong and District Legal Counsel Jason Guinasso from this lawsuit (estimated budget \$10,000.00).

DATE: December 3, 2019

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

Review, discuss and possibly approve legal fees and costs to cover fees that were not budgeted as of the last update (estimated to be not to exceed \$13,000.00 over current authorization); and

Authorize litigation counsel, Thomas P. Beko, Esq., to pursue a motion to remove IVGID Board Chair Kendra Wong and District Legal Counsel Jason Guinasso from this lawsuit (estimated budget \$10,000.00).

II. EXECUTIVE SUMMARY

Following our last update provided to this Board on June 12, 2019, my firm has incurred fees of not to exceed \$13,000 above the fees authorized by the IVGID Board of Trustees. This was due to a plaintiff filing. As a result of this action, a reply was mandated and my firm undertook that effort on behalf of the District. When I came before this Board in June of 2019, I didn't anticipate this action by the Plaintiff.

Also, the District has an indemnification policy and in order to clear Board Chair Wong and District Legal Counsel Guinasso from this lawsuit, my firm needs to prepare and submit a motion to remove them from this lawsuit which was recommended by the latest court action.

III. STATUS REPORT

The status of this litigation is the court has yet to issue a final ruling. However, the court has issued a ruling that was favorable to the District.

Further, Interim District General Manager Winqest, through my firm, has reached out to the Plaintiff, through his counsel, to attempt to meet on at least two different occasions. The Plaintiff did come back on the latest attempt and stated that he was willing to meet however there was a condition which we are trying to get further explanation upon.

I have attached, as background, the June 12, 2019 memorandum which was included in that Board packet so as not to have to recite all that information that was submitted at that time.

IV. ALTERNATIVES

Do not approve either or both of these recommendations.

V. 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.

Reference Memorandum

MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Tom Beko
Litigation Counsel

SUBJECT: Case No. CV18-01564 Mark E. Smith v. IVGID

- (1) Receive, review and discuss status report from litigation counsel, Tom Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District ("IVGID"), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.
- (2) Review, discuss and possibly approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over current authority of the General Manager).
- (3) Authorize litigation counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).

DATE: June 12, 2019

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

Review, discuss and possibly approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over the current authority of the General Manager); and

Authorize Litigation Counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).

II. EXECUTIVE SUMMARY

Mr. Smith made a records request asking for all communications between District Legal Counsel Jason Guinasso and District Clerk Susan Herron and General

Manager Steve Pinkerton for a twenty-two (22) month period beginning January 1, 2016 and ending October 19, 2017.

This records request required an extraordinary amount of time and effort to prepare a response to because it required District Legal Counsel to identify over 13,000 potentially responsive documents, print and Bates stamp these documents, and then individual review each document to determine whether the documents were privileged and confidential. All but 304 of the 13,000 + documents were privileged and confidential.

Therefore, IVGID provided the 304 requested documents at \$1.00 per page. The rest of the documents were not produced because they were attorney-client privileged communication. Mr. Smith was informed of this decision in writing and was provided the appropriate legal authority.

Mr. Smith disagreed with this decision and filed a lawsuit on July 30, 2018, naming IVGID Board Chair Kendra Wong, and District Legal Counsel as Defendants. In his Complaint, his primary claims were:

- He should not have to pay anything for the documents.
- He should be able to receive the documents in electronic form.
- He should be provided a log regarding all communication between legal counsel and staff.

As a consequence of this legal action taken by Mr. Smith, IVGID was forced to retain outside litigation counsel to defend the District, the District Board Chair, and District Legal Counsel. After six months of litigation which required responses to discovery requests, depositions, and preparation and responses to motions, the District Court decided that no trial would be necessary and denied IVGID's Motion for Summary Judgment, but entered an order granting summary judgment in favor of Mr. Smith.

However, in the decision, the Court made a number of findings which were actually favorable to IVGID's position. First, the Court found that Mr. Smith was not entitled to electronic (native) versions of the 304 documents originally produced in hard copy. This was the primary dispute that existed between Mr. Smith and IVGID and likely spawned this entire lawsuit.

With regard for the charge assessed by IVGID for the copies produced, (\$1.00 per page) the Court ruled that Mr. Smith must tender payment to IVGID at the rate of \$.50 per page for these documents. This portion of the order fully vindicates the District's demand that Mr. Smith pay for the records he sought rather than receive them electronically.

Thus, despite the Court denying IVGID's motion for summary judgment, the Court actually supported IVGID's actions vis-à-vis the documents requested which IVGID has always admitted were not privileged, and were otherwise available to Mr. Smith if he only tendered the requested payment. Rather than make the reasonable payment of \$299.00 for the documents he requested, Mr. Smith instead chose to file a lawsuit costing himself and the District tens of thousands of dollars so that he could ultimately pay \$149.50 for the documents he requested.

Moreover, with regard to whether IVGID was legally obligated to provide Mr. Smith with a Privilege Log under the Nevada Public Records Act pre-litigation when it withheld documents based upon the attorney-client privilege, the Court did not rule that IVGID had any such obligation pre-litigation. However, post-litigation the Court exercised its authority to order IVGID to produce a privilege log.

In summary, for the most part, the Court's ruling was a win for IVGID in that:

- 1) it affirmed IVGID's right to require payment for documents despite the fact that they are readily available in electronic form;
- 2) IVGID need not produce the document in digital form; and
- 3) pre-litigation, IVGID was not required to prepare and serve a privilege log.

Stated another way, the 304 documents produced in hard copy were produced in accordance with the law and must be paid for by Mr. Smith (Smith had argued he did not have to pay anything). Further, the attorney-client privilege was asserted correctly pre-litigation under the NPRA (no pre-litigation privilege log required).

Although the Court specifically ruled that IVGID was required *post-litigation* to produce a privilege log, the Court never specifically held that *pre-litigation* IVGID had any such obligation. However, because the Court seemingly entered an order finding in favor of Mr. Smith (which impliedly would have found that IVGID had a pre-litigation obligation to produce such a log), IVGID has asked the Court to clarify the ruling on this issue. That motion remains pending today and represents the need for additional litigation in the underlying matter.

I have opined that the Court's ruling on the post-litigation privilege log is also contrary to existing Nevada law in that the Court found that IVGID could not assert a "blanket" privilege over the withheld records and instead IVGID was required to provide a more detailed explanation of the withheld documents. The law clearly supported the manner in which IVGID asserted the privilege (albeit in a "blanket" form) because the privilege clearly and unmistakably applied to every document withheld. Under such circumstances, the "blanket" assertion of the privilege was

fully justified under existing law. If left intact, this aspect of the Court's ruling would again impose an enormous financial burden upon IVGID in that when future public records requests are received, IVGID would not be permitted to generally assert a privilege against production without providing what amounts to a privilege log individually describing each record withheld. Thus, I believe this aspect of the Court's ruling should be challenged in order to obtain appellate review and clarification of this key issue.

III. STATUS REPORT

This agenda item arises out of ongoing defense of a lawsuit filed by IVGID resident Mark E. Smith against IVGID, IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.

A. BACKGROUND

On October 19, 2017, Mr. Smith submitted a request to IVGID's Public Records Officer, Susan Herron to "access, inspect and copy" the following records:

All communications by any form including email between Jason Guinasso (the District's attorney) on the one hand, and both yourself and Steve Pinkerton on the other, for the period of January 1, 2016 to the date of this request, excluding any privileged communications but including a list of all excluded communications including the nature of each, as required by law.

Due to the nature of the request for communications between IVGID General Counsel and its General Manager, Mr. Pinkerton, and its Executive Assistant and District Clerk, Ms. Herron, IVGID's initial response on October 19, 2017, was that no public documents would be provided due to the privileged and confidential nature of attorney-client communications.

Later Mr. Smith clarified his request and explained that he was seeking documents outside the attorney-client privilege such as those that included Mr. Guinasso and Ms. Herron and a member of the public. Mr. Smith and Mr. Guinasso also met on October 31, 2017 to further discuss the request.

After receiving clarification from Mr. Smith about his request, IVGID began working on the request and sent an email to Mr. Smith on November 7, 2017. In that email, Mr. Guinasso confirmed Mr. Smith's request and the clarification that Mr. Smith expected that documents responsive to the request would include communications wherein a member of the public was included in the communication. Mr. Guinasso further informed Mr. Smith that, since the communications at issue covered nearly a two-year span, it would necessarily

take significant time and resources to locate, review, and produce the requested documents. Mr. Guinasso advised that he anticipated that it would take approximately 60 days to complete the request and that he anticipated providing the records on or before January 8, 2018.

On January 9, 2018, Mr. Guinasso provided an update to Mr. Smith and advised that, due to the volume of emails that have to be reviewed in response to Mr. Smith's request, an additional two weeks would be needed.

On February 2, 2018, Mr. Guinasso sent a letter to Mr. Smith to provide an update on the records request. Mr. Guinasso explained that the request required significant manpower to process it and that the request was still in process. Mr. Guinasso provided additional information as to the steps taken to date to satisfy the request including: (1) use of Staff and IT departments to search and obtain emails from the IVGID email server and General Counsel's email server; and (2) review of identified emails by IVGID General Counsel to ensure documents protected by the attorney-client privilege or work product doctrine were not inadvertently disclosed. *Id.* Mr. Guinasso further advised Mr. Smith that there are at least 1,000 additional emails that require review by General Counsel and that it was estimated to take until the end of February 2018, to complete that review.

Following a thorough and exhaustive review of the communications at issue, Mr. Guinasso provided a final response to Mr. Smith on April 27, 2018. Mr. Guinasso informed Mr. Smith of the applicability of the attorney-client privilege found at NRS 49.095 and the application of that privilege to the majority of the identified communications. Mr. Smith was also informed that the search and review of these documents took 120 hours of General Counsel time in order to determine the application of the attorney-client privilege, plus significant additional time of the IT department spent retrieving the communications. Mr. Guinasso stated that although it could be argued that Mr. Smith be responsible for paying for 13,000 pages of printed privileged communications, no such charge would be assessed.

To be clear, there was never any charge assessed to Mr. Smith for the entirety of the 13,000 pages of documents.

However, Mr. Guinasso did explain that copies of the records that were retrieved, reviewed, and determined to be non-privileged would be provided as a cost of \$1.00 per page after the first five pages. The non-privileged documents totaled 304 pages, and Mr. Smith was advised that the cost would be \$299 as provided by IVGID's Policy and Procedure 137. Mr. Smith was advised that upon receipt of his payment of \$299, the non-privileged records would be

provided to him. If the time of staff and General Counsel, as well as the technological resources used to complete the request were monetized, the \$299 fee would amount to a fraction of the cost incurred by IVGID in responding to Mr. Smith's request.

Mr. Smith objected to Mr. Guinasso's April 27, 2018 letter on the basis that he did not feel that the potentially privileged documents needed to be printed and that he should not be charged \$299 because he preferred to inspect the electronic files. Mr. Smith argued that Policy and Procedure 137 stated that documents available in a digital form will be provided at no charge, and he objected to the charge.

Thereafter, on July 30, 2018, Mr. Smith filed a lawsuit against IVGID, Kendra Wong, in her capacity as Chairwoman, and Mr. Guinasso, "individually and as counsel" and allegedly as, "de facto records officer for IVGID." The Complaint requested "Declaratory and Injunctive Relief to Compel Disclosure of Public Records."

The Nevada Public Agency Insurance Pool declined to provide coverage for the lawsuit because there is no coverage for lawsuits seeking declaratory and injunctive relief under the Nevada Public Records Act.

General Manager Pinkerton approved the defense against the litigation under the authority given to him under IVGID Board Resolution No. 495 Policy and Procedure 098), NRS Chapter 41, and Policy 3.1.0 (f) &(g) (the expenditure of public funds for contracted legal fees and costs, as well as the value of the law suit, was less than \$50,000, which was within the authority delegated to the General Manager).

The General Manager selected Litigation Counsel to defend against the lawsuit because of his history with IVGID defending against the lawsuit of Mr. Aaron Katz.

The Court set a trial date for April 8, 2019.

B. DISCOVERY AND MOTIONS FILED DURING LITIGATION

Mr. Smith engaged in aggressive discovery, including the submission of interrogatories, requests for production of documents, and requests for admissions. Mr. Smith also deposed General Manager Steve Pinkerton, District Clerk Susan Herron, Trustee Phil Horan, and Kendra Wong. Notably, Mr. Smith did not depose Mr. Guinasso who, quite frankly, was the only individual who possessed information relative to the issues in dispute in the matter.

After the foregoing discovery was completed, IVGID Legal Counsel filed a Motion for Summary Judgement.

Mr. Smith opposed this motion.

Mr. Smith file a motion for in camera inspection of all the records sought in the case. IVGID opposed this motion.

On or about April 5, 2019, the District Court provided notice to the parties that it was going to deny IVGID's motion for Summary Judgement and grant summary judgment on its own terms.

C. DISTRICT COURT ORDER

On May 10, 2019, the Court ordered that "summary judgment is granted in favor of Mark Smith and against Defendant Incline Village General Improvement District pursuant to Rule 56(f)..." Following that, the Court ordered that "summary judgment is not granted at this time against Jason Guinasso..." and that "summary judgment is not entered against Kendra Wong..." The Court noted that Chair Wong and Mr. Guinasso are not dismissed from the action but can seek dismissal by way of a separate motion. Therefore, the order was entered against IVGID only and not as to Ms. Wong and Mr. Guinasso.

The Court denied IVGID's motion, but entered an order granting summary judgment in favor of Mr. Smith. However, in the decision, the Court made a number of findings which were actually favorable to IVGID's position. First, the Court found that Mr. Smith was not entitled to electronic (native) versions of the 304 documents originally produced in hard copy. Due to security reasons, IVGID rejected Mr. Smith's demand for this information as it was concerned that allowing any person access to the native form of an email could result in alterations of the original email, or it could allow the recipient of the email to take subsequent actions (such as forwarding the email to others) in a manner in which it would appear to the recipient of the email that it had actually be sent by a representative of IVGID. This was the primary dispute that existed between Mr. Smith and IVGID and likely spawned this entire lawsuit.

With regard for the charge assessed by IVGID for the copies produced, (\$1.00 per page) the Court ruled that Mr. Smith must tender payment to IVGID at the rate of \$.50 per page for these documents. This portion of the order fully vindicates Mr. Guinasso's demand that Mr. Smith pay for the records he sought rather than receive them electronically. This would be true despite IVGID

resolution which purports to require IVGID to produce electronic copies of records when available.

Thus, despite the Court denying IVGID's motion for summary judgment, the Court actually supported IVGID's actions vis-à-vis the documents requested which IVGID has always admitted were not privileged, and were otherwise available to Mr. Smith if he only tendered the requested payment. Rather than make that payment, Mr. Smith instead chose to institute the current action.

A second key issue which was raised in the litigation related to the question of whether IVGID was legally obligated to provide Mr. Smith with a Privilege Log when it withheld documents based upon the attorney-client privilege. In order to respond to Mr. Smith's public records request, IVGID's staff was forced to individually review more than 13,000 pages of email communications. This task fell primarily upon Mr. Guinasso as the decision as to whether the document fell within the attorney-client privilege entailed a legal determination.

Because he believed that this public records request was instituted for the specific purpose of providing a platform upon which to commence litigation against IVGID, Mr. Guinasso undertook the exhaustive task of preparing a privilege log as it was believed that if litigation was actually commenced, the Court might require IVGID to then prepare such a log. As noted herein, the process of reviewing and cataloging the requested communications took over 120 hours.

While the Privilege Log was prepared, it was not produced to Mr. Smith pre-litigation as Mr. Guinasso was concerned that it would set an unwanted precedent which might spawn other disgruntled individuals to make incredibly burdensome records requests solely as a means by which to disrupt IVGID's operations.

As Mr. Guinasso suspected, **post-litigation** (meaning after a lawsuit is filed), the Court did order IVGID to produce a privilege log of the remaining records which were withheld. Notably, the Court did not rule that IVGID had any such obligation **pre-litigation** which, as set forth above, was one of the key issues which spawned this litigation and effectively forced IVGID to vigorously defend against the claims asserted. When the Court ordered IVGID to produce the privilege log, the Court required the log to include only the date of the communication, the author and recipient of the communication, whether a third party is party to the communication, and "a one word identifier for the property or outside entity involved."

When Mr. Guinasso originally prepared his privilege log, it contained all the information required by the Court, save and except the “one word identifier.” As a result, IVGID’s retained counsel were required to go back through the remaining 13,497 pages of withheld documents to add this additional identifier. That process is in the final stages of completion and the revised log is expected to be delivered to Mr. Smith’s counsel in the next few days. At the present time, it remains unknown whether Mr. Smith will take further action to ask the Court to find that any of the withheld documents do not fall within the asserted privilege. This appears to be all that remains with regard to the underlying litigation.

As detailed above, one of the primary reasons why IVGID has taken a firm position in this case is because of a concern that an adverse ruling might set a precedent for future matters which could impose an enormous financial burden upon IVGID. In entering its ruling, the Court did make it clear that the ruling was limited to the unique facts of this matter and as such should not be considered a precedent for blanket access to documents maintained by IVGID. However, despite this explicit holding, IVGID remains concerned that the Court’s actual rulings will have an adverse future impact upon IVGID’s operations.

In summary, for the most part, this ruling is a win for IVGID in that: 1) it affirmed IVGID’s right to require payment for documents despite the fact that they are readily available in electronic form, 2) IVGID need not produce the document in digital form, and 3) pre-litigation, IVGID was not required to prepare and serve a privilege log. Stated another way, the 304 documents produced in hard copy were produced in accordance with the law and must be paid for by Mr. Smith (Smith had argued he did not have to pay anything). Further, the attorney-client privilege was asserted correctly pre-litigation under the NPRA. (no pre-litigation privilege log required).

This case also involved a procedural issue never before presented in any Nevada Court due to the fact that the Court’s ruling was only allowed due to a 2019 amendment to Nevada’s Rules of Civil Procedure. Under this recent amendment, a district court is allowed to grant summary judgment to a non-moving party (in this case, Mr. Smith) despite the fact that he never sought a pretrial ruling in his favor. While IVGID always maintained that this case raised only issues of law which must be decided only by the Court, it was a bit surprising that the Court took the opportunity to issue a ruling which, on its face, appeared to favor Mr. Smith in that it denied IVGID’s motion for summary judgment and found in favor of Mr. Smith.

As noted above, although the Court specifically ruled that IVGID was required *post-litigation* to produce a privilege log, the Court never specifically held that *pre-litigation* IVGID had any such obligation. However, because the Court seemingly entered an order finding in favor of Mr. Smith (which impliedly would have found that IVGID had a pre-litigation obligation to produce such a log), IVGID has asked the Court to clarify her ruling on this issue. That motion remains pending today and represents the need for additional litigation in the underlying matter.

IVGID's retained counsel has opined that the Court's ruling on the post-litigation privilege log is also contrary to existing Nevada law in the Court found that IVGID could not assert a "blanket" privilege over the withheld records and instead IVGID was required to provide a more detailed explanation of the withheld documents. IVGID's counsel believes that the law clearly supported the manner in which IVGID asserted the privilege (albeit in a "blanket" form) because the privilege clearly and unmistakably applied to every document withheld. Under such circumstances, the "blanket" assertion of the privilege was fully justified under existing law.

If left intact, this aspect of the Court's ruling would again impose an enormous financial burden upon IVGID in that when future public records requests are received, IVGID would not be permitted to generally assert a privilege against production without providing what amounts to a privilege log individually describing each record withheld. Thus, IVGID's counsel believes this aspect of the Court's ruling should be challenged in order to obtain appellate review and clarification of this key issue.

D. POST-JUDGEMENT LITIGATION

Mr. Smith paid the \$149.50 for the 304 documents that had been produced in hard copy to him in response to his original request for public records. IVGID provided Mr. Smith with a post-litigation privilege log.

Several post-judgment motions have been filed by Mr. Smith and IVGID, including the following recently filings:

- Plaintiff's Memorandum of Costs: (whereby the plaintiff seeks his litigation costs, not including attorney's fees)
- IVGID's Motion to Retrax Costs: (IVGID's challenge to the request for costs)
- IVGID's Motion to Amend or For Additional Findings: (seeking the clarifications detailed above)
- IVGID's Motion for Leave to File Motion for Reconsideration (also seeking clarification of the Court's ruling)

Plaintiff's Opposition to Motion to Retax Costs
Plaintiff's Motion for Attorney's Fees & Costs
IVGID's Reply in Support of Motion to Retax Costs

All of the forgoing motions are tied one way or another to the apparent inconsistency between the Court's *sua sponte* order granting summary judgment to Mr. Smith, while at the same time, issuing an order which effectively denied him much of the relief he sought. The plaintiff's motion for attorney's fees and costs are dependent upon the Court finding that he was the prevailing party in this case. And, while the general nature of the Court's rulings appear to favor Mr. Smith, when one reviews the actual Court rulings, the decisions mostly favor IVGID. Thus, it is upon this basis that IVGID will oppose these motions.

E. MERITS OF POTENTIAL APPEAL:

As set forth above, IVGID has two pending motions which seek clarification of the Court's ruling. There exists a possibility that the Court will revise its decision to make it clear that IVGID was not required, *pre-litigation* to serve Mr. Smith with a privilege log. If the Court does not, or if the Court enters a ruling which provides that pre-litigation IVGID had such an obligation, I believe that ruling would be entirely inconsistent with Nevada law and because of the enormous future burden that would place on IVGID thus a recommendation that such a ruling be appealed.

Additionally, regardless of the pending motions, it appears that the Court's ruling which would require IVGID to provide a detailed description of the privilege for each withheld document is contrary to existing law. If the Court's ruling continues unaltered, Litigation Counsel believes this issue should be appealed. However, such an appeal would be very simple, straightforward and inexpensive to pursue.

IV. LEGAL FEES AND COSTS

To date, I have accrued \$45,608.62 for legal fees and costs for the period of August 2018 to present. These costs included all the preparation for trial which was vacated (by the Court's ruling on IVGID's motion) just days before the trial was set to commence

Litigation Counsel estimates that \$15,000.00 will be needed to complete post-judgment litigation. This cost could be substantially less depending upon the two motions identified above, but could also increase if Ms. Smith seeks to further

challenge IVGID's assertion of the attorney-client privilege to any withheld document.

Mr. Smith has asked the Court for an award of attorney fees and costs of in the amount of \$23,065.00. This motion has not yet been opposed by IVGID and while there certainly exists a possibility that the Court might award Mr. Smith some of his fees and costs (for the matters upon which he did prevail, namely reducing the cost per page by \$.05), Litigation Counsel believes he will not be awarded the entirety of his claimed fees and costs.

I estimate that an Appeal of the District Court order, should it become necessary, will be \$15,000.00.

V. ALTERNATIVES

Do not approve continued defense of litigation beyond the General Manager's current authority.

Do not authorize litigation counsel to pursue an Appeal of the District Court's final disposition of the case.

VI. BUSINESS IMPACT

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

Reference Minutes

year, the Board can adjust it. Any Trustee is welcome to sit down with him and go over the cash flows as there are a lot of different factors but that he thinks for now, we are comfortable that this is our goal and then go in that priority order.

G.6. Review, discuss, and possibly provide input on a legislative wrap-up for the 2019 State of Nevada Legislative Session following a verbal presentation on legislative matters provided by Tri-Strategies representative(s)

Paul Klein and Victor Salcido of Tri-Strategies gave an overview of the submitted materials.

Trustee Dent asked about the press release that was sent out and what the cost was to do that work. Mr. Klein said that yes, he did assist in producing that and that it was incorporated as a matter of government affairs.

Chairwoman Wong asked about the next steps and since most are becoming law, are we just waiting for them to get codified into law as she doesn't recall anything immediately but that some do affect us.

Mr. Salcido said that every one of these bills will have a different effective date and that some will be July 1, some will be October 1 and then others will be January 1, 2020 and that we can do a bill by bill inquiry. As to the ones that have an immediate effect on the District, there is nothing that the District would be out of compliance on but that some may have an effect on future actions. Our responsibility is to make sure Staff is aware of the new perimeters.

Chairwoman Wong thanked Mr. Klein and Mr. Salcido for their service and guidance through the legislative process and session.

G.7. Case No. CV18-01564: Mark E. Smith v. IVGID

- (1) **Receive, review and discuss status report from litigation counsel, Tom Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District ("IVGID"), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.**

- (2) **Review, discuss and possibly approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over current authority of the General Manager).**
- (3) **Authorize litigation counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).**

Tom Beko, along with Charity Felts, gave an overview of the case details.

Trustee Horan asked if we have provided the privilege log. Mr. Beko said that three hundred and five pages of documents have been provided, a check has been remitted, and these were immediately produced. Trustee Horan asked how did we get to fifty cents versus one dollar per page. Mr. Beko said that entities can do a reasonable charge that factors in everything that goes with it and that he has looked across the board of other public entities and courts and the District is well within what others charge. The court looked at it and said the costs weren't provided upfront. We couldn't do that until Counsel reviewed them, page by page, so after review there were three hundred and five pages that came from that. That was the court's analysis, the dollar was a reasonable charge, but they went back and balanced it to fifty cents per page. There is a complex analysis of the procedure of what the charge is and that couldn't be done until the review was done. Counsel wisely recognized that the privilege log should be done ahead and he did so which was pretty efficient by doing it upfront. This also showed upfront that this had the possibility of being litigated. Depositions were about other matters that were under dispute. We challenged that and opposing counsel never asked to depose Mr. Guinasso which shows that the discovery process was motivated by something other than the facts of the case. It is so important that we admitted the facts of the case and there were at least five pages that could have been provided free of charge but he didn't want those which raised the question about this not being a legitimate records request and that it resulted in what Mr. Guinasso thought it would.

Trustee Callicrate said, regarding the whole attorney/client privilege, the Board of Trustees confers with District General Counsel to decide what is privileged and what isn't except in personnel issues. This wasn't the case as the Board never had a chance to look at any of these e-mails so the decision was made exclusive of the Board of Trustees as well as entering into this entire litigious situation. Also, who hired Mr. Beko because that never came to the Board of Trustees rather it was an oh by the way, we have been served with a lawsuit and we are moving forward. That is not how it works

because it has to be on the Board of Trustees agenda and there needs to be money put behind it. It wasn't an agenda item and the District has expended multiple thousands of dollars for which Mr. Smith now wants repaid for whatever he has spent. Now, the Board of Trustees is being asked for more money and we are involved in a situation that isn't in accordance with the statute. This doesn't have Board of Trustees approval because it wasn't done in an upfront, ethical manner. As to the 13,000 e-mails, he, as the client, hasn't seen them. The cost per page is window dressing. We didn't give out the original e-mails, we didn't provide copies. Anything that is digital is to be provided at no expense. The conjecture is that it was fishing, we don't know that and it is callous to say that. Be careful on how you paint the citizen because the citizen has the right to have the records. We have been admonished by the Attorney General on destruction of public records so he is adamantly against this. IVGID needs to learn its lesson on the destruction of records. He is outraged that it wasn't vetted and this is completely wrong. The District is going to get taken to the cleaners however he will defer to his colleagues. Trustee Callicrate said he would like to know when Mr. Beko was hired and by whom with what authority. Mr. Beko said he will look at his records as he doesn't have that information with him. Trustee Callicrate said it is critically important to learn that information because it was never agenda item so there is no dollar amount against it. This should have been done like all the other GIDs and other entities. Are we so special that we don't have to abide by the rules? This becomes so irritating that we don't have to abide with those rules from the Attorney General against the District. He doesn't agree with it, that it is just tough apples because it is the Board of Trustees that have the final say. This is a very serious situation that we have gotten ourselves into once again and he had no idea about this until about a month or so back. This is side stepping the Board of Trustees approval. He is just giving Mr. Beko the background because the attorney works for the client and that relationship has gotten skewed. Mr. Beko said he was hired to defend the litigation that was brought against the District and other parties. The authority has been granted to the District General Manager who hired him to do a job and that is what he did; he will leave it to the Board of Trustees about the decision to retention him to provide services.

District General Manager Pinkerton said in his General Manager's Status Report, dated September 19, 2018 and included in the Board of Trustees packet for the September 26, 2018 meeting the following was provided:

Pending Litigation

At our last meeting, District Legal Counsel disclosed that IVGID was served with a summons and complaint initiated by Mark Smith requesting "Declaratory and Injunctive Relief and to Compel Disclosure of Public Records."

The matter was referred to the POOL/PACT for coverage of legal costs to defend the District. Since the POOL/PACT coverage does not include defense of Declaratory Relief, the District was denied coverage.

Normally, District Legal Counsel would provide the District's defense. Since District Legal Counsel was named in the action, we obtained outside legal counsel.

Thomas Beko of Erickson, Thorpe & Swainston successfully defended the District in a similar public records action in conjunction with the Katz lawsuit. Mr. Beko has been retained for this action as well.

District General Manager Pinkerton said it was also mentioned at the meeting as well. Trustee Callicrate said that counsel was retained exclusive of the Board of Trustees ability and demand by the Board and that this Board of Trustees are the ones to instigate this and that should have been through an agenda item with a monetary number. However, once again, that step was again sidestepped. Let's pull back, agenda item this item, let the public in on it, and then move forward. That entire process wasn't accomplished. What you read isn't how it works as there is a legal process to follow. This District didn't follow the rules and now we are open to exciting items in court. So here we are again, having a FlashVote 2.0, and spending another twenty-five thousand dollars over the forty thousand already spent on someone who is trying to get public records. He doesn't understand why there is a disconnect on getting public records and said we don't learn from our mistakes. We need to break this mold as we should be abiding by the rules. He is not going to support this action because for seventy-five thousand dollars, we could hire one or two people to work at the Recreation Center. This is money ill spent and it is going down a rat hole faster than we can churn it out.

Trustee Horan said that Trustee Callicrate's were far ranging and asked that we get back to the case at hand. Trustee Horan said that he disagrees with Trustee Callicrate's analysis that we engaged against the law as the District General Manager does have the authority. Attorney/client privilege is between the attorney and Staff. Mr. Beko said that the attorney and Staff do have the legal right and obligation to assert that right and the suggestion to come back to the Board of Trustees and ask this Board of Trustees if they wanted to assert that privilege is against the law. The suggestion that this Board of Trustees would waive that privilege, he can't fathom that, as there would never be a defense because the other side would know every bit of your strategy. Trustee Horan said that it was a very simple decision that was made and there was no decision for the Board of Trustees to make. Trustee Horan said that he also objects to the comment made about destruction of e-mails and records; he objects to that comment. Trustee Callicrate said that it is on the record. Trustee Horan said he doesn't believe that is what happened. Trustee Callicrate said that it was it said in our Board packet and that is was due to the lack of a retention schedule and the destruction of public records is not conducive to the law. We got this notice in one of our Board packets that this is the standing policy for deletion of e-mails. Chairwoman Wong said that we are not going to rehash this as it is not relevant to this matter. Trustee Callicrate said it is relevant as it is about 13,000 e-mails. Steve Dolan, a member of the public, shouted that you can't do this as he is a Board member.

At 10:18 p.m., Chairwoman Wong called for a break; the Board reconvened at 10:31 p.m.

Chairwoman Wong said that while Trustees can speak on any topic, as the Chair, she can cut them off and that the argument that was occurring was not appropriate.

Trustee Callicrate apologized for getting a little excited and said that he is very, very concerned with the Attorney General's ruling that said that the General Manager cannot instigate litigation and that we have a real issue. He is bringing this issue before his colleagues because it is a large part of this issue and that he is speaking up for the entire Board of Trustees and the District that we need to have a closer accounting of what the laws are as he is dead set against spending any more money and that he wants to stop it where it is. From this point forward, if someone is requesting public records, they should be provided. In the last four and a half to five years, we have had litigation that we haven't seen before. We have to do a far stronger

job that we are following protocols that have been in place. Chairwoman Wong said that she is asking our District General Counsel and our District General Manager to evaluate our policies regarding litigation and public records. Trustee Callicrate said that is fine with him and that he welcomes that.

Trustee Horan said we were talking about expenses and potential impact to the District which is an important consideration and it is part of our responsibility to look out for the District going forward as there is an impact of costs if we are required to do this on an ongoing basis and that he appreciates that concern and thus would we have to do privilege logs for everything.

Mr. Beko said that at his normal hourly rate, it would have cost close to fifty thousand dollars to do that pre-litigation privilege log. Regarding the suggestion that the District should have provided the e-mails in PDF format, the request was very specific that PDF format was not acceptable and that one of the primary reasons we were not going to provide them was because it was going to violate this request. The pre-litigation obligation entailed that much time or more and the breadth of the request was that it was from a disgruntled citizen to just cause harassment. Let's say the request wasn't limited to two years but was five or ten years, it could cost hundreds of thousands of dollars and that would pale in comparison to the costs of additional Staff members. It is not about 305 pages, nor is it about 13,000 pages of e-mails, it is about the future of the District and providing the privilege log because it was not part of the lawsuit of these documents being in their native form/electronic original files. It is about the consequences of the potential rulings. If there is a question about the best interest of the District, the suggestion is absurd. Think about the next request as that three sentence letter will cost you hundreds of thousands of dollars.

Trustee Morris said it is not about three hundred dollars or thirteen thousand pages, because as a Trustee of the Board, we want to look to the District General Counsel and ask about attorney/client privilege, and he is extremely comfortable with the review and it is a mark to the main and the litigious society that we have that he had this foresight. To him, it is about the future and knowing what happens to this community. If this stands, we do get bombarded with requests and that will drown us instead of allowing us to do good things for this community. It is very important to us, as a Board, that we don't accidentally trap ourselves into a deluge in the future and that just gives him pause. He doesn't want to send raw data files out to anyone for

them to do whatever they want as Mr. Beko has answered that question about those costs down the road. Regarding a tactical question, the privilege log, has that been given to Mr. Smith. Mr. Beko said yes, it was provided to Mr. Smith and to the court as well. There are other pending motions that could end this litigation upon which we could get a decision any day and that all of this might go away. Trustee Morris asked what are the different alternatives and best case scenario as well as other scenarios to be considered. Mr. Beko said now that the privilege log has been received, it could be challenged with the court doing a document by document review which the judge has indicated she will do. There could be a continuing ruling about the prevailing party. If the court issues an order on attorney costs of x dollars, the Board of Trustees might find that it is fair and not challenge that anymore. We are all hanging out there until we get those rulings – it could be no fees, could have limited success with x fees. There is a big gambit of things that we have to wait and see and then we will bring it forward so you can decide. Trustee Morris said that the key point is before or after litigation on privilege and why that matters. Mr. Beko said that it matters because if there is an obligation pre-litigation, for any documents withheld, then we will have to create a privilege log. If the court says no, only after litigation, then he thinks that the Nevada Supreme Court has already ruled and made it crystal clear. There are not very many cases but there is always potential for future cases. The privilege log is only necessary because you have different reasons of why individual documents are not public records. Different reasons for different records. In those cases, it makes good sense. In the cited case, it didn't fall within that as there was no reason to give that detail but we all feel these are in that same category. In the cited case, the court didn't cite that but it did cite to Federal cases which got a whole group of documents for non-production and then gave a single reason for an objection which applies in total. It is his belief that the Nevada Supreme Court will say that is what they envisioned as this is exactly the type of case thus they will state it. Other than saying it 13,400 times, the same language would have been stated each time, and there is no reason to do that. Trustee Morris said he appreciates that information and reason. If we don't get this properly resolved, the costs will be very significant. Mr. Beko said that the sky is the limit especially when they know that when they send it over.

Trustee Dent asked if the invoices associated with the costs can be provided. District General Manager Pinkerton said that they are under review and will be provided shortly. Trustee Dent asked the District General Manager what was his thought process or thresholds as the costs were coming in. District General Manager Pinkerton said that it was unfortunate

that the Plaintiff decided to go to this level of litigation. Trustee Dent asked if a settlement was offered. District General Manager Pinkerton said that we followed all the normal efforts. Mr. Beko added that once the litigation process started, they started doing discovery and we had discussions about the privilege log which would have taken away a huge incentive if they were willing to agree. As to coming to some resolution without them being in the native format, he was told they would consider it but that they never got back to him on it. A suggestion was made for PDF's and PDF's were not adequate. Options were presented to them. The long term ramifications are not about these records but that it puts such a financial burden on the District. We made the effort and got no response which raises the question of motivation. We did approach them to try and find a way to resolve this to get them the information they wanted and they have always been concerned about producing the privilege log which we didn't have to produce because it was already done. If we would have produced the privilege logs there would have been concerns about future cases and we got no commitment on this. In fact, the courts in its orders made it very clear and very early on that they were concerned about the long term consequences and Mr. Beko read from an order by the courts that talked about this being unique and not being a precedent. What he thinks the court was trying to do was to say this case was unusual and that the issue was only after it was filed and that it was one of the original claims in the action and that the way the court granted summary judgment was that the non-moving parties have been proven, claimed, and established and one ruling has to be challenged because the financial consequences are huge. Trustee Dent said his concern is dealing with the August 2017 meeting where the Board of Trustees was notified that there was a public records request and the response was that we don't keep records for long than thirty days. There were discussions by the Board, State Archives was involved and that this has been going on for a really long time. In the Summer or Fall of 2017, he proposed an agenda item to have a third party attorney dive into those things and let us know what we should do; the Board pulled that item so we saved thirty thousand dollars to know where we are at. We are spending public dollars on this when we could be hiring at the Recreation Center or at Golf, and we are wasting money on another stupid lawsuit. There is no authority for this and the Attorney General has stated that there is no authorization for authority. There is no contract and no authority. The Board of Trustees should have been approached much sooner. Trustee Dent concluded by stating that he was feed up with all of this and ready for this to come to an end as he is tired of hearing about all of this.

District General Counsel Guinasso said the Board has Policy 495.

Members of the public interrupted by shouting from the back of the room.

Chairwoman Wong said that this is the time for the Board to get feedback and to please leave us to do their business and that she has given District General Counsel Guinasso the opportunity to speak and he is going to do so.

District General Counsel Guinasso said that Policy 495 has an obligation to indemnify officers and Trustees for issues that arise during the time they are doing their duties. This policy has been in place for over forty years. He had a duty, by Board policy and when defending a lawsuit, to do so, he followed that policy. Please be mindful of your Board policy and also State law that requires indemnification because of the consequences of not doing so could also result in exposure to the District.

Trustee Callicrate said that the Board of Trustees wouldn't rise to the occasion for the Board of Trustees or Senior officers and that we have all discussed this. If the District General Manager had come to the Board of Trustees and said that this is going on, that would have alleviated a lot of this discussion. Because it wasn't agendaized and brought forth to the public and because we didn't follow our statute, it should be agendaized for another meeting and there has to be a motion. Are any of the Board of Trustees members precluded from voting as he wants to bring that up before there is a vote. Trustee Callicrate said he would like to know if there are any conflicts of interests or if anyone is precluded from voting if they are named or attorneys retained. Chairwoman Wong said that she did consult with Mr. Beko and District General Counsel and we are upholding our policy therefore there is no conflict of interest. Mr. Beko said it is an obligation set by statute and that it will be provided if requested and that there is no discretion thus it must be provided. Trustee Callicrate said in our policies, it doesn't cover legal counsel rather it is just Board of Trustees, General Manager, and Senior officers so we are not paying for our District General Counsels costs. Mr. Beko said he could take a look at that but that the costs would be identical to the source of what the claims are. Trustee Callicrate said that they are all named in the lawsuit – Guinasso, Wong and Pinkerton – so are we paying for the defense of those individuals which opens another item and that is that this is a contract attorney that doesn't fall under this as this is the General Manager and the Board and it didn't go through the proper

motions. We have to abide by the law as we took an oath to uphold the laws and regulations.

Trustee Horan said that he didn't understand the question. Mr. Beko said he is not sure what Trustee Callicrate is talking about as this is in Chapter 41 and he has never been asked to answer any questions. The request came to him to provide the defense and he didn't look behind the question and not provide any legal advice.

Trustee Callicrate said it is premature in this situation to move forward because it was improperly entered in to.

Trustee Horan said he still isn't quite getting what Trustee Callicrate is saying as IVGID is the primary defendant.

Mr. Beko said he would have done nothing differently if Mr. Guinasso was named or not named. Our defenses would not have been done differently because it is really with IVGID.

Trustee Horan said that he was trying to understand where Trustee Callicrate was going. Trustee Callicrate said that Chairwoman Wong is included and needs to recuse herself from the rest of the Board.

Chairwoman Wong said that both Mr. Beko and Mr. Guinasso have given her advice and it relies with her to make the recusal decision.

Trustee Callicrate said wow.

Trustee Morris said as far as he is concerned about if this matter did come to the Board, when the District General Manager read from his submitted written report which told us the case was here and that it was referred to Mr. Beko, it surprised him that there was a question that it occurred when there was an opportunity to put it on the next meeting agenda.

Trustee Callicrate said that he objected.

Trustee Morris said as far as he recalls there was notification to the Board of Trustees and that it was accepted by default if not by other means. He is comfortable as to how we got here. This matter is critical to the future of our District and the best option is the clarification from the courts. Whilst there is

no guarantee, we have to be ready for that and go to the next steps and it is imperative that we do that.

Trustee Horan said he had a question on the motion – regarding the second item, this Board doesn't need to make that decision tonight. Mr. Beko said until you have the court's ruling, you don't need to decide that. Trustee Morris said so all that is needed right now is ten thousand dollars. Mr. Beko said exactly. Trustee Callicrate said that the majority of the Board is going to vote for this and he will not be supporting it at all so go ahead and make your motion so we can vote.

Chairwoman Wong said before a motion is made, we have had a request for public comment; is anyone on the Board opposed to taking public comment; no Board member objected.

John Eppolitio said that this is beyond words as most people have no idea what goes on. To put this item at the end when everyone is exhausted well it wouldn't be that way if it had been first. He only spent one weekend in law school but there seems to be a conflict of interest with being a defendant. To try and silence another Board member who makes sense isn't right as it isn't showing respect to the other two Board members as Tim and Matt were elected just like you were. The attorney called the Sheriff on another community member. Even if Chairwoman Wong can vote, she shouldn't be running this meeting; he objects.

Frank Wright said are we having fun yet. Here is what we have – a lawsuit filed without approval, paying the attorney with no bills, and he is guessing that there hasn't been a bill for the past year and a half. Now asking for more money and you run the show and you just go ahead. Trustee Callicrate asked if there was a conflict of interest; Chairwoman Wong you have a huge conflict of interest and it would be incredibly stupid of you to vote. Trustee Morris are either one of these people your attorneys in your bankruptcy suit. Hmmm, no one can answer that questions. Well, he knows they are so how much are you paying them or is it pro bono work. Mr. Wright said that he will be excited if Trustee Morris votes. What this Board should be doing is looking at getting rid of that guy as he has cost us a lot of money. What is going on this lawsuit – why not give it up as there is stuff in there. This guy has raped this District for hundreds of thousands of dollars and everyone is looking at you and asking what is going on. You better stop this meeting.

Linda Newman asked about defending the in defensive and stated that she understands that Mr. Beko is defending. This is all about public records as we have a serious problem. The Attorney General's ruling said that there is no authority without the Board taking an action in a public meeting. Trustee Horan and others seem to have forgotten about NPRI and their filing with the Public Integrity Unit. We have an attorney who is acting as attorney and as client. Thirty thousand e-mails have been determined as privileged and confidential and it is up to the Board to make that determination yet this Board hasn't seen them. Why haven't you seen them as that could have saved us money. Why withhold them and who is asserting that privilege.

Sara Schmitz said because we had a vocal citizen, we took our Sheriff off a life threatening situation. Let's handle it in an adult way as we have limited Sheriff resources; shame on you for taking them from a life threatening situation.

Hearing no further public comments, Chairwoman Wong brought the matter back to the Board and asked if there was a motion.

Trustee Morris made a motion to:

Approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over the current authority of the General Manager); and

Authorize Litigation Counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).

There was no second to the motion so the motion failed.

District General Counsel Guinasso suggested that the Board of Trustees might want to get some information on the timeline as he is unsure on the time frame of the appeal.

Mr. Beko said after the final judgment, there would be thirty days, which he would guess would be sufficient time to have a special meeting and stated that he will notify the District quickly. There can then be a determination if you need to expend additional funds.

Trustee Morris made a motion to approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over the current authority of the General Manager). Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Horan said that it is disrespectful of how we got here tonight and that it is important that we protect the District and that is why he is going to support this motion.

Trustee Dent asked, regarding the 13,000 e-mails, who is the client ascertaining privilege? Mr. Beko said IVGID. Trustee Dent asked who is the client, Mr. Beko said that District General Counsel Guinasso asserted the privilege and he did so and acting on behalf of the client. Trustee Dent said he only received twenty or thirty emails during that time period.

Trustee Callicrate said that this is bizarre theater and that IVGID is a public agency who should be providing public records to the public. We ejected people tonight and yet we are supposedly the most transparent Board ever. This is shocking and annoying and he is on the verge of voting no confidence. We had the Registrar of Voters come in and give us our oaths maybe we should do that again. This has blossomed over the past four years. The community will watch the Livestream and there is an election next year. He hopes that folks really take this to heart as tyranny has run and this has to stop. It is creating division in our community and costing hundreds of thousands of dollars. He will be voting no loudly and clearly.

Hearing no further comments from the Board, Chairwoman Wong called the question – Trustees Dent and Callicrate voted no and Trustees Horan, Morris, and Wong voted yes; the motion passed.

At approximately 11:20 p.m. Trustee Callicrate disconnected from the meeting.

H. **DISTRICT STAFF UPDATE (for possible action) - (moved up to after Item D. on the agenda)**

H.1. General Manager Steve Pinkerton

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

I.1. Regular Meeting of May 22, 2019

MINUTES

REGULAR MEETING OF NOVEMBER 13, 2019 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Vice Chairman Phil Horan on Wednesday, November 13, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

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

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF THE IVGID BOARD OF TRUSTEES*

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

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

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

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

C. PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) – To act upon a Resolution authorizing a Medium-Term Installment Purchase Agreement in the form of a Lease Agreement (with PNC Equipment Finance, LLC) including minimum Future Lease Payments not to exceed \$121,605.12 to procure fifty-eight (58) EZ-Go gas-powered golf carts for the Mountain Golf Course

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

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

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

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

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

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

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

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

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

D. PUBLIC COMMENTS

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

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

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

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

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

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

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

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

E. APPROVAL OF AGENDA (for possible action)

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

F. DISTRICT STAFF UPDATE (for possible action)

F.1. Interim District General Manager Indra Winquest

Interim District General Manager Winquest went over his submitted report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G. REPORTS TO THE BOARD OF TRUSTEES*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

H. CONSENT CALENDAR (for possible action)

There were no items on the Consent Calendar.

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

I. GENERAL BUSINESS (for possible action)

- I.1. Review, discuss, and possibly adopt Resolution No. 1875 authorizing a Medium-Term Installment Purchase Agreement in the form of a Lease Agreement (with PNC Equipment Finance, LLC) including minimum Future Lease Payments not to exceed \$121,605.12 to procure fifty-eight (58) gas-powered golf carts for the Mountain Golf Course (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Eick went over the submitted memorandum.

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

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

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

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

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

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

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

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

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

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

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

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

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

Trustee Morris made a motion to:

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

Chairwoman Wong seconded the motion.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Vice Chairman Horan asked for further comments.

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

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

I.4. Review, discuss and possibly approve a preferred location for the Bocce Court Construction Project – Fund: Community Services; Division Parks; Project 4378LI1804 (Requesting Staff Member: Director of Public Works Joe Pomroy)

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

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

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

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

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

Chairwoman Wong said that she likes Site #2.

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

Vice Chairman Horan said he agreed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

J. APPROVAL OF MINUTES (for possible action)

J.1. Regular Meeting of October 30, 2019

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

K. REPORTS TO THE IVGID BOARD OF TRUSTEES*

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

There was no update at this time.

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

Trustee Horan announced his resignation effective December 16, 2019.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

O. ADJOURNMENT

The meeting was adjourned at 10:40 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

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

Submitted by Linda Newman (2 pages): IVGID 11-13-10 BOT Meeting Public Comments #1 By: Linda Newman – To be included with the Minutes of the Meeting

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

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

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

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

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

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

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

Minutes

Meeting of November 13, 2019

Page 29

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Winquest - He drove the cart paths and he has concerns

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

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

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

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

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

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

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

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

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

WRITTEN STATEMENT REQUESTED TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS NOVEMBER 13, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS C & I(1) – PROPOSED ACQUISITION OF FIFTY-EIGHT (58) MOUNTAIN COURSE GAS POWERED GOLF CARTS FROM EZ-GO ON A MEDIUM-TERM INSTALLMENT PURCHASE BASIS FOR USE IN FISCAL YEAR 2020-21

Introduction: Here staff seek two-thirds ($\frac{2}{3}$) approval of the Board to acquire fifty-eight (58) golf carts for use at the Mountain Golf Course in fiscal year 2020-21 on a medium-term installment¹ purchase basis. This is after staff unsuccessfully sought approval to acquire the very same carts via the very same installment purchase basis at its May 1, 2019 meeting².

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

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

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

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

² See agenda item H(3) at pages 218-239 of the packet of materials prepared by staff in anticipation of the Board’s May 1, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-1-2019.pdf (“the 5/1/2019 Board packet”)].

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

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

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

⁶ See the Tahoe Daily Tribune’s “IVGID to discuss golf carts” staff report in its 9/25/2019 online edition at <https://www.tahoe-dailytribune.com/news/ivgid-to-discuss-golf-carts-financials-and-roles-of-board-members/>. The Board and the public should know this is really not a “staff report.” Rather it is a regurgitation of propaganda dispatched by IVGID’s public relations firm, Tri-Strategies, Inc.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

And You Wonder Why Our RFF and BFF Which Are Wasted on This And Other Equally Wasteful and Wrongful Expenditures Are as High as They Are? I’ve now provided more answers.

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

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

EXHIBIT "A"



5 Year Capital Improvement Plan Summary - As of 5.22.19

Department	Project Number	Project Title	Project Manager	2020	2021	2022	2023	2024	Total
Mountain Golf	3241BD1503	Min. Golf Course Remodel On Course Bathrooms, #6 & #13/14	Principal Engineer	60,000	-	-	-	-	60,000
	3241GC1101	Mountain Course Greens, Tees and Bunkers	Grounds Superintendent	43,000	18,000	-	-	-	61,000
	3241GC1404	Irrigation Improvements	Grounds Superintendent	39,000	-	-	30,000	-	69,000
	3241GC1502	Wash Pad Improvements	Golf Courses	-	-	70,000	-	-	70,000
	3241GC1802	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	Senior Engineer	65,000	-	-	-	-	65,000
	3241L11704	Mountain Golf Course Cart Path Retaining Walls	Senior Engineer	17,500	37,500	12,500	12,500	10,000	90,000
	3241LV1899	Mountain Course 58 Cart Fleet	Director of Golf	288,000	-	-	-	-	288,000
	3241ME1804	Mountain Golf Fuel Storage Facility	Fleet Superintendent	200,000	-	-	-	-	200,000
	3242LE1725	2005 Carryall Club Car #568	Fleet Superintendent	11,000	-	-	-	-	11,000
	3242LE1726	2016 Bar Cart #726	Fleet Superintendent	-	29,000	-	-	-	29,000
	3242LE1728	2015 Toro 4000D Rough Mower #709	Fleet Superintendent	-	-	-	61,000	-	61,000
	3242LE1731	2017 Toro Sand Pro #745	Fleet Superintendent	-	-	-	-	22,000	22,000
	3242LE1732	2016 Toro Tri-Plex Mower #614	Fleet Superintendent	-	-	-	43,400	-	43,400
	3242L11204	Pavement Maintenance of Parking Lot - Mountain Golf Course	Senior Engineer	22,500	6,000	12,500	12,500	25,000	78,500
	3242L11205	Pavement Maintenance of Cart Paths - Mountain Golf Course	Senior Engineer	40,000	45,000	45,000	45,000	45,000	220,000
	3299BD1403	Mountain Course Clubhouse and Maintenance Building Renovation and ADA Upgrades	Engineering Manager	-	-	-	95,000	600,000	695,000
	3299BD1702	Replace Roof - Mountain Golf Clubhouse	Buildings Superintendent	25,000	-	-	-	-	25,000
	3299BD1705	Paint Exterior of Mountain Golf Clubhouse	Buildings Superintendent	41,500	-	-	-	-	41,500
	3299BD1902	Mountain Clubhouse Improvements Project	Engineering Manager	1,464,000	-	-	-	-	1,464,000
	3350BD1103	Chateau - Replace Carpet	Buildings Superintendent	2,318,500	135,500	140,000	299,400	702,000	3,595,400
3350BD1302	Resurface Patio Deck - Chateau	Buildings Superintendent	62,000	-	-	49,500	68,000	179,500	
3350BD1505	Paint Interior of Chateau	Buildings Superintendent	-	36,000	-	-	-	36,000	
3350BD1506	Paint Exterior of Chateau	Buildings Superintendent	-	-	-	-	40,500	40,500	
3350BD1704	Replace Air Walls Chateau	Buildings Superintendent	-	-	47,000	-	-	47,000	
3350BD1804	Replace Hallway Tile at Chateau	Buildings Superintendent	-	31,360	-	-	-	31,360	
3350BD1805	Repair and Refinish Wood Walls Upstairs at Chateau	Buildings Superintendent	65,000	-	-	-	-	65,000	
3350BD1808	Chateau Community Room Ceiling and Beam Refurbishing	Buildings Superintendent	10,000	-	-	-	-	10,000	
3350FF1204	Catering Kitchen Equipment	Buildings Superintendent	-	-	-	-	25,000	25,000	
3350FF1601	Enclose Chateau Exterior Storage Area	Food and Beverage Director	18,900	-	-	-	-	18,900	
3351BD1501	Aspen Grove - Replace Carpet	Engineering Technician	-	85,000	-	-	-	85,000	
3351BD1703	Aspen Grove Outdoor Seating BBQ and Landscaping	Buildings Superintendent	-	-	11,000	-	-	11,000	
3351BD2101	Dumpster enclosure - Village Green/Aspen Grove	Parks Superintendent	-	-	41,400	10,000	-	51,400	
			-	45,000	-	-	-	45,000	

EXHIBIT "B"

Tempo "GAS" Fleet Proposal

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

Date: September 1, 2019

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

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



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

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

*Sales tax not included.

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

Accepted By:
Incline Village GC

Club Car, LLC

By: _____

By: Allen Lee

Title: _____

Title: Territory Manager

Date: _____

Date: 9-1-19

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

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

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

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

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

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

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

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

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

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

Here are some facts.

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

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

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

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

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

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

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

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

Introduction: At the IVGID Board's September 25, 2019 meeting I submitted a written statement I asked be included in the minutes of that meeting wherein I addressed an unbudgeted and unwarranted \$35,000 expenditure in favor of local resident Eric Severance for a yield management revenue enhancement study/report¹. Subsequent to submitting that written statement, I discovered that the alleged cost for one such report presented to the District for payment had in large part been plagiarized by Mr. Severance. At the Board's October 30, 2019 meeting I submitted a written statement I asked be included in the minutes of that meeting wherein I provided evidence of the plagiarism and asked that the Board agendize this matter for possible action (i.e., recovery of the \$35,000 paid as a result of false pretense) against Mr. Severance².

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT "A"

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

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

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

IVGID’s Sewer Effluent Export Pipeline: IVGID constructed its Wastewater Reclamation Facility (i.e., Treatment Plant) on Sweetwater Road in 1962. “The effluent export (pipe)line transports treated wastewater¹...through a twenty-mile...pipeline...from IVGID’s...wastewater treatment plant to the disposal point at the wetlands southeast of Carson City.”² “This line was constructed in the early 1970’s as part of a regional effort to eliminate all wastewater effluent discharges in the Lake Tahoe basin.”²

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

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

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

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

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

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

The Idea of Re-Locating Effluent Export Pipeline – Phase II Pipeline Under the Tahoe Transportation District's ("TTD's") Proposed Pathway: Beginning in 2013 the District began "work(ing) with the...TTD on the feasibility of co-locating the new (approximately 6 mile) section of effluent export pipeline with(in) the (proposed) Tahoe Bike Path...Depending on the total length of pipeline eventually replaced⁵...District Staff estimate(d)...the District could save upwards of \$7 (million) via co-location⁶ and cost sharing with TTD."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Conclusion: The history I have outlined above demonstrates that for years, IVGID staff have lacked competence to replace any portion of the remaining six (6) miles of effluent pipeline requiring replacement notwithstanding we were told replacement would begin in the spring of 2015⁶. Moreover, staff have spent essentially \$5 million accumulated from rate payers for this express purpose, on other endeavors. Who knows how much money remains to prosecute phase II of the effluent pipeline project, but assuming staff's \$23 million estimate is accurate, and assuming we were to commence in the spring of 2020, we would be at least \$13 million *short*¹³! So where is the money going to come from?

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

The Board needs to take charge of this project to ensure construction commences at the earliest possible time (spring of 2020). It needs to stop wasting time and money pursuing possible relocation under the TTD's shared use pathway. It needs to restrict staff's use of any portion of the remaining \$10,056,602²⁷ staff have collected from rate payers expressly for phase II of the effluent export pipeline project because if it doesn't, staff will most assuredly waste this away. The Board needs to figure out where the money is going to come from to prosecute this project because we're at least \$13 million short³³ assuming staff's \$23 million estimate is accurate, and likely millions of additional dollars short assuming that estimate is *inaccurate* (which I and others I know believe to be the case). And it needs to decide what we do with incompetent staff which has placed and continues to place the public at risk!

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

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

¹³ Subtract HDR Engineering's \$23,053,763 estimate (Exhibit "M") from the \$10,056,602 staff represent will remain in reserves as of July 1, 2019 (Exhibit "J").

EXHIBIT "A"

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

EXHIBIT "B"

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

G. Consent Calendar for possible action)



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

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

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

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

H. GENERAL BUSINESS (for possible action)

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

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

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

EXHIBIT "C"

AMENDMENT #1
TO
INTERLOCAL AGREEMENT

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

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

WITNESSETH:

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

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

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

ARTICLE I - RESPONSIBILITIES

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

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

ARTICLE II - GENERAL PROVISIONS

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

resolving conflicts.

- Decisions are to be made and conflicts are to be resolved at the lowest possible level.

b. If disagreements emerge and cannot be resolved, the following process will be followed:

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

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

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

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

FOR IVGID:

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

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

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

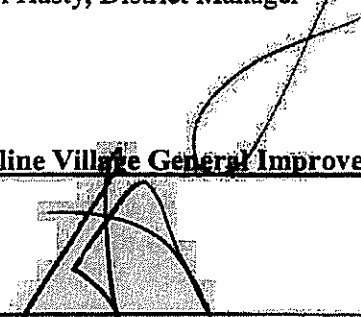
IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Tahoe Transportation District



Carl Hasty, District Manager

Incline Village General Improvement District



Steven Pinkerton, General Manager

EXHIBIT "D"

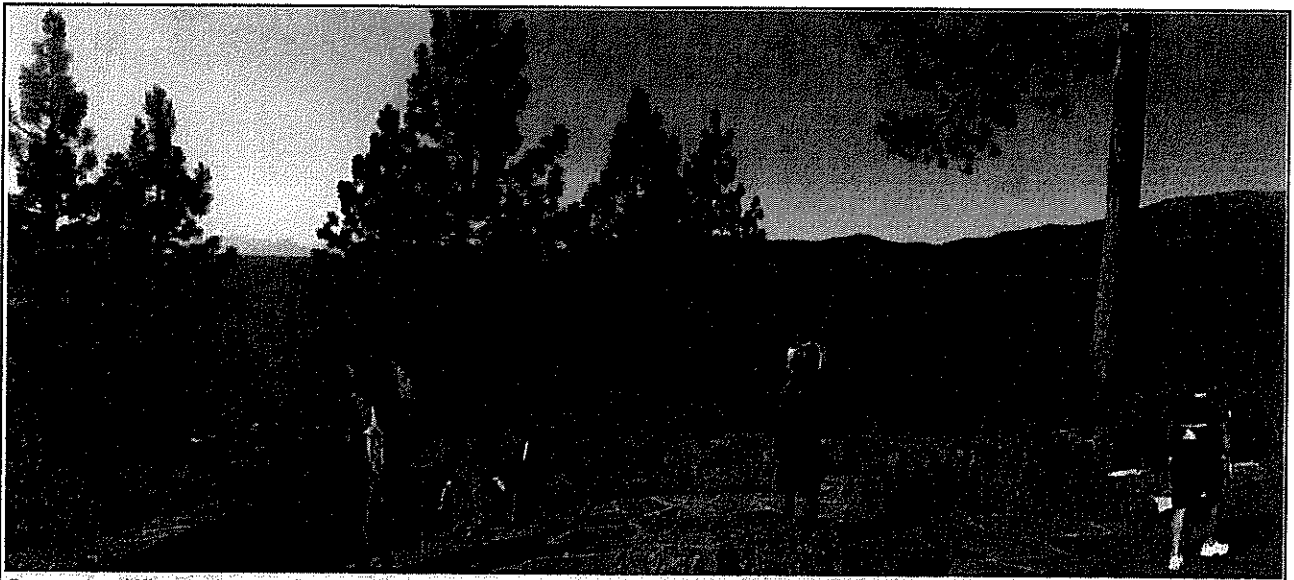


United States Department of Agriculture

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

Draft Environmental Assessment

Washoe, Carson City, and Douglas Counties, Nevada



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



Forest Service

Lake Tahoe Basin Management Unit

July 2019



EXHIBIT "E"

1 Chapter 1 – Introduction

1.1 Document Structure

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

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

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

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

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

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

1.2 Proposed Project Location

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



EXHIBIT "F"

Signage

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

Performance Measures

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

Stormwater Capture and Infiltration

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

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

Performance Measures

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

Effluent Pipe

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



Performance Measures

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

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

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

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

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

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

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

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

³ See NRS 318.075(1).

⁴ See NRS 308.020(2).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

And You Wonder Why Our RFF and BFF Which Are Wasted on This And Other Equally Wasteful and Wrongful Expenditures Are as High as They Are? I’ve now provided more answers.

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

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

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

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

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

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

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

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

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

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

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

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

So let's start

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

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

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

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

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

Herron, Susan

From: Matthew Dent <matthew.ivgid@gmail.com>
Sent: Friday, November 15, 2019 6:08 AM
To: Herron, Susan
Subject: Fwd: To whom it may concern, my name is Clayton Shaw and I have been working...

Please include this in the next Board packet. Thanks, Matthew



Matthew Dent
Incline Village GID Board of Trustees
893 Southwood Blvd. Incline Village, NV 89451
775.530.1345 | www.matthewdent.com

----- Forwarded message -----

From: Clayton Shaw <claytonshaw4@gmail.com>
Date: Thu, Nov 14, 2019 at 12:43 PM
Subject: To whom it may concern, my name is Clayton Shaw and I have been working...
To: <isw@ivgid.org>
Cc: <Wong_trustee@ivgid.org>, <Horan_trustee@ivgid.org>, <Morris_trustee@ivgid.org>, <Callicrate_trustee@ivgid.org>, <Dent_trustee@ivgid.org>

To whom it may concern, my name is Clayton Shaw and I have been working at Incline Spirits for six years now. The people that I work with and the community that I serve all have a common bond. We love Lake Tahoe more importantly Incline Village, with that being said I wanted to bring up a few things that come to mind when I think about our bar. The community as well as visitors to our community, come to expect our fantastic service every summer not to mention the tasty cocktails we provide in many different conditions, whether that be a sunny Fourth of July, or a cloudy Monday morning. We all show up to work with a smile on our face happy and willing to serve the beachgoers of Incline Village. I do have to say after working at the Tiki bar for six years every single person that works alongside me works there but off, some days can reach up to 12 hours in length and we are all happy to do it. My reason is simple "Mayra and Miles" are some of the most amazing people who I've ever had the pleasure to work for. Incline Spirits Barefoot Bar truly is a family owned business and if you've had the pleasure of sitting at one of our barstools I would hope we've made you feel apart of the family. The last point I would like to make in this email is regarding some of the regulars we've acquired throughout the years, they have become much more than customers these are people that I trust with my secret, people who give me good advice on a daily basis, people who just want to help out and see our tiki bar succeed. In such a small community to feel apart of such a large family is honestly something very special.

Sent from my iPhone

DATE	DAY OF THE WEEK	TIME	LOCATION	MEETING	ITEMS SLATED FOR CONSIDERATION
				2020	
01/15	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Election of Board Officers effective January 15, 2020 Adoption of 2020/2021 Strategic Plan Conceptual Design Approval – Incline Beach House
01/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Export Effluent Pipeline Update (Workshop)
02/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Set Budget and Rec Roll Hearing date as May 21, 2020 Utility Rate Study presentation Set Utility Rate public hearing date Incline Beach House check in (see 11/13 minutes)
02/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Board of Trustees review of Community Programming (cost recovery pyramid, service levels, and programs provided) Overall budget preview and strategy introduction
03/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Overview of Operating Budget including Fixed & Scalability and Sources & Uses
03/18	Wednesday	TBD		CIP Tour	
03/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
04/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Review of 2020/2021 Capital Improvement Proposed Budget and Funding
04/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Consider and approve "tentative" budget filing and preliminary Rec Roll Utility Rates (Ordinances 2 and 4) Public Hearing and Approval of Revised Ordinances
05/13	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
05/21	Tuesday			Special Board Meeting	
05/27	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Public Hearing on final proposed Rec Roll and 2020/2021 Fiscal Year Budget*
06/10	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
06/24	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
07/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
07/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
08/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Review and approve District Indebtedness Report including the Five Year Capital Improvement Project Summary and State Forms
08/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/14	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/28	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	

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

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

*Budget approval is required after the third Monday however whatever date is selected, a 10-day notice must be given. Must accomplished no later than June 1, 2020.