

1 INCLINE VILLAGE
 2 GENERAL IMPROVEMENT DISTRICT
 3 BOARD OF TRUSTEES
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 8 TRANSCRIPT OF HEARING
 9 PUBLIC MEETING
 10 Special Meeting
 11 Live and Via Zoom
 12
 13 Held at 893 Southwood Boulevard
 14 Incline Village, Nevada
 15
 16 Thursday, August 24, 2023
 17
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 21
 22
 23
 24 Reported by: Brandi Ann Vianney Smith
 25 Job Number: IVGID 2

1 APPEARANCES 2
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 3 **BOARD MEMBERS PRESENT**
 4 MATTHEW DENT, CHAIR
 5 SARA SCHMITZ, VICE CHAIR
 6 DAVE NOBLE, SECRETARY
 7 RAY TULLOCH, TREASURER
 8 MICHAELA TONKING, MEMBER (via Zoom)
 9
 10 **ALSO PRESENT**
 11 JOSH NELSON, LEGAL COUNSEL (via Zoom)
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1 Incline Village, Nevada - 8/24/2023 - 6:00 P.M. 4
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 5 CHAIR DENT: All right. It is 6:00 P.M. I
 6 want to call the regular meeting of Incline Village
 7 General Improvement District to order. We -- it is
 8 August 24th, 2023. The meeting's being held at 893
 9 Southwood Boulevard in the boardroom in Incline
 10 Village, Nevada, and via Zoom.
 11 Item A is the roll call of trustees.
 12 A. ROLL CALL OF TRUSTEES
 13 CHAIR DENT: Trustee Schmitz?
 14 TRUSTEE SCHMITZ: Here is.
 15 CHAIR DENT: Trustee Noble?
 16 TRUSTEE NOBLE: Here.
 17 CHAIR DENT: Trustee Tonking?
 18 TRUSTEE TONKING: Here.
 19 CHAIR DENT: Trustee Tulloch?
 20 TRUSTEE TULLOCH: Here.
 21 CHAIR DENT: And I'm Trustee Dent. All
 22 five trustees are present. Moving on to item B.
 23 B. INITIAL PUBLIC COMMENT
 24 CHAIR DENT: Initial public comment.
 25 (Inaudible cross talk.)

5

1 CHAIR DENT: No, there is no Pledge of
 2 Allegiance on the agenda. Can we deviate?
 3 (Inaudible cross talk.)
 4 CHAIR DENT: So the question is is why
 5 aren't we doing our pledge of allegiance, and it's
 6 my recollection that typically when there's a
 7 special meeting like this, the agenda isn't as
 8 standard. So, I'll just follow --
 9 And, Josh, do you want to weigh-in on
 10 that?
 11 MR. NELSON: That's correct, Chair. If we
 12 would like to take a break and do the Pledge of
 13 Allegiance, we certainly can. It's not technically
 14 something that has to be on the agenda, but if
 15 staff's intent was along the lines as stated.
 16 CHAIR DENT: Understood. I appreciate
 17 that. And given that you are now online and able to
 18 give us some guidance, I'm fine taking a break and
 19 starting with the Pledge of Allegiance.
 20 (Pledge of Allegiance.)
 21 CHAIR DENT: Thank you for that. All
 22 right. Moving on to item B, initial public comment.
 23 General counsel, did you have a comment
 24 you wanted to read?
 25 MR. NELSON: Yeah. Just a reminder for

6

1 the public, this is a special meeting, so we are
 2 hoping to focus on the items before this evening and
 3 would appreciate if folks would consider that when
 4 making public comments.
 5 CHAIR DENT: Thank you for that.
 6 Then, also, I just have something I would
 7 like to read regarding the draft document release.
 8 I've asked general counsel and HR to look into this
 9 issue and prepare a policy for trustees and staff as
 10 it relates to disclosing non-public information.
 11 Staff is prepared to bring this item back to us at
 12 the first meeting in September.
 13 With that, I will open up public comment.
 14 MR. DOBLER: Cliff Dobler, 995 Fairway.
 15 Sorry, Josh.
 16 On August 8th, 2023, Trustee Noble read
 17 from an almost-three-year-old draft letter
 18 purporting to be factual regarding my interaction
 19 with IVGID staff and relating to a personnel policy.
 20 What is unique is that I never received
 21 the letter and had to obtain it from Facebook. The
 22 letter was not on an IVGID letterhead, was unsigned,
 23 included redactions, it did not include an effective
 24 date. The human resource department does not have a
 25 copy of any original letter. Complying with

7

1 Ordinance 7 was also ignored.
 2 According to Susan Herron, the letter must
 3 have been private and confidential since she would
 4 not release it to Mr. Noble until it was cleared by
 5 outside counsel Nelson. Of course, Nelson concocted
 6 a story that somehow I waived my right to
 7 confidentiality by signing a waiver, which only
 8 related to providing notice of the August 9th
 9 meeting.
 10 Now, Mr. Noble, being a proponent and
 11 duped for the recall group, chose to ignore proper
 12 ethics, immediately read about a conversation, which
 13 I assume a female, in February 2018. That would be
 14 over five years ago. Of course, the conversation
 15 could never have happened since my wife and I were
 16 in our home in Palm Dessert, California, in February
 17 of 2018.
 18 The letter relates to suspension of
 19 privileges for chronic verbal attacks to a staff
 20 member. Where is the chronic and where is the
 21 attacks? Is it puffing my chest, clenching my jaw,
 22 and my face becoming red? Or does a verbal attack
 23 exist because I may believe that I am running the
 24 District? What are the verbal attacks on three
 25 females in 2019?

8

1 So what we have here is fiction designed
 2 to try and intimidate and silence me because of my
 3 investigation of Darren Howard falsifying golf play
 4 pass revenues and his nonexisting policy of not
 5 allowing me to play golf in a near-empty course.
 6 The falsification, which amounted to over 186,000,
 7 required a prior period adjustment in fiscal 2020.
 8 In early 2021, former GP Winquest called
 9 me and wanted a public meeting so he could be a nice
 10 guy and relieve the suspension. I asked what the
 11 meeting was about since I had no idea. I told him I
 12 had no interest, took the suspension, and considered
 13 the matter closed.
 14 The letter was nothing more than a hit
 15 piece, and Mr. Noble became the orator and probably
 16 leaking to Mary Becker to posted on Facebook. Of
 17 course, the tension and comments on Facebook revolve
 18 around a non-existing conversation in 2018.
 19 Liable as been created by Noble and
 20 Nelson. I have two law firms reviewing the
 21 situation, and we will see where the revenue goes.
 22 By the way, Howard did cook the books. It
 23 is not an attack but a fact. I probably should have
 24 refrained from the explicatives --
 25 (Expiration of three minutes.)

9

1 MS. DOBLER: Ellie Dobler, 995 Fairway.
2 I'm here tonight to say I'm sick and tired
3 of hearing from the angry recall group that my
4 husband owns and bought Trustees Tulloch, Schmitz,
5 and Dent. What does he own and what did he buy?
6 What I believe he owns is the three
7 people's interest in reading and understanding his
8 memorandums under failures of IVGID and prior board
9 members in managing and delivering proper
10 accounts and reporting. Other existing and previous
11 board members could care less.
12 In tonight's agenda, anyone could see what
13 has happened.
14 Is buying a person achieved by providing
15 campaign donations? We gave to Callicrate and Wong,
16 only to be gauged by not honoring their promises.
17 We obviously make a mistake.
18 Donations are provided across the country
19 to support ideas and help people with similar
20 interests. Cliff's interest in IVGID are only
21 correcting improper accounting, reporting, and to
22 strengthen weak contracts. He was highly paid by
23 banking intuitions for his services that IVGID is
24 getting for free.
25 Over 20 years, we've donated more than 100

11

1 to hear the truth.
2 MR. HOMAN: Mick Homan. I have here my
3 resignation letter from the IVGID Audit Committee.
4 I want it attached to the minutes.
5 I've come to the conclusion I can no
6 longer serve this Board when its present leadership
7 demonstrates complete disregard for ethical
8 behavior. The letter lays out some of the ethical
9 issues I've tried to connect.
10 On multiple occasions, Trustee Schmitz
11 responded to this by twisting my words, attempting
12 to call into question my knowledge and integrity.
13 She also tried to limit my ability to hold trustees
14 accountable by telling staff they shouldn't give me
15 information unless I filed public records requests.
16 As an Audit Committee member, this offensive. But
17 my breaking point was appointing Cliff Dobler to the
18 Capital Investment Committee on August 9th.
19 We witness the blatant conflict of
20 interest and influence peddling. My background made
21 me an expert on ethics and compliance. Despite what
22 Chair Dent said he discussed with the State
23 bureaucrat, his material loan from Dobler is, in
24 fact, a material conflict of interest. He should
25 have abstained from voting.

10

1 scholarships to high school seniors, many of which
2 were IVGID employees. Did we buy them or just help
3 them? We have given support to Sierra Nevada
4 College and to Reno Art Museum. Did we buy them or
5 just support them? By providing a loan to Trustee
6 Dent, did we buy him or are we just receiving a
7 monthly interest check? The loan was given because
8 there was ample collateral and he had the three
9 required attributes: character, capability and
10 capital.
11 So what is this recall all about? It's
12 about accountability. The recall leaders,
13 Callicrate and Wong, along with Tonking and Noble
14 don't want that, and have a burning desire to
15 attempt to cover up former weak management.
16 Tonight you'll hear what poor accounting
17 and no internal controls have brought and will bring
18 over the next six months. The cost will be
19 enormous. Let's not forget the efforts by the Audit
20 Committee, resulting in four consecutive years of
21 required prior period adjustments because of awful
22 accounting. Cliff just happened to be a member.
23 I ask you, what is Cliff getting out of
24 this except aggravation and hostility. And just
25 really want to shut him down because you don't want

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1 Then Trustee Schmitz and Tulloch doubled
2 down on this ethic violation by actively protecting
3 Mr. Dobler. They protested and shut down relevant
4 questions from Trustee Noble, despite advice from
5 legal counsel that the questions were acceptable.
6 These trustees shattered the mere tenets of conflict
7 of interest, their actions protected their financial
8 benefactor.
9 They also ignored Dobler's lie on the
10 public record that his recreation privileges weren't
11 suspended. I've seen the three registered letters
12 to him laying out the suspension. And they showed
13 complete disrespect for IVGID staff and residents by
14 appointing Dobler despite his serial abusive and
15 misogynistic behavior.
16 I also can't abide by Audit Committee
17 chair Nolet's recent public comments and editorial.
18 The Audit Committee's role is to help the Board
19 oversee the integrity of financial reporting,
20 underlying controls, and ethics. It must be
21 neutral, unbiased, and fact-driven. It facilitates
22 corrective action to issues identified. Above all,
23 it acts as a fiduciary.
24 His comments contain speculation of
25 innuendo that were inflammatory, defamatory, and

13

1 potentially libelous. He politicized the committee
 2 by inflaming a narrative. To me, this violates his
 3 fiduciary responsibility to IVGID.

4 And now we have today's special agenda, in
 5 large part due to a staffing crisis caused by
 6 individual trustees. The only item that should be
 7 acted on is approving funds to hire staff, and
 8 that's the critical need, and you were derelict in
 9 not approving it at the last meeting. Nothing can
 10 be done about the other items without staffing to do
 11 the work.

12 Unfortunately, we'll need contractors
 13 since nobody wants to work for this board. There
 14 was no Audit Committee input, but it does appear to
 15 have Dobler's fingerprints all over it, and
 16 particularly the forensic audit suggestion. Despite
 17 the bluster, we've seen no evidence of any
 18 malfeasance justifying such action.

19 In summary, I'm not able to provide Audit
 20 Committee oversight when individual board members
 21 won't live by basic ethical standards and openly
 22 violate fiduciary responsibilities. Nor I will
 23 allow my professional reputation, built over four
 24 decades in public accounting and a controllership
 25 profession, to be tarnished by the actions of or

14

1 association with these board members.

2 I'd be happy to serve in the future if the
 3 Board evolves one that's more consistent with my
 4 moral and ethical compass.

5 MS. USINGER: Caroline Usinger, 582
 6 Jackpine, Incline Village.

7 It's my understanding this meeting is
 8 about the finance department. I want to talk about
 9 the elephants in the room, that is the effect of the
 10 IVGID Board and a group of overly demanding
 11 residents and how they are undermining the ability
 12 of IVGID staff to get its work one.

13 First, I looked at the audit results from
 14 Davis Farr from 2021 and 2022. Guess what guys,
 15 there are no huge problems in here. Mr. Dobler
 16 likes to rant and rave that the sky is falling. But
 17 if you read the report, there's no there there.

18 What is in the report is that 250 hours --
 19 what is in the report is that, basically, Cliff
 20 Dobler, Aaron Katz, and Frank Wright have submitted
 21 public record requests requiring 250 staff hours for
 22 three months only this year. This is stealing time
 23 from the staff so that they can't do their regular
 24 jobs. What's amazing about the 250 hours is that
 25 some of these requests haven't even been completed.

15

1 Please look at those requests. They are ridiculous,
 2 time consuming. How much more time will they steal
 3 from IVGID staff?

4 So our friends misusing the public record
 5 request system could be one of the reasons that our
 6 finance department doesn't have the time to
 7 reconcile the IVGID checking account.

8 Now let's talk about the hundreds of
 9 emails sent by certain board members to staff each
 10 month. Maybe I should submit a public record
 11 request to see how many hours you took from staff
 12 time.

13 I know that a bunch of the projects on the
 14 priority list that is going to be discussed today
 15 were requested by the Board, Audit Committee, or
 16 members of the public. I know that thanks to Sara
 17 Schmitz' interference, a simple project I was doing
 18 has turned into a month's long hassle.

19 Let's talk about the effect of the IVGID
 20 Board Audit Committee and group of overly demanding
 21 residents that have on staff turnover, and the
 22 resulting reduction in available staff to do work.
 23 The Audit Committee has acknowledged that some
 24 senior staff were underpaid. Amazing. They were
 25 willing to work for IVGID at lower pay when they

16

1 could work for someone they liked, Indra Winqest,
 2 and when they had beach and ski benefits.

3 Now, thanks to this board and the Audit
 4 Committee, virtually the entire top management has
 5 walked. And to replace them, we, the residents, get
 6 to pay more to people who will be willing to be
 7 insulted and micromanaged by the very unlikeable
 8 Audit Committee, Board, and residents intent on
 9 finding gotchas everywhere they look. Frankly,
 10 paying them double isn't enough for the aggravation.

11 I'm going to save IVGID a lot of money
 12 today. You don't have to hire any more auditors.
 13 Everyone knows the problem. It's the elephants in
 14 this room. You and our fine friends who are
 15 managing you like puppets. Please do not pay
 16 consultants extra money to deal with your abuse.
 17 What you should do is let the staff do their jobs,
 18 stop micromanaging them, and keep all hostile
 19 players away from staff.

20 (Inaudible cross talk.)

21 MS. USINGER: I don't think so. I want
 22 the last paragraph, because I don't believe it.

23 CHAIR DENT: Just go ahead and finish.

24 MS. USINGER: The best is for the Board to
 25 resign so that IVGID can actually recruit decent

17

1 people. And please put all the requests from our
 2 friends Mr. Dobler, Katz, and Wright at the bottom
 3 of the to-do list, to be completed in 2028 or so.
 4 Hopefully, they will be playing shuffleboard in an
 5 old folks' home and will be no longer care.
 6 MS. LALOR: Angie Lalor, Incline resident.
 7 Many of us have seen the 2020 letter
 8 reprimanding Cliff Dobler for inexcusable behavior
 9 leading to his three-month suspension from IVGID rec
 10 facilities. That letter laid out incidents during
 11 which Mr. Dobler verbally berated staff, displayed
 12 in appropriate physical aggression, and sexually
 13 harassed female staff.
 14 I'm horrified that three members of this
 15 board not only ignored the contents of the letter
 16 and appointed Dobler to the Capital Committee, that
 17 actively attempted to try and silence Trustee Noble
 18 when he endeavored to question Mr. Dobler on how
 19 this type of behavior would impact his ability to
 20 serve with staff and peers on a committee.
 21 Now, you would assume that the 2020
 22 reprimand and suspension would have prompted
 23 Mr. Dobler to do some self-reflection, recognize his
 24 mistakes, and modify his behavior. However, I
 25 understand that multiple complaints have been made

18

1 about further and very recent sexual harassment
 2 towards staff, and that Mr. Dobler is, once again
 3 under investigation. I have no doubt that these
 4 complaints will all be substantiated.
 5 Trustees Dent, Schmitz, and Tulloch, I
 6 hope you've never been the victim of sexual
 7 harassment. If so, count yourself lucky. Without
 8 question, it's the worst experience one can endure
 9 in a professional environment.
 10 I'm privileged to have been the chief HR
 11 officer for two Fortune 100 companies during my
 12 career, and I've, unfortunately, seen a lot of
 13 people like Mr. Dobler. I've seen the lasting
 14 personal harm they cause colleagues, and the
 15 liabilities, reputational damage, and high-priced
 16 penalties they have burdened their companies with.
 17 Any professional entity with an ounce of wisdom and
 18 ethics would not only refuse to appoint someone like
 19 this to an important leadership position, they would
 20 fire them.
 21 It's unfathomable to me that you would not
 22 only appoint a serial harasser to a committee that
 23 with deals with employees, peers, and the public,
 24 why would you hold our district to a lesser standard
 25 than you or anyone in this audience would demand

19

1 from their employer? It is reckless leadership on
 2 your part and puts the District in danger. And it
 3 certainly speaks volumes to your utter lack of
 4 concern for the engagement and the well-being of our
 5 staff.
 6 It's not surprising that we are
 7 experiencing a significant increase in turnover and
 8 major challenges in filling key roles.
 9 Your vote for Dobler is inexcusable. By
 10 his own actions, he showed us what kind of man he
 11 is: a misogynistic bully.
 12 Actively supporting him, I'm sorry to say,
 13 makes you no better. You've literally and
 14 figuratively sold yourself to support this man.
 15 If anyone listening hasn't signed the
 16 recall and you care at all about our district
 17 operating with the basic level of decency and
 18 respect, I hope this incident will convince you to
 19 sign.
 20 MS. MARTINI: Margaret Martini.
 21 I'd like to address Trustee Noble's
 22 comments at the meeting of 8/9. His comments and
 23 reading of a correspondence that was not official,
 24 never executed, and phony, but was given credence by
 25 the fact that Mr. Noble read it as a factually

20

1 appropriate document when he knew or should have
 2 known if you took the time to research the content,
 3 that the correspondence was never received or
 4 acknowledged by the recipient, Mr. Dobler.
 5 Mr. Noble's actions were purposeful,
 6 unnecessary, and a deliberate use of foul and
 7 inappropriate language to incite the public. As an
 8 attorney, Mr. Noble should have known that before he
 9 uses correspondence against Mr. Dobler, that
 10 complete and proper investigation of the receipt and
 11 an opportunity for Mr. Dobler to comment on the
 12 correspondence should have been in order.
 13 Mr. Noble's inflammatory and positively
 14 rude reading of this unvetted correspondence is an
 15 example of his unworthiness to serve on this board
 16 as an unbiased board member. It is clear that he is
 17 being a minion to those who do not like Mr. Dobler's
 18 expertise that is needed on the committee.
 19 That is also made clear by the fact that a
 20 community member was given the correspondence to
 21 place on a public forum of Facebook, by someone who
 22 failed to verify that Mr. Dobler received the
 23 correspondence. Hmm. Wonder who that was.
 24 Mr. Nelson, the Board attorney, agreed
 25 that the presentation of the correspondence was

21

1 appropriate, allowing Mr. Noble to blather on as if
 2 the Board was still under the control of former
 3 chair, Tim Callicrate. Just another example of
 4 ineptness by the hired attorney in not doing the
 5 research, the investigation of this correspondence
 6 was indeed a documented chain of events to all
 7 parties. No big surprise there. Another of Indra's
 8 minions acting inappropriately.

9 The two attorneys involved -- yes,
 10 Mr. Noble is an attorney -- should have known the
 11 legal process and acted accordingly to protect this
 12 document.

13 Mr. Noble is a trustee that has sunk to
 14 the lowest level of knowingly presenting a
 15 non-official document. Sara, being the lady she is,
 16 called for a point of order in time to stop this
 17 complete debacle. Mr. Nelson, in his inept glory,
 18 did not recognize it. Thankfully, Chair Dent acted
 19 appropriately and called a recess.

20 We have to thank the current Audit
 21 Committee and a few astute community members to turn
 22 a light on the current financial mess that is IVGID
 23 management, and watch that cockroaches scatter.
 24 Thank you. Good riddance to all those senior
 25 employees and the GM that have left.

22

1 MS. CARS: I am going to put the three
 2 letters into the record. Please publish them.
 3 There they are. My husband was going to put them
 4 in. One is certified; they're all signed by Dee
 5 Carey.

6 Something is rotten in Incline Village. I
 7 have a few questions and comments. Why the special
 8 meeting tonight? The night of Taste of Incline, an
 9 important annual event to support women in our
 10 community with scholarships. Why have this meeting
 11 tonight with full knowledge that many charitable
 12 community members would be unable to attend? These
 13 same community members want to know more about the
 14 financial status of IVGID. All we can assume is
 15 this night was chosen for this discussion because
 16 you knew there would be a smaller audience.

17 Trustees Schmitz, Dent, and Tulloch, why
 18 are you choosing to support and contract with
 19 individuals whose characters are highly
 20 questionable? On August 9th, you voted to add Cliff
 21 Dobler to the Capital Investment Committee. Two of
 22 you knew he violated Ordinance 7 and had his
 23 recreational privileges suspended for over a period
 24 of time. All three of you knew there was a
 25 more-qualified, upstanding person for you to select:

23

1 Michael Lefrancois.

2 Why did Trustees Dent and Schmitz shut
 3 down Trustee Noble while he was reading Dee Carey's
 4 letter? She was the former head of IVGID HR, and
 5 that letter spoke to Mr. Dobler's character. You
 6 knew this letter confirmed he should never be
 7 interacting with IVGID employees, much less people
 8 who work with the Board.

9 How many more complaints are there about
 10 Dobler? How many more will come?

11 We respectfully demand that the decision
 12 made to put him on the Capital Improvement Committee
 13 be revoked tonight, and that Michael Lefrancois be
 14 voted on to the position.

15 Kevin Lyons is on the City of Incline
 16 Committee -- I think I did this wrong. Another
 17 issue -- no. I'm sorry.

18 Are you trying to to destroy our
 19 infrastructure so you can show the world we are no
 20 longer fit to be a general improvement district?
 21 Aaron Katz has said publicly that Incline is a
 22 fraud; he clearly wants to destroy our GID.

23 We've heard rumors that Mr. Nolet may want
 24 to be the GM. Is that why he's disparaging prior
 25 staff in his committee comments and showing us that

24

1 he is most-fit to be the GM?

2 Incline Village GID has worked well for us
 3 for 62 years. A small group of people over the past
 4 eight months are systemically trying to destroy it.
 5 A plethora of talented employees have resigned or
 6 been forced out.

7 Please stop the nonsense and listen to the
 8 community. Something is not right in Incline
 9 Village with the decision by Schmitz, Dent, and
 10 Tulloch. Please start listening to Noble and
 11 Tonking.

12 Community members, listen and heed the
 13 public comments of community members who have been
 14 residents for 30, 40, 50 years. There is so much
 15 good about Incline, and it feels like something is
 16 truly rotten about this board.

17 Another issues, why did the Board, under
 18 leadership of Dent, contract with Kevin Lyons of
 19 FlashVote, who had a restraining order with IVGID
 20 staff a few years ago? Tonking called Mr. Lyons
 21 "contentious" in the meeting. There are clear
 22 issues. Since March, he's gotten \$20,000. You
 23 continue to use his services. IVGID staff can
 24 conduct the surveys.

25 Please explain why, Schmitz, Dent, you to

25

1 contracted with Kevin and put Cliff Dobler on the
 2 committee? You knew the harassment, you've known it
 3 all.
 4 MR. CARS: Trustees, also submitted this
 5 evening is Dee Carey's letter of resignation, and I
 6 will close reading some of the excerpts from her
 7 letter. She could not be here tonight, but has
 8 given me the following statement on her behalf. I
 9 quote:
 10 "Leaving IVGID was a very
 11 difficult decision for me. I left
 12 because of the micromanaging of
 13 Trustee Sara Schmitz, who I did
 14 not clearly point out in my letter
 15 of resignation. I gave her the
 16 professional courtesy of having
 17 verbal conversation and told her
 18 as such. She didn't care.
 19 "I know of other employees who
 20 left because of the Board's
 21 micromanaging and lack of trust in
 22 their professional experience and
 23 knowledge.
 24 "As the previous Director of Human
 25 Resources, I'm not afraid to stand

26

1 up and speak out when it's
 2 appropriate and share my
 3 experience. Sorry I couldn't be
 4 there in person, but since I'm out
 5 of town, feel free to read my
 6 letter of resignation on my
 7 behalf."
 8 And I read excerpts from that letter.
 9 "I most likely would not be
 10 leaving the District if it were
 11 not for some members of the Board
 12 that did not understand their role
 13 as elected officials. It is
 14 unfortunate when swings of the
 15 Board have such a negative impact
 16 on the staff's morale. The lack
 17 of trust, restrictions to let
 18 professional staff perform their
 19 jobs to the best of their
 20 abilities, undermining and
 21 micromanaging by the Board, Audit
 22 Committee members and some
 23 extremely disrespectful community
 24 members take their toll on staff
 25 and make the decision easier.

27

1 "I personally am losing steam in
 2 keeping the staff motivated and
 3 communicating that the Board has
 4 confidence in the talent,
 5 experience, and expertise of the
 6 District personnel."
 7 And her resignation letter has already
 8 been submitted.
 9 Thank you.
 10 MS. KROLICK: Gail Krolick, 1420 Tirol
 11 Drive.
 12 I am actually sad and sickened here this
 13 evening. I apologize to this community, of my home
 14 for the last 33 years, never in my wildest dreams
 15 would I ever believe we are actually here today,
 16 talking about behaviors of community members,
 17 incredible Audit Committee members, like Mr. Homan,
 18 resigning. I'm shocked by that and saddened by that
 19 because -- I don't know him personally, but, boy,
 20 his work is absolutely incredible.
 21 With that being said, I also want to
 22 thank, actually, Ellie and Cliff Dobler. I know her
 23 as Ellie, not as Alicia. My daughter Alexsis, who
 24 is now attending Santa Clara Law University, was one
 25 of the recipients of the Cliff and Ellie Dobler

28

1 Foundation, the high school scholarship, when she
 2 graduated from Incline High School.
 3 However, recently, as the rest of the
 4 community have learned of behaviors, I'm here today
 5 to say publicly, Ellie and Cliff, I will be writing
 6 a check out to you tomorrow to ensure that the
 7 monies that my daughter Alexsis received will be
 8 going back into your coffers, and you can give them
 9 to another worthy student. I don't want my name,
 10 Krolick name, affiliated with that I have read this
 11 past week.
 12 Recently on Nextdoor, August 21st to be
 13 exact, Trish McKowen questioned why a community
 14 member had been appointed to the Capital Committee
 15 by Dent, Schmitz, and Tulloch after confirmed
 16 behaviors with a female IVGID staff member. Of
 17 course, Sara, you jumped to Cliff's defense again.
 18 I watched the meetings last week. I was unable to
 19 be here.
 20 You wrote on Nextdoor, and I quote -- I
 21 took a screen shot of this, actually. Sara wrote:
 22 "Trish, if this is true, then
 23 please explain why the GM
 24 appointed him to the Burnt Cedar
 25 pool committee in 2021, where he

29

1 had the ideas about changing the
 2 direction of the pool and having
 3 the long side, with all the steps
 4 for children and families to
 5 enjoy? Why didn't the former
 6 board remove him from the Audit
 7 Committee?"

8 Sara, that's actually a really great
 9 question. Why didn't you, after you learned of this
 10 behavior? Great question. The last I checked, you
 11 were on the former board.

12 Only was it taken off after Indra Winquest
 13 chiming in: Hi, everyone. I'm chiming in to
 14 provide an accurate information as to when
 15 Mr. Dobler was on the BC pool committee. Long story
 16 short, the first meeting was in the spring of 2020.

17 I want to learn and research myself. Very
 18 easy research. IVGID provides everything. Here's
 19 my sheen shot. Interesting, Sara's no longer on
 20 Nextdoor. Every single post is gone.

21 But, beginning February 5, 2020, all the
 22 way throughout, absolutely have identified and
 23 highlighted, and this will be into record -- thank
 24 you -- that it shows and reflects that Mr. Dobler
 25 was not, in fact, on the Burt Cedar Pool Committee

30

1 in 2021. It just goes to show my suspicions, Sara
 2 changed the narrative again.

3 And, yes, you lied. This time, I'm
 4 calling you liar in public. You asked me once
 5 before, I never called you a liar in public, but you
 6 are a liar, Ms. Schmitz.

7 MR. SCHULTZ: Wow, that's a tough act to
 8 follow. Joe Schultz, Putter Court.

9 Trustees, community, having become a
 10 resident in 2017, it's become apparent that the
 11 complaints about the trustees, the general manager,
 12 and the executive team have been an issue prior to
 13 my arrival.

14 Historical complaints had centered on the
 15 inflated budget, lack of availability and
 16 comprehension of the finances, accountability for
 17 the lack of progress, and the Board's complete
 18 reliance on the general manager to effectively
 19 manage the community assets.

20 For example, major projects never got off
 21 the ground -- I'm talking prior to my arriving here.
 22 Consultants were hired, paid, and then the
 23 recommendations ignore, defective contracts were
 24 presented and approved by an unquestioning board,
 25 requests for data and changes were ignored and

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1 deflected.

2 In an ideal world, the Board would direct
 3 the general manager, who would implement those
 4 requests, and not provide continual excuses for
 5 non-compliance. Unfortunately, previous general
 6 managers had free rein, and put the interest of the
 7 community as their last priority.

8 Perhaps now we will start to discover why
 9 the financials have been so neglected. Perhaps now
 10 we will learn how and why the previous financial
 11 directors and general manager have allowed this to
 12 develop. Perhaps now we can discover which current
 13 and previous trustees ignored the warning signs.

14 Since these financial problems have come
 15 to light, why would any community member want to
 16 subvert an investigation into the serious and
 17 critical problem? Perhaps the advocates of the
 18 recall petition are fearful that the real culprits
 19 responsible for the current mess will be revealed.

20 The recall petition may be just the cover
 21 needed to take the focus off the villains and put on
 22 scapegoats.

23 Do we really want to return to a
 24 see-no-evil, hear-no-evil, speak-no-evil board of
 25 trustees of the past, or do we want a board that

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1 will focus on unresolved issues?

2 Keep up the good work.

3 MR. KATZ: Aaron Katz, PO Box 3022. I
 4 have written statements to be attached to the
 5 minutes of the meeting.

6 To those listening to this meeting who are
 7 impressed with some of what you've heard today from
 8 these 30-year-old residents of our community, I'd
 9 ask you to take another look.

10 Let's start with that 81-year-old woman in
 11 the back. She seems so mild-mannered, reasonable.
 12 Why wouldn't you be impressed with somebody like
 13 her? Well, I say don't believe them.

14 Let's talk about what she wants you to buy
 15 into. She has this seminar program where she says
 16 instead of fighting amongst ourselves, we're here
 17 together, let's learn to deal with one another
 18 respectfully. Okay. I can buy into that.

19 So she hasn't told you that I believed her
 20 and called her up several years ago in the very
 21 beginning and wanted to see if we can get together
 22 and talk as fellow residents here, see what we had
 23 in common. How did she react? She hung up on me.
 24 I guess she didn't take her seminar.

25 Then we have this Johnny-come-lately gal,

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1 called Christy Wells, who pops up at the last
 2 meeting. We haven't heard from her ever before, now
 3 she's been appointed as the person to set the record
 4 straight. And she's setting the record because I'm
 5 supposedly a liar. Well, I call her after the
 6 meeting, and then I email her. You know, your
 7 husband said we're neighbors, we should all get
 8 along together, neighborly, talk things out, be
 9 civil. I can buy into all of that. So I contacted
 10 her to see, well, let's see if we can get together
 11 for a cup of coffee, talk, and see as neighbors if
 12 we can agree on anything. How did she react? I
 13 haven't heard diddly from her. Nothing.

14 Well, that's the attitude of these people.
 15 And every one else here that spoke earlier tonight,
 16 except for Mr. Schultz and Margaret and Cliff
 17 Dobler, they're in the same boat. Those are who the
 18 people are here. They come up here they say, our
 19 community is terrible, what's going on?

20 These are the people that are creating the
 21 terrible, and it's been going on for decades. So,
 22 just when they tell you, recall these trustees, I
 23 want you to think who they really are.

24 I'm just going to say quickly, on
 25 tonight's calendar, there's one item I heartily

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1 describing the financial morass that the previous GM
 2 and director of finance left the District,
 3 including, but not limited to: (1) Lack of
 4 preparation and deliveries to the State, our
 5 required financial reports due in June, I think.
 6 (2) Our IVGID financial results have not been
 7 audited nor are they auditable. (3) Our IVGID
 8 financial accounts have not been reconciled in 14
 9 months and cannot be closed and may not be
 10 reconcilable. (4) IVGID does not do any asset
 11 tracking for acquisitions or disposal. And (5) the
 12 transition to the modern financial tracking tool,
 13 started over a year ago, has been and continues to
 14 be a disaster with millions of unaccountable dollars
 15 or misplaced dollars.

16 This demonstrates complete incompetence by
 17 our previous general manager and director of
 18 finance, and borders on criminal malfeasance.

19 I was shocked by this lack of
 20 professionalism, and that is required of an
 21 enterprise the size of IVGID.

22 Now, this is in direct contrast to the
 23 previous presentations of the trustees by both the
 24 previous GM and director of finance. I was at those
 25 board meetings where our budgets and finances were

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1 endorse, and that's a forensic due diligence audit.
 2 We've been asking for this for years, and I
 3 guarantee, if we have an audit, you're going to find
 4 dirt that goes all the way back, all the way. Yes,
 5 IVGID was founded on a fraud.

6 Thank you.

7 MR. SWENSON: Good evening. And I'm sorry
 8 you trustees missed the Taste of Incline. It was
 9 delicious. Those of us who bought tickets had
 10 plenty to have before we got here. Though I'm very
 11 glad you chose to expeditiously consider these
 12 critical financial issues facing our community.

13 My name is Harry Swenson. I've lived in
 14 Incline Village since my retirement from NASA ten
 15 years ago, and love our eclectic and beautiful
 16 community.

17 Last week at Conversation Cafe, one of my
 18 acquaintances, Andy, who is back there, who is a
 19 supporter of the recall, indicated that if we really
 20 wanted to know what's going on in the community, we
 21 should review the August 9th, trustee meeting.

22 I simply thought he was probably referring
 23 to some of the vitreal that is the mainstay of the
 24 recall folks, but what really got my attention was
 25 the testimony from the acting director of finance

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1 discussed, none of these issues were brought up.
 2 The GM and director of finance left the
 3 attendees with the impression everything's fine,
 4 even though they could not answer the trustee
 5 questions regarding inconsistencies within their
 6 presentation or the hundreds of pages of backup
 7 material.

8 I want to commend the Board that, once
 9 this financial swab was discovered, you are taking
 10 quick and decisive action to correct the disaster.
 11 I also hope that you consider having the IVGID
 12 general counsel investigate calling back funds from
 13 not only the GM separation agreement, but his and
 14 the director finance's last year's salary for gross
 15 incompetence. And as the detailed auditing that you
 16 were considering from the independent group
 17 proceeds, if malfeasance is even suspected, please
 18 contact the Washoe County District Attorney
 19 immediately.

20 Thank you for your consideration.

21 CHAIR DENT: That will close out public
 22 comment in the room.

23 Matt, let's go to Zoom.

24 MS. DOBLER-DIAZ: Ann Dobler-Diaz, 995
 25 Fairway.

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1 It is hard to imagine that a draft letter
 2 could be woven together from the single incidences
 3 by using personnel policy section 2.5A.3B, behavior
 4 directed toward IVGID staff, verbal attack.
 5 As stated in the policy, therefore,
 6 chronic verbal attack directed at IVGID staff
 7 members may result in a suspension of recreational
 8 privileges.
 9 My father and I believe in the statute of
 10 frauds, which was developed in 1677 under English
 11 law, and remains common in U.S. law today. Simply
 12 put, what is in the four corners of a written
 13 document is all there is and nothing more.
 14 So what does "chronic" mean? Dictionary:
 15 Constantly reoccurring.
 16 And what was "attack" mean: Dictionary:
 17 Aggressive and violent action against a person or
 18 place.
 19 Using this draft letter of October 1st,
 20 2020, where is there any statement made that a
 21 chronic or an attack on an IVGID staff member? The
 22 draft letter does not indicate that there were any
 23 chronic statements made against any individual IVGID
 24 staff member, singular.
 25 Also, where was the attack? There was

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1 only one statement that could be made that could
 2 maybe be construed as an attack, which was against
 3 Mr. Howard, but it was only one statement, and not
 4 chronic. The balance of the accusations are nothing
 5 more than purported statements, but as this can be
 6 seen, were never verbal attacks.
 7 So, what we have here is a draft letter
 8 that should never had been written if Ms. Carey
 9 would have been a responsible employee and read the
 10 personnel policy. This draft letter is nothing more
 11 than a hit piece on my father to try to stop his
 12 investigations into irregular IVGID accounting and
 13 reporting. You can see tonight how important those
 14 investigations are.
 15 So I would like to know what you, as
 16 members of the IVGID Board of Trustees, intend on
 17 doing about the improper treatment to my father by
 18 an IVGID employee?
 19 Thank you.
 20 CHAIR DENT: It looks like we're all done
 21 on Zoom.
 22 Dr. Wyman?
 23 DR. WYMAN: Andrew Wyman, Incline Village.
 24 I wish there were a way to turn the
 25 temperature down in here, but I don't think that's

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1 going to happen tonight. As an expert on conflict
 2 resolution, I reject the opportunity to cure this
 3 problem. We're all involved in this, unfortunately,
 4 on both sides of the issue.
 5 The reason I'm sitting here tonight is to
 6 address a few of what I think are unforced errors by
 7 the current board. Not to address the issue, per
 8 say, of the recall itself.
 9 It's understandable that this board, the
 10 current majority on this board, would want to
 11 protect the activities of the Board itself, because
 12 if individuals on this board are recalled, the whole
 13 board may change. And so the members of the Board
 14 who are in the majority have the perfect right to
 15 defend their interests, and they can do that as
 16 publicly as they want to.
 17 On the other hand, using the Board itself
 18 to do that is another issue entirely. And I would
 19 submit that's not such a good idea.
 20 There are a couple of things that have
 21 happened recently that do trouble me in terms of how
 22 this board is acting.
 23 I met Mr. Nolet casually. He seemed like
 24 the very nice guy. I have listened to his comments
 25 as a member of the public. And as a member of

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1 public, he has spent a good deal of time and effort
 2 defaming the prior board and their activities, and
 3 extolling the virtues of the present board.
 4 From my perspective, that simply means he
 5 should be dismissed as a member of the Audit
 6 Committee, because, if I understand, the Audit
 7 Committee is to objectively assess the data.
 8 Mr. Nolet cannot do that, given his opinions.
 9 If you were an expert witness and you
 10 wanted to objectively look at things, you cannot
 11 have that kind of bias coming into the situation.
 12 Anyone will tell you that who has deal with expert
 13 witnesses.
 14 Same thing applies to Mr. Dobler in this
 15 situation.
 16 Both Chris Nolet and Mr. Dobler are
 17 powerful advocates for a particular position. They
 18 both are very astute, knowledgeable about finances,
 19 and they appear to have a particular agenda about
 20 those finances.
 21 The question I would ask this board is --
 22 both of those individuals are applicable, they've
 23 applied to the Board as it stands now, they're
 24 sitting on very relevant committees, powerful
 25 committees, they speak and address you, the Board,

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1 how are you going to hire, at this point, a new
 2 financial director --
 3 (Expiration of three minutes.)
 4 CHAIR DENT: That will close out public
 5 comment.
 6 Josh, I want to -- if it appears like we
 7 received three copies that are signed of this letter
 8 that, as of last Wednesday, trustees requested and
 9 were told doesn't exist, so when you -- I'd like you
 10 to take a look at this so we can -- perhaps, the
 11 Board can get up to date on this information, since
 12 we've asked for it and been told it doesn't exist.
 13 MR. NELSON: Happy to review.
 14 CHAIR DENT: Thank you.
 15 TRUSTEE TONKING: I wanted to thank
 16 Mr. Homan for his time on the Audit Committee.
 17 CHAIR DENT: All right. That will close
 18 out public comment. Moving on to item -- let's do
 19 this: Let's take, like, a seven-minute break -- or
 20 a ten-minute break, and then we'll jump right into
 21 the topic at hand.
 22 (Recess from 6:50 P.M. to 7:01 P.M.)
 23 CHAIR DENT: All right. Quiet in the
 24 room, please. We are going to start our meeting.
 25 We're going to start with general business, item C.

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1 I would just ask, let's get through both
 2 of these presentations before we start asking
 3 questions. That way, you guys can finish, hold
 4 their questions until they're done.
 5 TRUSTEE TULLOCH: Thank you, Chair Dent.
 6 Just before I start, I've just did receive
 7 a message from Mr. Nolet just to confirm he's not
 8 applying for general manager. I don't think we
 9 could actually afford Mr. Nolet. And just before
 10 any other rumors start, I'm not applying for the
 11 finance director job either. I just thought we'd
 12 set the stage.
 13 Okay. Thank you everyone. Appreciate
 14 your time tonight.
 15 Let me just give a quick background. I
 16 called this meeting for this evening. This was the
 17 earliest I could call the meeting. I apologize to
 18 those whose Taste of Incline I've interrupted.
 19 I've called this because when there's
 20 multiple issues brought up by a finance director at
 21 last week's board meeting, I, along with many
 22 others, were shocked at some of information coming
 23 out. I would be failing my fiduciary duty if I did
 24 not follow up urgently at the earliest possible
 25 time. That would be totally unfair to the

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1 C. GENERAL BUSINESS
 2 CHAIR DENT: Review, discuss, and possibly
 3 approve actions and expenditures as necessary. This
 4 can be found on pages 5 through 15 of your board
 5 packet.
 6 The first item is address and resolve
 7 issues identified to the Board regarding
 8 non-reconciliation of bank balances since July 1,
 9 2020.
 10 Two, address issues with the current
 11 imbalances in the general ledger and trial balance,
 12 perform and complete independent assessment and
 13 remediation plan pertaining to the Tyler Munis ERP
 14 system implementation, assess resource needs and
 15 estimated timeframe to remediate and complete a
 16 successful implementation, implement adequate,
 17 full-time staffing levels in finance department to
 18 address regular work load, and provide direction and
 19 timelines to staff on the Board priorities for the
 20 finance department active and special projects list.
 21 Trustee Tulloch, you requesting this item.
 22 It's my understanding that you have about a
 23 five-minute opening, then interim Director of
 24 Finance Magee, your presentations is about 20
 25 minutes or so. Okay.

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1 community, I would be delinquent in my duty.
 2 Obviously, our finance director -- interim
 3 fiance director has identified a number of serious
 4 issues. We need to investigate and understand the
 5 issues and do it transparently and make sure we have
 6 action plans in place to address this.
 7 I see comment, well, it's not this Board's
 8 duty, the Board shouldn't be concerned with
 9 accounting.
 10 Yes, we should. If we're not concerned
 11 with accounting, one of these days, we will be
 12 issuing payroll checks which will bounce. I
 13 certainly never want to be in that position.
 14 Let me also say there's been no indication
 15 or identification of any fraud or malpractice.
 16 That's -- let me be clear on that: There's no
 17 evidence of that.
 18 However, as somebody who does do some
 19 forensic audits, and as identified by the chair of
 20 the Audit Committee, Mr. Nolet, there's multiple red
 21 flags here that traditionally have identified issues
 22 occurring. We've seen sudden departure of finance
 23 leadership staff, a failure to reconcile bank
 24 balances monthly, which is normally standard
 25 operating practice in any business. We've seen

<p style="text-align: right;">45</p> <p>1 significant weaknesses and/or material weaknesses 2 reported in the last three audits. There's been 3 concerns expressed for several years of the lack of 4 internal controls. We've had audit recommendations 5 not acted on and/or rejected by previous boards. 6 We've just put in the new accounting system, there's 7 delays in reporting, we have not yet closed May's 8 financial report. The latest report we've closed is 9 April. We haven't had a bank reconciliation since 10 the end of June of last year. And last year, as was 11 mentioned -- reported in the audit, the bank 12 reconciliation is only carried out in October of 13 last year, so there was no bank reconciliations last 14 year either, it appears.</p> <p>15 We would be delinquent if we didn't 16 address this urgently. This has been -- the intent 17 of this meeting is not to identify scapegoats or do 18 that. In fact, I'd like to raise my hat to the 19 finance group staff, the working group in finance 20 who have been working their butts off and doing a 21 whole lot. It's very clear, having spent some time 22 discussing this with the director of finance and the 23 general manager, that we do have a significant 24 deficiency of staff in finance, not because of 25 departures, but just the general staffing levels</p>	<p style="text-align: right;">46</p> <p>1 that have been reduced in the finance department 2 over the last several years. And Mr. Magee will 3 cover that.</p> <p>4 We have an urgent need to get back to 5 clean financial information and timely information. 6 We need to know how much cash we have on hand in the 7 bank and also that that's the correct amount.</p> <p>8 Given in the overnight interest rates, 9 we're picking up 4.5-5 percent now. We should be 10 able to just sweep the funds every night. We can't 11 do that. We don't know what we've got there. We 12 don't want to just sweep the funds, and then find 13 the payroll checks bounce.</p> <p>14 And people say, well, that's never going 15 to happen.</p> <p>16 Believe me, I had to go and help a client 17 put in a new financial system, and suddenly they 18 found payroll checks weren't issued. So, yes, it's 19 a significant effort when that happens that puts 20 people in a horrible position.</p> <p>21 We also need to set up and properly 22 resource our staff for success. Our venue 23 managers and directors need to get the data they 24 need to manage.</p> <p>25 I have huge respect for what they've been</p>
<p style="text-align: right;">47</p> <p>1 doing. I couldn't run a business with the data I'm 2 getting, the expense and revenues is three, four 3 months out of date. That's virtually impossible. 4 All that happens then is people have to try and 5 guess at finances. We can't ask our staff to 6 operate that way.</p> <p>7 It's also extremely critical. We're 8 trying to borrow \$56 million in the state revolving 9 fund loan to fund the effluent pipeline. We're also 10 seeking Army Corps of Engineers funding for the 11 effluent pipeline.</p> <p>12 If we can't satisfactorily close our 13 audit, if we can't reconcile our books, all that 14 funding is at risk. We would have to stop the work 15 of the pipeline and have to start again. We'd 16 probably have to pay higher interest rates going 17 forward as well.</p> <p>18 So this is a very serious situation. This 19 is not just, oh, it's just finances and doesn't 20 matter, we can just put them in different boxes. 21 This is a hugely serious situation.</p> <p>22 I'd like to stress that myself, Mr. Magee, 23 and Mr. Bandelin, we spent considerable time over 24 the last week putting this together. This is a team 25 effort, and I fully support the proposals that are</p>	<p style="text-align: right;">48</p> <p>1 going forward.</p> <p>2 Thank you.</p> <p>3 MR. MAGEE: Thank you.</p> <p>4 I'd like to start tonight by giving the 5 Board a number of updates that have happened in the 6 finance department since this staff report was 7 written.</p> <p>8 The first thing that I would like for you 9 to know is that since this was written, our senior 10 accountant tendered her resignation. And so we are 11 currently down to about 50 percent of our accounting 12 staff is vacant at the moment.</p> <p>13 At the previous board meeting of August 14 9th, the Board authorized staff to enter into a 15 contract with Baker Tilly to work on some of the 16 bank reconciliations, which go back 14 months now. 17 I wanted to let the Board know that that activity 18 has already started. We have ordered all of the 19 accounts and the reports from Wells Fargo. They're 20 in the process of getting everything. But Baker 21 Tilly has already started their work, and they've 22 actually assisted us with a number of other items as 23 well. I'll get into that later tonight.</p> <p>24 One of things that Baker Tilly has helped 25 us out with is a cash reconciliation dating back to</p>

<p style="text-align: right;">49</p> <p>1 June 30th, 2022, and it not tying to the starting 2 balance on the following day. 3 We did reach out to the former finance 4 director, and he had mentioned that that activity 5 had been completed at that time by the controller. 6 And I don't know what happened between then and now, 7 but what I do know is it is not balanced now. And 8 so our consultant, Pam Day went in and did a little 9 extra work. This was out of what we initially 10 agreed she would be working on, but she volunteered 11 to do it. She did a full reconciliation of it. I 12 also asked Baker Tilly to independently verify what 13 she came up. They compared notes, and they were 14 identical. 15 We do have a plan for moving forward to 16 making sure that this is corrected in the Tyler 17 Munis system immediately. We're hoping that that 18 will be completed within a day or two. And one of 19 the things that I have directed staff to do is that 20 every single action we take as we move forward in 21 these things is there is a second set of eyes on 22 this, and that we do a verification that everything 23 we've done was entered system appropriately, 24 documented correctly and appropriately, and that it 25 ties out. We've got to make sure that we have good</p>	<p style="text-align: right;">50</p> <p>1 data in that system. 2 That was phase one of what we're doing 3 with the Tyler system right now. 4 One of the things that I was asked to talk 5 a little bit about is the staffing and resources and 6 what's needed in the absolute immediate to keep 7 business going within the finance department, given 8 the number of vacancies that we currently have, and 9 the status of some of these projects and how behind 10 we are. 11 I did reach out to the Baker Tilly team 12 after the resignation of the senior accountant, 13 asked them if they had additional capacity with the 14 team that they've provided to assist us with the 15 ongoing audit processes. They indicated that they 16 did. One of the things that the Board may wish to 17 consider tonight is staff is recommending an 18 additional \$40,000 be added on to that Baker Tilly 19 contract in order to just help us with day-to-day 20 processing as we move through the end-of-year close 21 and, ultimately, the audit process. 22 Another thing that we are doing is the 23 full reconciliation of the Tyler system -- and I 24 don't want raise too much alarms here because the 25 work that Baker Tilly and Pam Day have done already</p>
<p style="text-align: right;">51</p> <p>1 has been invaluable and we're finding and 2 discovering some of the issues and reconciling them, 3 and we have a plan for getting those things right 4 moving forward. 5 One of the things that the finance staff 6 has requested, specifically, is to take a look at 7 the work flow processes within the system. Again, 8 staff feels like it's duplicative, it's difficult, 9 and getting the work flow right is not an easy task. 10 That activity was placed on a former employee, and 11 that employee did what they felt was appropriate at 12 the time. And it may have been and it may have 13 worked, but the staff that is here now, they feel 14 like they're struggling with it and they would like 15 to redesign the work flow processes within the 16 system so they can gain additional efficiencies, as 17 well as have some additional training on how to use 18 the Tyler Munis system and get reporting and data 19 out of the system that is more appropriate. 20 That amount, we've reached out to the 21 Tyler implementation team to have somebody come out 22 here for two weeks, would be roughly \$16,000. And 23 so we are making that suggestion that the Board 24 consider that tonight. 25 At the August 9th meeting, the Board took</p>	<p style="text-align: right;">52</p> <p>1 steps to adjust the salary of the controller and the 2 way we are marketing the controller position. We 3 already have that back out on the streets, with the 4 updated salary, and with the updated language. 5 We also have the senior accountant 6 position that is actively under recruitment right 7 now. 8 One of the things that I was asked is at 9 the processing level, are we going to be able to get 10 through this? Well, former Director Navazio had 11 identified need in the accounts payable area, that 12 we needed some additional assistance in data entry, 13 essentially entering invoices into the system so 14 that other staff can review and approve these items. 15 We want two sets of eyes on every accounts payable 16 item, obviously. 17 And so former Director Navazio hired a 18 special projects person. I erroneously assumed that 19 that was a temp worker, and then that was brought to 20 my attention subsequently that that is actually a 21 full-time position that is on the books and 22 budgeted, but it was considered dark. 23 So it wasn't, technically, funded within 24 the budget, even though potion allocation exists. 25 And so the intent was to use some of that</p>

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1 individual's time, utilizing salary savings in
 2 special projects money.
 3 We discovered that, administratively, we
 4 are able to convert that position to a full-time
 5 position, which we have done. It is currently under
 6 recruitment, and we have -- we believe we have the
 7 money within the existing budget to pay for it right
 8 now, but if the Board wishes to take some of these
 9 actions, they may wish to consider funding that
 10 position and as part of the overall budget
 11 adjustments that will be made in the future based on
 12 actions the Board took on the 9th, and the actions
 13 the Board may choose to take tonight.
 14 It continues to be my recommendation based
 15 a lot of the items that are identified in the staff
 16 report that I could really use some higher-level
 17 talent, somebody who is highly educated, highly
 18 trained, and very experienced. The recommendation
 19 continues to be to add an assistant director
 20 position, somebody that can really work on chipping
 21 away at some of these systematic issues.
 22 And so I want to talk a little bit about
 23 how we got here. The Audit Committee, about, I'm
 24 guessing, five to six weeks ago, met and asked me a
 25 series of questions about things that were going on

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1 with the audit and what the current status was. And
 2 I had identified that we were struggling to move
 3 forward with some of the day-to-day processes.
 4 The Audit Committee asked me to bring this
 5 item forward for the Board to consider. On the 9th,
 6 the Board took a number of actions and then
 7 specifically directed me to come back with tonight's
 8 agenda item, which identifies what is the special
 9 projects, essentially, the special projects list.
 10 And so there are risks of inaction tonight
 11 if we were to not take any action at all. I'm not
 12 convinced that we would be able to complete the
 13 audit within the State-prescribed deadline. We just
 14 don't have enough staff right now to get completely
 15 caught up and meet the State's deadline. That's the
 16 reason for the recommendations that you see tonight.
 17 Given that we are this far behind, one of
 18 the things that we have recommended is a forensic
 19 audit. The forensic audit is -- there are multiple
 20 types of forensic audits, and I want to echo Trustee
 21 Tulloch's comments that both the previous staff and
 22 the current staff have identified zero incidences of
 23 fraud or even suspected fraud. But that is not the
 24 point. That's not why you would want to issue a
 25 forensic audit.

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1 One of the reasons that we are
 2 recommending the financial due diligence audit is
 3 for someone to come in and take a deep dive, look at
 4 our financials, and make a recommendation to us. If
 5 they identify any potential which would necessitate
 6 a full financial statements audit, which could
 7 potentially uncover any fraudulent activities.
 8 But, once again, I want to highlight: We
 9 have no suspected incidences of fraud.
 10 The reason we want to look at this is we
 11 just want to put our minds at ease and make sure
 12 that we have a level of comfort that things are
 13 being done appropriately and correctly moving
 14 forward. I can't correct what happened in the past.
 15 What I'm asking the Board to do is to give us the
 16 resources to keep this correct moving forward.
 17 TRUSTEE TULLOCH: Thank you.
 18 Yes, I think -- we did stress that point.
 19 And you're absolutely correct. We do this as a
 20 precaution. Because this is not a situation that
 21 has occurred overnight. It's not something that's
 22 occurred in the last eight months. This is
 23 something that's been building up over several
 24 years, and that's the important part of it.
 25 Thank you for that clarification.

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1 MR. MAGEE: And if the Board chooses to
 2 direct staff to release a request for proposals for
 3 a forensic audit, I would suggest that the Board
 4 further direct staff to work with the Audit
 5 Committee on developing a statement of work so that
 6 we all have a level of comfort on what it is the
 7 forensic auditors would specifically be looking at,
 8 whomever that firm may be.
 9 The last item I wanted to address, because
 10 I received a number of phone calls and inquires from
 11 members of public and even staff and others, what
 12 this list of priorities are that are identified in
 13 this letter here. And so I want to be very, very
 14 clear on what this list is and what this list is
 15 not, so that the public certainly understands.
 16 In any organization -- I'm a professional
 17 consultant, I've been doing this for about ten years
 18 now, I've got a lot of agencies in my rearview
 19 mirror. Anytime I go into an agency, I start
 20 looking for opportunities to address best practices,
 21 areas for improvement, whatever, and I start making
 22 a list like this.
 23 I would suggest that every director in
 24 every department in every governmental agency in
 25 America probably has a similar list of things that

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1 they would like to improve upon. It is kind of a
2 wish list. If I had a magic wand, I'd love to fix
3 all this stuff, but I don't.
4 And so I create this list, these types of
5 lists, this is my list. These are the types of
6 things I have identified that I would like to work
7 on while I'm here, had I had unlimited resources,
8 unlimited time, these are the types of things.
9 I want to be very, very clear about this:
10 This is my list and my list alone.
11 Not one individual has directed me to put
12 anything on this list at all. I have received
13 suggestions from a number of individuals, of course,
14 from the public, from staff, individual board
15 members, would you think it's worth looking at?
16 And my response is either yes or no. If I
17 think it is worth looking at, I will add it to this
18 list.
19 In some cases I've said, "You know, I'd
20 love to get to that, but it's not something we have
21 the resources for, and I don't know that it's
22 important enough to add to the list."
23 And so there's all kinds of reasons why
24 things end up on here.
25 And I want to be very clear what this list

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1 completely cross some of these things off or all of
2 these things, direct me to let them go. It is the
3 Board's purview to pick and chose any one of these
4 and suggest that we should use ongoing, full-time
5 staff or consultants, whatever it is you would like
6 to do. That is what I was asked to bring forward,
7 and so that's what you see before you tonight.
8 With that, I will close my comments, and
9 I'm happy to answer any questions.
10 TRUSTEE TULLOCH: Mr. Nolet and General
11 Manager Bandelin would like to make some comments as
12 well.
13 Mr. Bandelin, particularly with regard how
14 this impacts the ability of your staff to operate
15 venues successfully.
16 MR. BANDELIN: Sure. As Bobby --
17 Mr. Magee said, this list was put together by him to
18 share with the Board of Trustees and the community.
19 I would support -- if I was the Board, I would
20 support the recommendations within the staff report.
21 They will entitle the District to move
22 forward with a financial department that can adhere
23 to policies, get started, complete, and maintain the
24 items that are on the list and the other items that
25 the finance department completes and maintains that

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1 is not. This is not a referendum on any activities
2 of past employees or current employees at all.
3 These are things that we can improve upon,
4 that's all I'm suggesting. Some of these things
5 were identified by the former controller, by the
6 former finance director, and they've already been
7 put into motion. I agreed with their activities,
8 and I have added them to this list because I would
9 like to continue these types of activities.
10 Things like the cash reconciliation.
11 Things like the purchasing projects that you'll see
12 at the end. Former Director Navazio identified
13 areas for improvement within the purchasing
14 function, a consulting report was issued, it is in
15 draft form, it's sitting on my desk. Candidly, I
16 haven't even had an opportunity to read it yet.
17 But I do know he had indicated that this
18 is something that we could improve upon, and I tend
19 to agree with him. That's why items like that end
20 on this list.
21 With that, this is my particular priority
22 list. The Board asked me to bring this forward so
23 it may look at what the priority list was, and the
24 Board weighed-in on what it thinks are priorities.
25 The Board could certainly, it's within your purview,

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1 are not on the list that are just general best
2 practices.
3 And specifically looking forward to be
4 able to, as Trustee Tulloch just noted, like, with
5 all those completed and at least started, that we'll
6 be better business operators, as a large part of the
7 District is operating businesses, and with better
8 financial reporting, more timely reporting that
9 would engage managers into being able to track
10 expenses, know immediate revenues, and be able to --
11 in my case or our cases as managers, be able to
12 probably perform our budget workshops and be able to
13 (inaudible) budgets in a more-timely fashion with
14 documented data and so forth.
15 So, those are my comments at the time.
16 Thanks.
17 TRUSTEE TULLOCH: Thank you, Mr. Bandelin.
18 Mr. Nolet?
19 MR. NOLET: Just a couple comments. One,
20 I want to commend Bobby and Mike and others who
21 contributed to this. I had no input into it. First
22 time I saw it was when it was posted. It's very
23 thorough, very good, and, frankly, fairly unnerving
24 to see this state of disrepair in so many key
25 processes within our great community.

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1 I wanted to take just a minute, inasmuch
 2 as people felt maybe my comments of August 9th were
 3 a little strong, to put a little bit color and
 4 background behind those comments.

5 The ACFR audit and our auditors are
 6 governed by both government auditing standards and
 7 the American Institute of CPA auditing standards.
 8 Particularly, SAS 99 or AU 316, consideration of
 9 fraud within a financial statement audit. It's an
 10 obligation of every audit team, every audit team, to
 11 have this conversation within its own team and
 12 subsequently with its clients to determine whether
 13 or not there are any indicators of fraud risk
 14 factors, and if there are indicators -- as I said on
 15 the 9th, we have not seen any such specific fraud or
 16 other inappropriate activities, but if there are
 17 indicators, the auditor has the obligation to plan
 18 and execute audit procedures responsive to those
 19 indicators. This is an auditing standard that
 20 applies to, effectively, all private organizations,
 21 commercial, government, or otherwise.

22 The government auditing standards, which
 23 we're also subject to, have a lesser discussion of
 24 this topic, and then refer to this AICPA audit
 25 standards.

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1 So, it's a requirement. Our auditors are
 2 going to come to us and have this conversation. We
 3 would be remiss if we weren't prepared to have that
 4 conversation. We're working to schedule and Audit
 5 Committee meeting with our auditors on the week of
 6 September 18th. And so we'll ask them, and it's our
 7 responsibility to determine, within our purview,
 8 that the scope of their audit is appropriate in
 9 light of these indicators. That's all they are is
 10 indicators.

11 But as I said on the 9th, I've never seen
 12 such a substantial collection of indicators, and
 13 then you take these new indicators in light of the
 14 fact that we have been criticized in past audits for
 15 not having journal voucher controls, which are
 16 problematic in light of these other controlled
 17 deficiencies. So that's that I would add.

18 Again, I think Bobby's done a great job.
 19 I think he's got a massive, uphill climb. He needs
 20 all the resources he's asked for and more.

21 And, lastly, for those of you who have any
 22 interest in it, no, I am not interested in serving
 23 as the general manager, a trustee, or any other
 24 capacity within IVGID. I'm (inaudible) of the
 25 at-large members. Do this as a volunteer because we

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1 want to leave things better than when we found them.
 2 The hundreds and hundreds of hours I've already put
 3 into this are donations to the community because I
 4 want to try do my bit to help in light of my
 5 professional background.

6 But, no, I'm not going to seek any other
 7 role nor extension of my appointment through March
 8 31st of '24.

9 Thank you.

10 TRUSTEE TULLOCH: Thank you, Mr. Nolet.
 11 Just before I pass this back to my board
 12 colleagues, I want to talk about one thing, Director
 13 Magee. Bank balancing, this is the -- what's the
 14 normal standard operating procedure for this?

15 MR. MAGEE: Through the Chair, the normal
 16 procedure would be to do this monthly.

17 TRUSTEE TULLOCH: This is from the '21/'22
 18 audit report, where it identified three significant
 19 deficiencies.

20 The top on there, timely preparation of
 21 bank reconciliations, were it was recommended that
 22 they should be performed on all bank accounts no
 23 later than end of -- following the month end. You
 24 get the general gist of that.

25 That was accepted in the staff

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1 recommendation was, yes, this was going to be done.
 2 I was astounded to find this because this is not
 3 something -- I wouldn't want to be micromanaging and
 4 asking staff have you done -- if you've actually
 5 done what's standard operating procedure, this is a
 6 standard practice in every organization. You do the
 7 bank reconciliation. A lot of organizations who
 8 wouldn't have has much revenue driven for services,
 9 would do it every week or even every day, in many
 10 cases, depending on the level of income. But
 11 certainly every month would be standard operating
 12 procedure.

13 I'll put my hand up as treasurer, I didn't
 14 find this. Trustee Tonking didn't identify this
 15 either. We saw it in the audit report and assumed
 16 it was moving forward. So I was shocked to find it,
 17 as was Director Magee.

18 I'll pass it back to Chair Dent and
 19 colleagues.

20 Thank you.

21 CHAIR DENT: Thank you guys. I appreciate
 22 the presentation and the comments thus far.

23 I will open it up to any questions at the
 24 Board level.

25 TRUSTEE TONKING: I have a couple of

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1 questions for Ray, Director of Finance Magee, and
2 for audit chair Nolet.

3 From my reading and from listening to you
4 all talk, what I'm seeing, some of these big
5 solutions to the areas that really we need to focus
6 to help get us on the right track is that (a) we're
7 understaffed, so we need to get the appropriate
8 staff to help solve this problem, and we're losing
9 staff rapidly. So we really need to figure out what
10 grouping of staff we can get to get us there.

11 And then Tyler system. From my
12 understanding, there's been some issues with how
13 journal entries are first put into the Tyler system,
14 which then cause -- when they put in an APs, double
15 entries. So now we're having a whole double entry
16 issue, which is then now causing a cash
17 reconciliation issue as well, on top of not
18 reconciling cash.

19 So, I think with those two, I'm seeing
20 those as our big issues of, like, things I view that
21 we need to focus on. But with that in place, I had
22 a couple questions.

23 When you said -- Trustee Tulloch, you
24 brought up the audit rec, would that be
25 board-ignored audit recommendations, are you saying

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1 feel are important, and just focus on getting us
2 caught up. That is the most important thing right
3 now.

4 TRUSTEE TONKING: Perfect. Okay. That
5 makes a lot of sense. Thank you.

6 I wanted to actually now talk about the
7 revolving State loan and the Army Corps. I am not
8 sure the process on how they approve.

9 I did do a lot of crawling and work around
10 the State revolving fund schedule. I am a little
11 nervous about that and did some research into that.
12 That's all revenue-based funding, and it's only
13 based on if we have the rates. So, they're less
14 concerned about our financials. I do understand if
15 we were to go completely out of business or
16 something horrific were to happen, that, again, is a
17 concern.

18 But for my understanding, the State
19 revolving fund is only based off of a revenue
20 assumption, so we do have to be careful how we're
21 wording that. I think, like, one concern that makes
22 me less concerned about that is we have the rates,
23 so far, in compliance with that issue.

24 Now, my questions are off of Mr. Magee's
25 report. The first thing you just said is that we

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1 the Board ignored two Audit Committee
2 recommendations, or are you saying they ignored the
3 recommendations out of the audit?

4 TRUSTEE TULLOCH: No. I was pointing out
5 that the Audit Committee recommendations for the
6 '21/'22 audit were actually rejected by the Board.
7 That was what I was referring to.

8 When you were chair of the Audit Committee
9 for last year's audit presentation, we noted these
10 recommendations to correct these identified
11 deficiencies, and that was approved by the Board.

12 TRUSTEE TONKING: Okay. And then the idea
13 that when you're saying -- and might be a question
14 for GM Bandelin. When you're saying that the
15 financials were three to four months out of date, I
16 thought it was only three to four months out of date
17 online, but other people could access some
18 understanding of their financials. Is that an
19 incorrect assumption? Internally?

20 MR. MAGEE: So the answer is yes, we're a
21 few months behind right now. We do know that. We
22 are working diligently to get those updated as
23 rapidly as we can.

24 I've directed staff to set of all of their
25 other items aside, all of these things that they

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1 could get Baker Tilly to come in for \$40,000 and
2 that would help get us all caught and set to get
3 some of that accounting role, since we lost the
4 senior accountant.

5 We would have them while we are still
6 working to hire a senior accountant; is that
7 correct? That would kind of happen simultaneously?

8 MR. MAGEE: That is correct. What I've
9 asked them to do is if they could come in and help
10 us with some of the day-to-day activities that were
11 previously performed by both the controller and by
12 the senior accountant, and just try to keep
13 operations going. That would be the intent.

14 Now, the contract that the Board approved
15 previously, we are currently utilizing that
16 specifically to get caught up on the 14 months
17 previous bank reconciliation, so they are already
18 assisting us with our year-end close.

19 They are getting familiar with our
20 systems. It makes logical sense to have them help
21 us with some operational, day-to-day items as well.

22 TRUSTEE TONKING: Perfect. So then that
23 40 grand would be spent on, basically doing what the
24 controller and senior accountant were both kind of
25 doing to keep us functioning so we don't keep

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1 getting further behind and then having to catch up.
 2 Is that the correct understanding?
 3 MR. MAGEE: Yes, that's correct. And both
 4 the controller and the senior accountant position
 5 are currently posted on the website, and we are
 6 actively recruiting for those positions.
 7 TRUSTEE TONKING: So then you said work
 8 flow for Tyler -- and I'm very into this and having
 9 Tyler come in an help fix that. Did you say that
 10 was \$16,000?
 11 MR. MAGEE: That is correct. That brings
 12 them on site for two weeks with an implementation
 13 consultant that has specific expertise in setting up
 14 work flow within the Tyler system.
 15 TRUSTEE TONKING: This isn't, though,
 16 going to help with some of the other Tyler issues
 17 that Trustee Tulloch had raised in the memo and
 18 staff had raised in the memo? Do we still need to
 19 figure those out somehow? That's not part of the
 20 \$16,000?
 21 MR. MAGEE: It may be part of that
 22 \$16,000, and that's why I'm recommending that
 23 amount.
 24 We don't need this person on site for two
 25 full weeks specifically to just do work flow. As I

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1 had mentioned, we are working both with Baker Tilly
 2 and with our consultant Pam Day. She's jumped in
 3 and identified a number of things and already
 4 corrected them.
 5 We are actively working with external
 6 consultants to solve those issues now. But at the
 7 end of the day, the Tyler implementation consultants
 8 who work for Tyler, they're going to understand it
 9 better than anybody else. So we want to make sure
 10 that there's multiple sets of eyes on this, and that
 11 we get this correct moving forward.
 12 TRUSTEE TONKING: So the Board is aware,
 13 I'm in favor of the Baker Tilly idea, and I'm in
 14 favor of the work flow with Tyler.
 15 I understand your point around the
 16 forensic audit. My one concern is (a) you brought
 17 up that the Audit Committee would work on it. I
 18 could be on board if that scope of work has been
 19 brought to the Board for approval because there's
 20 some areas that I'm concerned that it can become
 21 highly cost-prohibitive and might bring us down a
 22 path that isn't actually moving in the right
 23 direction, but I can be on board.
 24 My one concern is -- actually, it's a
 25 two-fold concern. Is knowing that this is happening

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1 going to hinder people from applying for these jobs?
 2 And should we wait until we are fully staffed? And
 3 off that same note, are there people -- what kind of
 4 staff assistant is this forensic audit going to need
 5 in order from, like, our staff? Like, what is that
 6 time component to that? Because I already am
 7 hearing the dialogue that we're taking -- we're
 8 running -- we don't have enough staff, and we're
 9 having trouble hiring and we -- so I just want to
 10 make sure this isn't going to deter from any of
 11 those, or if we need to postpone this for six months
 12 or until we actually have a team? I wasn't sure
 13 what the staffing looked like, if any.
 14 MR. MAGEE: I hear multiple parts to that
 15 question, so please let me know if I haven't
 16 answered any portion of that.
 17 The actions that the Board took at the
 18 August 9th meeting with respect to adjusting the
 19 controller's salary, I do believe that we will
 20 definitely increase the amount of applicants that we
 21 are receiving, the amount of qualified applicants
 22 specifically. I am cautiously optimistic that we
 23 will be able to find an individual.
 24 Now, whether we should delay this or not,
 25 I think we should move forward with it and at least

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1 have it ready to go for when staff is here, when we
 2 finally have somebody on board, that we're ready to
 3 hit the ground running.
 4 And with respect to would people not apply
 5 for the position knowing what some of these issues
 6 are here, I actually think a lot of qualified
 7 individuals would find that as a challenge and
 8 interesting work, something that they've never dealt
 9 with in their career, and I think might be of
 10 interest to highly qualified individuals to get an
 11 opportunity to work on something like this. I would
 12 certainly recommend disclosing it to any candidates
 13 during an interview process.
 14 TRUSTEE TONKING: That makes sense.
 15 The part that you did miss is what type of
 16 staff involvement would be part of this, how much of
 17 staff time are we utilizing for this process?
 18 Because we just talked about how minimal staff time
 19 we have.
 20 MR. MAGEE: Sure. That is unknown at this
 21 time.
 22 I think much to your point, we would
 23 really have to identify how in depth the scope would
 24 be, first, because, obviously, the auditors are
 25 going to rely on us to pull a lot of data, and so

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1 the bigger the scope gets, the more staff time is
 2 going to be needed.
 3 And so I don't know that it would be fair
 4 of me to speculate for the Board right now what that
 5 might look like in the absence of having a scope of
 6 work that we at least understand and agree upon.
 7 TRUSTEE TONKING: Okay. So then what I'm
 8 understanding your recommendation is on this is we
 9 would start with how it's worded in here, where we
 10 would start moving through the scope of work, having
 11 it go to the Audit Committee, help them develop it,
 12 have it then come back to the Board, I would
 13 recommend, for review before even approval. And
 14 then during that review conversation, we'd talk
 15 about what that timing looks like on staff, and if
 16 we need to delay a little bit until we have a full
 17 team, but then once -- and understand that. And
 18 then once we get there, then we can move to approve
 19 it.
 20 Is that what I'm understanding? I don't
 21 want to put words into your mouth.
 22 MR. MAGEE: I think that would be a fair
 23 characterization of what I'm saying. If we are
 24 unable to hire a controller and a senior accountant
 25 by the time that process is completed, then I would

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1 come to me, all the time, my staff comes to me,
 2 other directors, the interim general manager, a
 3 board member, a member of the public, and then they
 4 say, I received a question recently, or say, hey, I
 5 saw something here, and I don't know if this makes
 6 sense, if this is normal.
 7 And I got one tonight, just sitting here
 8 in the audience, is this type of activity normal?
 9 And the question was related to how often are bank
 10 reconciliations typically done, and should that be
 11 looked at that.
 12 And so when I hear those types of
 13 comments, I certainly take them under advisement and
 14 consideration, and if I feel it's warranted and
 15 important enough to get on this list, then that's
 16 kind of how it put it on there.
 17 TRUSTEE TONKING: Mr. Nolet, I have two
 18 questions. Has the Audit Committee spoken with the
 19 auditors at all about this yet?
 20 MR. NOLET: Only to the extent during the
 21 last meeting where we profiled some of the early
 22 internal control concerns and gave, I would say
 23 Jennifer Farr, the clear signal that if she needs to
 24 come back to us with some scope changes to
 25 incorporate expanded work around these weaknesses,

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1 probably would recommend to delay it at that time.
 2 But if we have those positions filled with
 3 highly qualified individuals and, in theory,
 4 additional staffing that has been recommended, then
 5 I think we would have appropriate levels of staff
 6 that could handle that in house.
 7 TRUSTEE TONKING: Then the last thing was
 8 in this list of priorities -- I think we'll probably
 9 talk about his as a group -- I really appreciate
 10 Trustee Tulloch and you ranking and putting these
 11 into, like, priority lists. There are some issues
 12 that I would like to move around a little.
 13 I wanted to understand, because I think
 14 you've spoken to ways, but that is this the list you
 15 came up with, but it's a list, and you said it's
 16 totally yours, it's also a list, though, that you
 17 did receive input from board members, from staff,
 18 from the community, then you decided if it should go
 19 on the list or not; is that a correct understanding?
 20 MR. MAGEE: Yeah, that's correct.
 21 And this is not meant to be a
 22 comprehensive list. This is not a comprehensive
 23 list of all things I'm working on or doing day to
 24 day. That's not what this is.
 25 What this is is individuals frequently

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1 we would be amenable to that.
 2 The first substantive discussion with
 3 her, frankly, relying on Bobby Magee's paper in
 4 principle, will be this meeting coming up in a
 5 couple of weeks.
 6 TRUSTEE TONKING: Okay. Then you what you
 7 spoke of and what's coming out of this and these
 8 issues, these have been discussed and vetted with
 9 the Audit Committee yet, or are these just from your
 10 dialogue with Mr. Magee and Trustee Tulloch and
 11 staff?
 12 MR. NOLET: I've had pretty extensive
 13 discussion with the at-large members individually.
 14 TRUSTEE TONKING: But it hasn't been part
 15 of the public record in any form?
 16 MR. NOLET: Only to the extent of the
 17 prior meeting, I think it was end of March, there's
 18 some discussion, I believe, in those minutes about
 19 some of concerns.
 20 I would say the majority of the
 21 significant issues came to light after that March
 22 committee meeting. We discussed what we knew at the
 23 time.
 24 TRUSTEE TONKING: I would also, and I
 25 don't -- you know this, and I just want to say it on

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1 the record because when you talked about directing
 2 scope, we don't want to be directing scope due to
 3 independence, so just throwing that out there, so we
 4 don't clarify that. I knew what you had meant, but
 5 I didn't want it to sound how it originally came
 6 off, at least when I first heard it. Just wanted to
 7 correct the record on that.

8 Thank you.

9 MR. NOLET: Okay. Bobby, you might just
 10 mention also, I believe some of the items on your
 11 work list were carryovers from a similar list that
 12 Paul had been maintaining.

13 MR. MAGEE: Thank you. Yes, sir --
 14 through the Chair.

15 Yes. That is correct Mr. Navazio, when
 16 we -- I was first brought on board, we had an
 17 opportunity to talk a couple times, and some of
 18 these things were items that he had already
 19 identified and was already working on correcting.
 20 All I've done is keep them on the list and continue
 21 to move them forward.

22 TRUSTEE TONKING: I am very supportive of
 23 trying to hire some staff. And I would be remiss to
 24 apologize for not being totally on board at the last
 25 board meeting in that.

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1 helps as far as timing on some of this stuff.

2 TRUSTEE TULLOCH: Just picking up on,
 3 Trustee Tonking talked about the Tyler work flow and
 4 you talked about getting Tyler in. I mean, one
 5 thing, since the issue is work flow, can we make
 6 sure we have our work flow design or proposed work
 7 flow design done first? Obviously staff raised
 8 their concerns, and that's -- I've been on the
 9 record several times, a lot of my concerns about
 10 Tyler was we tried to do so much in house and we
 11 stretched staff way too thin. That's not something
 12 -- you can't just do it with your own staff. People
 13 can't do two jobs at once. So we've broken every
 14 rule in the book there.

15 I would like to see the work flow, some
 16 design, some process designs done first before Tyler
 17 come in and say, well, you just do it this way.
 18 I've seen clients on the receiving end of that as
 19 well. They come up with a completely convoluted
 20 work flow that doesn't work, but it's the only one
 21 that the consultants know.

22 Hopefully we can do the process design, a
 23 draft first.

24 MR. MAGEE: We can certainly do that, if
 25 this item is ultimately approved by the Board.

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1 And then I am very much in favor of these
 2 two immediate solutions in terms of Baker Tilly and
 3 Tyler.

4 CHAIR DENT: I do have a question as it
 5 relates to -- we're talking about a lot of changes
 6 in funding or, potentially, new contracts, and just
 7 thinking about timing with that, and I can't tell if
 8 general counsel is on right now, but as far as --
 9 Josh, are you available?

10 MR. NELSON: I'm here, Chair.

11 CHAIR DENT: With some of these
 12 changes and with the timing of all of this and with
 13 -- I would perhaps call this an emergency to get
 14 some of these things done, what would the process be
 15 for funding some of these contracts and approving
 16 some of these contracts? More importantly, is that
 17 something that we could do that through the
 18 designation that's been handed off to Trustee
 19 Schmitz as far as the contract approval process?

20 MR. NELSON: Yeah, that's correct.
 21 There's budgeted funds, and subject to
 22 Trustee Schmitz' oversight, the interim general
 23 manager would be able to execute any agreements,
 24 update signature authority.

25 CHAIR DENT: Understood. Okay. That

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1 I've heard your comments, and when we get
 2 the Tyler implementation specialist on site, we can
 3 certainly prioritize that and get that done first.

4 TRUSTEE TULLOCH: Then we can maximize the
 5 use of Tyler.

6 CHAIR DENT: Questions for my colleagues?

7 TRUSTEE SCHMITZ: I don't really have any
 8 questions. I just want to say thank you all.

9 It's never easy to be to bearer of bad
 10 news, and I think you've done an excellent job of
 11 grounding us and bringing us back to reality and
 12 putting in front of us information that we can make
 13 decisions on.

14 For me, it's disappointing to see how
 15 offers of assistance in the past had been turned
 16 down. Chair Dent, myself, had offered assistance in
 17 the past. It was turned down. Even in May, we had
 18 a proposal in front of this board to bring in and to
 19 search out assistance with the Tyler system, and
 20 that was turned down.

21 So, it's quite alarming to suddenly be
 22 given all of this information and realize how far we
 23 are behind. And I really appreciate staff's efforts
 24 in pulling together as a team and providing us with
 25 information so that we can make a decision and be

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1 supportive of what staff needs to do. Because their
2 job is very important. We can run our venues if we
3 don't have timely financial information.
4 I think everything needs to be
5 prioritized, and getting accurate data for our venue
6 managers is number one. Accurate financial reports
7 and our internal controls.
8 And what's surprising and, again, a bit
9 alarming to me is that some of these things that are
10 on that project list have been sitting on a project
11 list since 2020.
12 So I'm happy that we're putting the
13 resources or you're identifying at least to us what
14 resources are needed. Because if these things are
15 priorities for the Board, for the District, for
16 staff, we have to be supportive of the resources
17 needed in order to appropriately staff the
18 organization and create an environment where they
19 have the ability to actually complete their work and
20 feel proud of the work that they're doing.
21 I'm fully supportive of what is needed to
22 be done here so that we can get back on track and
23 get our organization restaffed, retooled, and
24 reenergized.
25 TRUSTEE NOBLE: If the Board moves forward

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1 I'll say, we need more warm bodies that are actually
2 doing the grunt work in terms of that. And that's
3 no -- that's not intended as a slight against
4 anyone. It's my unfortunate phraseology. I'm just
5 a simple operating engineer in terms of that.
6 Yeah, we need more bodies. And given the
7 regular turnover at that level, and also staff at
8 that level getting promoted. I'm delighted to see
9 when we've had so many -- a lot of senior staff
10 leaving, how we've -- some of our internal staff
11 have stepped up and taken on new roles and doing a
12 great job so far. That is hugely encouraging.
13 I would certainly like to see us
14 overcorrect at this stage, because we know it will
15 come out.
16 In terms of the numbers, one thing that's
17 also come out is over the last several years, we've
18 actually declined the number of staff in finance,
19 yet the complexity has grown. We're currently
20 spending -- we're doing a lot more -- we're not like
21 a typical government agency because 70, 80 percent
22 of our revenue comes from user fees and utility
23 charges. So we're quite a bit difficult from, say,
24 North Tahoe PED or whatever it is.
25 And I look at the numbers, and we look

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1 with directing you to add additional full-time,
2 permanent personnel, I would hope you keep in mind
3 that, given the historical turnover and vacancies of
4 this department has had, that you anticipate that
5 going forward. I'd rather see us not overstaff, but
6 fully staffed, and able to handle anything that
7 comes IVGID's way, versus trying -- the past
8 practice of trying to be as lean as possible, which
9 appears to not have been working, especially over
10 the last -- given the additional workload
11 requirements that have been thrust upon the finance
12 department for various reasons.
13 I hope that you would just keep that in
14 mind. And the extent that you feel it's necessary
15 to add additional personnel to bring that request to
16 the Board and/or bill it as you feel that you're
17 authorized to do so.
18 CHAIR DENT: Any other questions?
19 TRUSTEE TULLOCH: I think Trustee Noble
20 must have been eavesdropping on our discussion this
21 afternoon in terms of that.
22 Yeah, and I support -- that was a
23 discussion we had, whether we should overstaff. I
24 think that was exactly the discussion we had,
25 because typically at that level, we need more --

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1 very lean. And the problem is then you've just got
2 to drop everything and do what's absolutely urgent,
3 and as a result, things like bank reconciliations
4 fall by the wayside. But they're absolutely
5 critical.
6 And as I say it's -- I don't necessarily
7 share Trustee Tonking's confidence that the SRF loan
8 wouldn't be there. Because if we can't reconcile
9 our books, we can't guarantee the revenue's coming
10 in either, whether it's from the utilities or
11 wherever.
12 But, yes, I would certainly encourage
13 that.
14 What's your feel for the number of
15 additional staff required, workers, and is there
16 some potential for getting some locally? Maybe some
17 high school kids who just recently graduated, not
18 all going to college, maybe a lot of them would like
19 to stay here. There might be some great
20 opportunities for brining in some entry-level staff.
21 MR. MAGEE: Yes. Absolutely. I just
22 actually received an email this week related to, I
23 believe, University of Nevada, Reno. There is some
24 potential for some interns that are there.
25 There has been an individual who has

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1 reached out to me interested in doing a little bit
 2 of contract work on the side. We contacted him this
 3 week. We are going to talk to him and see if it
 4 makes sense if there's something he can work on as
 5 well.

6 Again, we're just trying to get caught up
 7 right now, trying to get some of these projects
 8 done.

9 As I mentioned, the account tech position
 10 is currently under conversion to a full time. We
 11 would like to see that position fully funded, and
 12 we'd like the Board to direct us to do that as part
 13 of the budget augmentation that will come back, as
 14 we've already been directed through some of the
 15 August 9th items, a fully -- what I believe would be
 16 a fully staffed, appropriately staffed -- I wouldn't
 17 say overstaffed because I think that it would be
 18 appropriate to staff it at this level in order to do
 19 a lot of these things that I'm suggesting on here.

20 And so one of those positions, as I
 21 mentioned, would be the assistant director of
 22 finance, it would be a working assistant director of
 23 finance position. It's part leadership and it's
 24 part getting your hands dirty and getting in there
 25 and getting the work done.

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1 Manager Bandelin, Director of Finance Magee.
 2 I know it's not easy to come into a
 3 situation like you came into, and I definitely
 4 appreciate you shining some light on these areas
 5 where we have urgent needs, and we do need to move
 6 forward and change from practices of the past.

7 Months ago, we were asking, "Do you need
 8 help?" So I'm happy we're here to approve what you
 9 need and get you the help you need and get your team
 10 the help they need.

11 I appreciate everyone putting in the hours
 12 that they've put in. I think it's important that
 13 they know there is light at the end of tunnel, and
 14 hopefully changes at the August 9th meeting and then
 15 moving forward with what's on the agenda for tonight
 16 does make an impact and changes the morale of, you
 17 gotta do more and work more hours and take on more
 18 tasks, that they just know that we take this
 19 seriously, and it's time for a change.

20 TRUSTEE SCHMITZ: I have two questions.
 21 You indicated the due diligence audit. From your
 22 perspective, what are you anticipating the costs of
 23 that to come in at, roughly?

24 MR. MAGEE: I wouldn't -- as a procurement
 25 expert, I would not want to put a number on that

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1 And then as you and I had discussed
 2 previously, a nice-to-have would be a management
 3 analyst level position, which would essentially
 4 focus on helping departments make sure that their
 5 budgets are tight, and we start doing things like
 6 estimated actuals. That is something you and I
 7 talked about offline. That's more of a
 8 nice-to-have. It would certainly, I believe, be an
 9 appropriate level of staffing, and would certainly
 10 alleviate some of the comments that Trustee Noble
 11 indicated that if there were turnover, we would have
 12 people appropriately cross trained, somebody would
 13 be able to step in so we don't find ourselves in
 14 this type of position a second time.

15 TRUSTEE TULLOCH: Excellent comments. I'm
 16 fully aligned with these.

17 I think it's important that we need to
 18 bring our finance support and finance staffing up to
 19 modern standards. We're spending between 60 and 100
 20 million this year. It's a big business. It's a
 21 complex business in many ways, so we need to make
 22 sure that we have a properly functioning finance
 23 department. It's not a luxury; it's an essential.

24 CHAIR DENT: I want to thank Trustee
 25 Tulloch, Audit Committee chair Nolet, General

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1 because we would be asking the potential vendor
 2 community to provide us with a solution based on the
 3 scope of work that we identify. And I can tell you
 4 that I've been on the other side of those things,
 5 writing it, and when a costs is identified, then
 6 they run right up against that and tell you what
 7 you're going to get for that.

8 I would prefer that we develop the scope
 9 of work, and then we ask the vendor community to
 10 provide their suggested costs on that type of thing.
 11 That would obviously come back to the Board for its
 12 approval. It could chose to enter into a contract
 13 based on that, or to reduce the scope in order to
 14 reduce the costs. The Board would still have
 15 options.

16 TRUSTEE SCHMITZ: I appreciate that. And
 17 I do understand your perspective. So, in your
 18 experience in the past when you've had engagements
 19 like this, what has the range been? Just to give us
 20 an idea.

21 MR. MAGEE: Sure.

22 TRUSTEE SCHMITZ: If you don't want to
 23 answer, you don't have to. But I'm just trying to
 24 sort of anticipate where we need to be teed up to
 25 do.

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1 And, again, if you prefer not to answer --
2 but I'm just asking from past experience.
3 MR. MAGEE: Yeah. In my past experience,
4 various types of audits have typically run anywhere
5 from 50,000 to 150,000. It depends on the scope of
6 work, again. And I think that given what we may be
7 asking for, you may see some proposals that come in
8 in that range.
9 There's always an outlier. Somebody will
10 say, I could all this amazing stuff for you, and it
11 will be 350,000. Those proposals tend to get
12 rejected.
13 TRUSTEE SCHMITZ: The other thing, when
14 you come back to us, I think it would be helpful if
15 you could lay out for us your ideal organizational
16 structure. You know, what are the roles that you
17 feel need to be in your organization and have it
18 laid out for us.
19 And then the other position that you
20 didn't talk about tonight, and I know we all had
21 expressed support for it, was the internal auditor
22 position. And we broadened it in our discussion to
23 be beyond finance, to be operational as well.
24 So, I just want to make sure that we don't
25 drop the ball on that position as well.

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1 should be there. One of the things I wanted to do
2 tonight was dispel some of these myths and rumors
3 that's been floated about, because I've heard from
4 community members, what's happening, are we going to
5 lose or beaches?
6 No. No. No, we're not going to lose or
7 beaches unless we do things that threaten the beach
8 deed. I think it's --
9 I would like to ask the Board, I propose
10 to make a motion in line with the agenda, if that's
11 okay with Chair Dent.
12 CHAIR DENT: I'll entertain a motion.
13 TRUSTEE TONKING: My question is -- I want
14 to consider adding additional staff because we
15 just -- we haven't talked about that part of it yet.
16 You've all mentioned that we are filling positions
17 and we are hiring someone to get some of the
18 backlog, but I want to bring up a conversation of
19 added space for additional staff, as Mr. Magee had
20 requested as well.
21 TRUSTEE TULLOCH: Yes. Sorry. I thought
22 I had made that clear. I'm in line with Trustee
23 Noble's comments. I believe, yes, we should -- I
24 mean, I think we need to be recruiting. There is a
25 turnover, and a turnover's expected in the level of

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1 MR. MAGEE: As you know, that position was
2 approved by the Board on August 9th, and I will be
3 working with the human resources director on
4 developing the -- we've already started, actually,
5 developing the job duties and what that flyer would
6 look like.
7 TRUSTEE SCHMITZ: So tonight are you
8 looking for us to just basically give you approval
9 for the 40,000 and the 16,000, and approval to move
10 forward with creating an RFP for the due diligence
11 audit?
12 MR. MAGEE: Well, if possible, I would
13 like the Board to approve all of this tonight.
14 Obviously, the staffing levels as well. I'd like to
15 get that rolling immediately. Let's solve the
16 immediate problems through the use of some of these
17 consultants and the Tyler implementation specialists
18 that we've identified.
19 And also start the recruitments right
20 away, because the sooner we get these people on
21 board, the sooner we can get a lot these things
22 correct moving forward.
23 TRUSTEE TULLOCH: This has been very
24 helpful and very clarifying. Hopefully when we see
25 the bank balances, we have a good idea of what

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1 that staff anyway. I think the more people we can
2 get on board, it's good.
3 My intuitive feeling, my gut feeling,
4 whatever you want to call it, from lots of work
5 going into places and seeing and assessing the
6 staffing levels, we probably need -- looking for one
7 to two extra bodies compared to what's there, what's
8 currently approved, just to get caught up and make
9 sure we get ahead of things.
10 I don't want to ever be in this position
11 as treasurer again to find that we've got a
12 situation like this. As I say, this has not
13 occurred overnight; this has occurred over a period
14 of several years. It's unfortunate there's -- it's
15 always easy to focus on doing nice things. Let's
16 build a nice, new pool and everything, and that's
17 great and that's wonderful and that's serving the
18 community, but if we don't have the finances, if we
19 don't have the proper systems in place behind it, we
20 can't do much more.
21 So, yes, to your question, I would suggest
22 that -- I'll leave it to General Manager Bandelin
23 and to District Magee in this case, but my
24 instinctive feel is we probably need to strengthen
25 the department by about two bodies.

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1 TRUSTEE TONKING: Do we need to make that
 2 motion as part of this motion tonight? Is basically
 3 the question I'd asked.
 4 MR. NELSON: Yeah, legally, the answer's
 5 yes. So the Board establishes a number of
 6 positions. And so, you know, you -- we can provide
 7 some direction. Staff's going to need some
 8 flexibility on the numbers, but eventually we will
 9 want the Board to firm up the number of FTDs that
 10 are to be added, and that could be added at a future
 11 meeting.
 12 CHAIR DENT: Correct.
 13 TRUSTEE SCHMITZ: I think that the
 14 proposed motion in the memo does cover it, because
 15 it states: To direct staff to add full-time,
 16 permanent personnel to the finance department as
 17 necessary, based on identified needs to meet the
 18 current and future expected workload.
 19 So I think it is covered by the word
 20 "future" expected workload.
 21 CHAIR DENT: Understood. I think what
 22 general counsel is saying is if we are going to be
 23 creating new positions that aren't budgeted, then
 24 those positions will be coming back to the Board for
 25 approval, we can't approve positions that we don't

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1 for Baker Tilly in the amount of \$40,000, and for
 2 Tyler Munis in the amount of \$16,000.
 3 And I direct staff to prepare -- or the
 4 Board direct staff to prepare a scope of work for
 5 the request for proposals to solicit a qualified
 6 firm to conduct a forensic financial due diligence
 7 audit.
 8 And direct staff to begin the process for
 9 conducting a public hearing to adjust the budget as
 10 needed as a result of the associated costs and
 11 recommended actions from tonight's meeting and of
 12 August 24th, 2023.
 13 CHAIR DENT: Motion's been made. Is there
 14 a second?
 15 TRUSTEE TULLOCH: Can I make a slight
 16 modification to that? It's -- thank you, Trustee
 17 Tonking, for identifying the Baker Tilly work and
 18 the Tyler Munis.
 19 I think it's also -- I'd also like to add
 20 to that to direct staff to identify and evaluate any
 21 other consulting resources required as the Board
 22 goes through the list of prioritized projects.
 23 TRUSTEE TONKING: That's fine.
 24 TRUSTEE TULLOCH: I'll second in that
 25 case.

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1 know the title for or have the job description for.
 2 MR. NELSON: Yeah, that's correct, Chair.
 3 Certainly to Trustee Schmitz' point, I
 4 think the motion, as intended, would give staff the
 5 direction to move forward with that process, and it
 6 could be brought back once we had some clarity
 7 before anyone is additionally hired.
 8 CHAIR DENT: Understood. Thank you for
 9 weighing-in on that.
 10 I will entertain a motion.
 11 TRUSTEE TULLOCH: To clarify, do I need to
 12 make several motions here or combine them?
 13 MR. NELSON: It's your pleasure. You can
 14 make a motion that covers all the requests, or any
 15 number of them.
 16 TRUSTEE TULLOCH: Thank you.
 17 I'm not sure it's my pleasure, but I will
 18 make an attempt. I'll defer to you, Trustee
 19 Tonking.
 20 TRUSTEE TONKING: I move that the Board
 21 direct staff to add additional full-time, permanent
 22 personnel to the finance department as necessary,
 23 based on identified needs to meet the current and
 24 expected future workload.
 25 I direct staff to approve additional work

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1 CHAIR DENT: Motion's been made and
 2 modified and seconded. Any further discussion by
 3 the Board?
 4 TRUSTEE NOBLE: One clarification with
 5 regards to the special projects. Is that something
 6 we're going to talk about tonight after the motion,
 7 or is that something we're going to discuss in the
 8 future? Because I'm looking at pages 9 through 10,
 9 and we've got 29 different priorities, and beyond
 10 just getting us back up to speed on day-to-day
 11 operations, these seem to -- some seem to be highly
 12 connected, others do not need, and so I don't know
 13 if Mr. Magee needs direction with regards to those
 14 priorities as well.
 15 CHAIR DENT: Given the feedback from the
 16 Board, I think the Board is okay with the priorities
 17 that are laid out in here. But if the Board wants
 18 to weigh-in after this motion --
 19 Trustee Tonking, I saw you shaking your
 20 head.
 21 TRUSTEE TONKING: There's some I'd like to
 22 move around. And I mentioned that earlier.
 23 CHAIR DENT: So, yes, after this motion we
 24 can --
 25 Josh, after this motion, we can then move

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1 to prioritize the projects and give staff feedback;
 2 correct?
 3 MR. NELSON: Yeah, that's correct.
 4 Although, that isn't identified, I don't believe, as
 5 an action on the agenda.
 6 CHAIR DENT: So then should we just pause
 7 with the action and have this discussion right now?
 8 MR. NELSON: I take it back. There's an
 9 item for to provide direction on the Board's
 10 priorities. So apologies, Chair.
 11 I'd recommend we vote on the motion, and
 12 then provide that direction.
 13 CHAIR DENT: Perfect. Motion's been made
 14 and seconded. Any further discussion by the Board?
 15 All right. Seeing none, I'll call for
 16 question. All those in favor, state aye.
 17 TRUSTEE TONKING: Aye.
 18 TRUSTEE TULLOCH: Aye.
 19 TRUSTEE NOBLE: Aye.
 20 TRUSTEE SCHMITZ: Aye.
 21 CHAIR DENT: Aye.
 22 Opposed? Motion passes, 5/0.
 23 That will close out that portion of this
 24 item. Moving on to the prioritization that starts
 25 on page 9 and 10, the 29 items.

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1 Who would like to take the lead?
 2 TRUSTEE NOBLE: I'm looking at -- I'll
 3 take them in each tranche.
 4 Numbers 1 through 8. All but number 3, I
 5 would agree with those right now based on current
 6 bandwidth with staff.
 7 And looking at 9 through 15, at least 9,
 8 10, 13, and 14, especially number 10, given the
 9 concerns that Mr. Magee has highlighted with regards
 10 to the Muni work flow and the duplication of effort
 11 and stuff. I think that would help streamline the
 12 workload that staff's currently encountering.
 13 With regards to 16 through 29, I think
 14 there's a lot of these that are worthwhile, but I
 15 would propose tabling those for right now until we
 16 can get these other ones done and just see where
 17 we're at at that point, based on can we fill the
 18 vacancies? Do we have the bandwidth internally to
 19 do this? Because if we don't, is it still a
 20 priority if we have to go out and contract to get
 21 these things done? Because that dollar figure could
 22 be tremendous.
 23 It's not a knock on any of those, it's
 24 just more I would like to get these other ones done
 25 and over with before we tackle the others.

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1 Those are my thoughts.
 2 TRUSTEE TONKING: I was going to say that
 3 we should probably combine all the Munis ones, the
 4 1, 8, and 10, as a whole Tyler Munis view. I don't
 5 think these are going to be separated. I would put
 6 them in a zero to three month priority.
 7 I'm fine with food and beverage deep dive
 8 as, like, low on that zero to three month list.
 9 Like, I feel like there are some of these that are,
 10 like, higher on it.
 11 And I want to look at 9 through 15 as
 12 fine.
 13 But if we get over to that four to nine
 14 month, and the six month plus, I think some of
 15 these, we have to just think about that these are
 16 going to be, like a year out. And a lot of these
 17 can go together, like punch cards, just put that all
 18 as one.
 19 We have purchasing (inaudible) and P
 20 cards, probably can throw a bunch of that together.
 21 Like, some of these are just the same item, and,
 22 like, we can make them a big item.
 23 The other thing I have, Tyler invoicing
 24 modal, like, hopefully that's something we can talk
 25 about when we're doing the Tyler. It should

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1 probably, again, be part of that Tyler grouping.
 2 And then some of them, the Transparent
 3 Nevada one, I can -- it's just -- that it's a
 4 vertical file, it just needs to go from vertical to
 5 a horizontal file. I have work with them all the
 6 time to get school district stuff. It's an annoying
 7 manual labor thing, and it will take a few minutes.
 8 I think some of these are, like, quick
 9 fixes that I'm not even sure need to, like, we need
 10 to be that alarmed about. Like, that can take -- I
 11 can teach someone how to quickly do it, and it would
 12 be fast.
 13 So there is just some of those that I'm,
 14 like, we can probably knock off the list. I'm a
 15 little concerned as to why they're there.
 16 But I would probably move everything that
 17 medium term into more like a six months, and then
 18 some of these in the 22 to 29, I'd put a year.
 19 And then I would try to get all the Tyler
 20 Munis in one setting, also, and maybe knowing that
 21 we may have to extend the Tyler Munis contract a
 22 little or think about it a little differently. But
 23 a lot of these can be combined.
 24 TRUSTEE TULLOCH: I think -- I'll take
 25 Mr. Magee out of the crosshairs. I put the

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1 timelines on these, we had a discussion on the
 2 priorities. Yeah, this is very much a first pass at
 3 them.

4 I think immediate and the near-term
 5 priorities, a couple of changes there, but, yes,
 6 these are the ones that we really need to focus on.

7 As Director Magee mentioned earlier,
 8 there's a lot of nice-to-haves, and once you get
 9 past the immediate and near terms, there is some
 10 that have been outstanding for long term and some
 11 refinement in that.

12 I think it's -- my suggestion would be if
 13 we're in alignment with these, the immediate and
 14 near-term priorities, I think Director Magee can
 15 take these away and start identifying the resourcing
 16 levels required. Certainly, there is a lot of
 17 urgent things there that we need to clean up.

18 I understand everyone's concerns about
 19 this is going to cost money. And as a Scotsman, I
 20 hate -- I probably hate spending money if I don't
 21 need to. We have short arms and deep pockets for a
 22 reason.

23 But, yeah, I think -- it's -- we've let
 24 this come to head over several years. We've tried
 25 to skimp on some of the actions necessary. We've

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1 driven -- we've had our finance group staff having
 2 to work incredibly hard just to keep the lights on,
 3 basically. I think we need to restore confidence in
 4 the community that we have accurate and timely
 5 financial reports. I don't think we can do it any
 6 other way.

7 We're not just a Podunk organization;
 8 we're a pretty big organization if you look at our
 9 expenditure now.

10 I think we should move forward in that,
 11 and I'll defer to Director Magee in identifying and
 12 come back to the Board with what resources he
 13 requires on it.

14 TRUSTEE SCHMITZ: On the first grouping, I
 15 would agree that number 3, the deep dive, the
 16 financials for food and beverage, first of all, we
 17 need to have accurate financials, so let's focus on
 18 that first. And let's do that as -- have it has a
 19 deliverable as part of the golf season wrap up.
 20 Handle it that way.

21 I'm not real clear on number 11 and 12.
 22 They seemed a little ambiguous to me.

23 To me, OpenGov, number 15, that is a
 24 priority because that is our public transparency
 25 interface. So to me, that should be up on the zero

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1 to three months group because we've been told that
 2 was going to be implemented and up and running in
 3 June, I think.

4 Then going on to the second page, number
 5 18, the facility fees being shown as revenues, this
 6 has been an outstanding issue since the Moss Adams
 7 report came out in early January of 2021. I would
 8 say that has been a priority of the Board for many
 9 years, so I'd like to at least see that handled.

10 I agree that 28 a 29 look like they are
 11 Tyler Munis, that maybe they can be grouped together
 12 and done while we have the consultants here and tick
 13 those off.

14 Number 27 is -- you can scratch that from
 15 your list. That was taken care of just by the
 16 language, but we have a policy that needs to be
 17 updated. That's under long range calendar parking
 18 lot. I think you can remove that.

19 As it relates to 25, the Transparent
 20 Nevada data, I would think if it's easy enough to
 21 do, it should get done soon. My thought process is
 22 there is that it might be needed for the due
 23 diligence audit because that is a report of all of
 24 the payments to personnel over the years, and it has
 25 not been posted and made public since 2019. So I

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1 would think that might be a requirement, so let's
 2 make sure that we get ahead of it and have that
 3 taken care of.

4 With the punch cards, that, too, has been
 5 outstanding since January of 2021, because there
 6 were identified concerns and issues with how they
 7 were being handled and how they were processed. And
 8 do know that -- I believe I shared with you some of
 9 the staff notes because I believe they had done some
 10 element of work, but I think they ceased working on
 11 that in, maybe, January of this year. But I think
 12 that might move up a little bit on the priority
 13 list, just given the understanding we have of the
 14 issues related to the punch card accounting.

15 CHAIR DENT: I will definitely echo a lot
 16 of what I just heard from all my colleagues.

17 When it comes Tyler Munis, I would like to
 18 see this project put behind us. It's been almost a
 19 year behind schedule right now. And would love to
 20 see item 8, 10, 28, and 29 just all grouped and
 21 knocked off this list.

22 I agree on holding on golf and food and
 23 beverage operations and reconciling that and
 24 bringing it back as a deliverable. I think that's
 25 the right timing for that, and the numbers have been

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1 all over the board when it comes to that. They're
2 on pace for a \$900-loss last year, then it's \$2,008.
3 I just -- I have no clue how that is working, but
4 sounds like we don't really know either because of
5 our numbers and being able to get those.
6 OpenGov, another big project. I think
7 that's something that we should just have done. I
8 think we pay an annual fee for that. I think we
9 just did that a few months ago, and we were told it
10 could be up in a couple of weeks. We're several
11 months later, and here we are.
12 The facility fees, this has been something
13 we've been talking about for almost nine years now,
14 and getting the facility fees taken out of revenue
15 and actually showing that down below, below the
16 line. So, I would love to see facility fees move,
17 number 18.
18 What do you need from us as far as clear
19 direction? You've had feedback from all the
20 trustees.
21 MR. MAGEE: One comment I would like to
22 make. I know that the IT team has been working
23 diligently on the OpenGov. I do believe that
24 OpenGov is functioning correctly now. I should have
25 mentioned that as an update.

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1 consulting needs as required in order to keep
2 operations going.
3 That's what I heard today. I believe that
4 direction from the Board is very clear. And so if I
5 missed anything, please correct me.
6 CHAIR DENT: I just want to take a step
7 backwards. Audit Committee chair, Mr. Nolet, I
8 would like to give you the floor. I jumped in and
9 forgot about your hand being up and I had already
10 called on you. So, please.
11 MR. NOLET: I'm good. I endorse all the
12 comments that were made, particularly grouping all
13 the Tyler Munis in one project in the zero to three
14 to six month category, unless, Bobby, those two
15 modules were always projected to be scheduled out
16 into the future. But certainly purchasing rollover
17 process seems like something that's kind of core to
18 maintaining the hygiene of the general ledger.
19 MR. MAGEE: Yes. Through the Chair, I
20 will say that we've already started working,
21 actually, on the purchasing rollover process.
22 I reached out to some of my colleagues,
23 coincidentally, some of them that are going through
24 a Munis implementation right now and were undergoing
25 training. And I said, "Do you know guys know

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1 The issue is is that OpenGov is pulling
2 the data directly out of Tyler. And so at this
3 point, I think if we can get the Tyler data correct,
4 you'll see it correct coming out of OpenGov. That
5 kind of goes hand in hand.
6 I certainly understand that the Board's
7 number one priority is getting Tyler taken care of,
8 put behind us, getting the data correct, that's what
9 heard I also.
10 I also heard return to the Board with
11 recommendations on specific finance staff and what
12 that would look like.
13 I heard that the Board is directing staff
14 to increase the Baker Tilly contract by \$40,000 in
15 order to provide immediate assistance on the
16 accounting and auditing side. The \$16,000 to Tyler
17 to bring the implementation consultant back.
18 Directed staff to begin developing a scope for an
19 RFP for a forensic audit. And then directing staff
20 to adjust the budget as necessary, obviously that
21 will be placed on hold for a little bit. We will
22 get that back to you when we have a firm
23 understanding of exactly what needs to be brought
24 back as part of a public hearing.
25 And then to also identify any other

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1 anything about this?"
2 And they said, "Coincidentally, we have
3 training scheduled tomorrow, so I'll ask the Tyler
4 people."
5 We think we've identified some easy fixes
6 on that purchasing rollover process, so that could
7 certainly be grouped into grouping 1 as part of
8 this. I would agree with you, I think that if
9 there's an easier way to do it, then that should
10 move to number 1, as opposed being a longer-term
11 priority.
12 The Tyler invoicing module, the reality of
13 that is is Tyler is still working on that thing, and
14 so it's probably not ready to go. That is the one
15 item that I would recommend that we delay that a
16 little bit. Let's make sure that they have it
17 correct before we're implementing something that we
18 don't know is a hundred percent ready to go.
19 CHAIR DENT: One thing, just to keep the
20 Board informed, as it relates to your list and
21 durations and the timing and not going to tell you
22 when you need to do some of these priorities as
23 things work off your list and move forward. Bump
24 them forward. Right?
25 If we could get your list into the board

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1 packet. The one meeting when the general manager's
2 report is there, I think just put in the back and
3 then if the board members have questions, they can
4 address them at that time. But it keeps everybody
5 informed and up to speed as to where we're at and
6 allowing us to check in with you through General
7 Manager Bandelin just to make sure we're all on the
8 same page and providing the support that's needed to
9 accomplish the goal.

10 TRUSTEE SCHMITZ: Following up on your
11 comment about the Tyler invoicing module, if we are
12 converting over to the Tyler system and it doesn't
13 have invoicing, what system will we be using for
14 invoicing?

15 MR. MAGEE: Specifically what I'm
16 referring to is Tyler is in the process of
17 developing a piece of one of their modules which
18 allows vendors to upload their own invoices into our
19 system for us, which would eliminate the need for us
20 to manually enter in those invoices on their behalf.
21 So there is some technical issues that the Tyler
22 folks have let me know they're working through. But
23 we're quite excited to see what they come up with.

24 TRUSTEE SCHMITZ: Okay. Then the other
25 thing -- I don't know whether it's a separate item,

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1 coordinating? Is he coordinating all of this? And
2 is Mr. Magee physically here to watch over what's
3 going on and make sure that things are getting
4 implemented? That was the concern that I had.
5 Who's watching the hen house? And who's going to be
6 responsible for making sure all of these great
7 things that you discuss are implemented? And if
8 he's director of finance, I'm assuming he's here on
9 a daily basis, as would most employees be.

10 That was just a question that someone
11 sitting behind me had, and she had to leave. And
12 then I thought, that's a great question. So somehow
13 she would like that answered, so would I. I mean
14 you've got these things lined out to do, but who's
15 going to make sure that they get done?

16 Thank you.

17 DR. WYMAN: Andrew Wyman, 170 Village.
18 This was an excellent meeting. I really
19 do appreciate all of the content.

20 I would encourage you, in another issue,
21 to seriously see if we can have a conversation about
22 staff morale going forward. What are the things
23 that this Board can do to improve staff morale?

24 Thank you.

25 MR. LYON: Jim Lyon, 929 Northwood

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1 but one of the things that I don't believe has been
2 done yet is to identify the carryovers from capital
3 improvement projects.

4 MR. MAGEE: We've been working diligently
5 on that. I currently anticipate that that will be
6 on the Board's agenda for August 30th. We did, what
7 I hope is, a final review today.

8 TRUSTEE TULLOCH: With regard Tyler Munis,
9 if it's still under development, please don't let it
10 be serial number 001. I've done a couple
11 implementations like that, and I don't recommend it.

12 CHAIR DENT: Anything else from the Board?
13 That will close out our general business item C 3.
14 Moving on to item D.

15 D. FINAL PUBLIC COMMENT

16 CHAIR DENT: Final public comment. Three
17 minutes for public comment. Is there any public
18 comment in the room?

19 MS. MARTINI: Very informative. Thank
20 you, Trustee Tulloch, for putting this together and
21 getting out -- everyone together.

22 My question is on Mr. Magee. Is Mr. Magee
23 a full-time employee where he's here, implementing
24 all of the information that he's put out tonight
25 between Ray and Sara and Mr. Nolet? Who's

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1 Boulevard, Third Creek.
2 This morning at Conversation Cafe, I
3 mentioned something and a lot of people were
4 surprised. And I thought I would just mention it
5 here. For anybody listening or goes back and looks
6 at the minutes, for the recall, I recommend that
7 people that either signed or if they haven't signed,
8 before they -- if they've already signed, go back
9 and look at details in each one of the statements,
10 accusations, hearsay, and things that are in those
11 statements. And there's a lot of things in there
12 that are not correct, they're wrong. I mean,
13 they're misstated. And before you sign it, look and
14 see what is being accused or is being put forward,
15 and you'll find that there's a whole lot of problems
16 with that.

17 And if you've already signed, you can get
18 your signature removed from it. I don't know -- I
19 didn't bring the paperwork with me, but it's easy.
20 Apparently one person did it today with a phone
21 call. And so it's pretty easy to do, apparently.

22 And I'd ask people to reconsider and look
23 and see what's been claimed in those accusations.

24 MR. ALEXANDER: Mark Alexander, Crystal
25 Bay.

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1 I just want to thank the board members for
 2 what you're doing and keeping the spirit up and
 3 moving forward. You're doing an excellent job, and
 4 I really, really appreciate as a full-time resident.
 5 Thank you.
 6 CHAIR DENT: Any other public comment in
 7 the room? Seeing none. It looks like we have one
 8 caller on Zoom.
 9 MS. KNAAK: Yolanda Knaak, Incline
 10 Village. I live on Martis Peak.
 11 And I just wanted to thank everyone,
 12 especially the Audit Committee and the head of the
 13 Audit Committee, of course, and also Trustee
 14 Tulloch, also Mr. Magee and his department, and also
 15 the Board. Thank you for working on this. This is
 16 pretty shocking.
 17 And I hope that things will be put in
 18 place so that this kind of thing won't be missed in
 19 the future.
 20 Thank you so much.
 21 CHAIR DENT: That will close out item D,
 22 final public comment.
 23 I want to thank everyone for their time.
 24 I want to, once again, thank the finance department
 25 and all the hard work they've been putting in, short

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1 staffed, and General Manager Bandelin, Director
 2 Magee, and Trustee Tulloch.
 3 E. ADJOURNMENT
 4 CHAIR DENT: We are adjourned. It is
 5 8:38.
 6 (Meeting adjourned at 8:38 P.M.)
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 2 STATE OF NEVADA)
 3 COUNTY OF WASHOE) ss.
 4
 5 I, BRANDI ANN VIANNEY SMITH, do hereby
 6 certify:
 7 That I was present on August 24, 2023, at
 8 the Public Meeting, special meeting, via Zoom, and
 9 took stenotype notes of the proceedings entitled
 10 herein, and thereafter transcribed the same into
 11 typewriting as herein appears.
 12 That the foregoing transcript is a full,
 13 true, and correct transcription of my stenotype
 14 notes of said proceedings consisting of 115 pages,
 15 inclusive.
 16 DATED: At Reno, Nevada, this 28th day of
 17 August, 2023.
 18
 19 /s/ Brandi Ann Vianney Smith
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 21 BRANDI ANN VIANNEY SMITH
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INVOICE

BAVS SM-LLC
United States

BILL TO
**Incline Village General Improvement
District**
Susan Herron

775-832-1218
AP@ivgid.org

Invoice Number: IVGID 2

Invoice Date: August 28, 2023

Payment Due: September 25, 2023

Amount Due (USD): \$1,040.00

Items	Quantity	Price	Amount
Appearance fee August 24, 2023 BOT meeting, special meeting	1	\$350.00	\$350.00
Per page fee August 24, 2023 BOT meeting, special meeting	115	\$6.00	\$690.00

Subtotal: \$1,040.00

Total: \$1,040.00

Amount Due (USD): \$1,040.00

Bill Fuhr's please put in
the record

Why are you trying to destroy ~~this GID and our community?~~ ^{the} What is your plan? IVGID was not a train wreck, but you had made it one by forcing over 15 key employees out, and trying to make each venue a STAND ALONE PROFIT CENTER.

a. Kevin Lyons is on the City of Incline Committee? Are you trying to destroy our infrastructure so you can show the world we are no longer fit to be a general improvement district?

b. ~~Aaron Katz has said publicly that Incline Village is a fraud. He clearly wants to destroy our general improvement district.~~

c. We've heard rumors that Mr. Nolet may want to be the new GM? Is that why he is disparaging prior staff in his audit comments and trying to show us that he is most fit to be the GM? His comments are also breaking the Conduct policy, yet you fail to take action here too.

Incline Village General Improvement District has worked well for 62 years. A small group of people over the past 8 months are systematically trying to destroy it. A plethora of TALENTED employees have resigned or been forced out.

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PLEASE STOP THIS NONSENSE! Listen to the pulse of the community?!!!

SOMETHING is not right in Incline Village with the decisions being made by Trustees Schmitz, Dent and Tulloch.

Please start listening to trustees NOBLE AND TONKING!!!

Community members: Please Listen and heed the public comments of community members who have been residents for 30, 40, 50 years.

THERE IS SO MUCH GOOD ABOUT INCLINE VILLAGE AND IT FEELS LIKE SOMETHING IS TRULY ROTTEN ABOUT THE BOARD.

I'm submitting into the record to be published these 3 signed letters from Dee Carey to Cliff Dobler documenting his misconduct.

Also submitted into evidence for the record is Dee Carey's letter of resignation and I will close reading excerpts from her letter. She could not be here tonight but ~~have~~ ^{has} given me the following to state on her behalf:

“Leaving IVGID was a very difficult decision for me. I left because of the micromanaging of Trustee Sara Schmitz, who I did not clearly point out in my letter of resignation. I gave her the professional courtesy of having verbal conversation and told her as such. She didn't care. I know of other employees who left because of the board's micromanaging and lack of trust in their professional experience and knowledge. As the previous Director of Human Resources, I am not afraid to stand up and speak out when it is appropriate and share my experience. Sorry I couldn't be there in person but since I am out of town feel free to read my letter of resignation on my behalf. “

Exerts read....

Carey letter of resignation

December 18, 2020

To: Indra Winqest
General Manager

From: Dee Carey
Director of Human Resources

It is with mixed emotions that I am resigning from my position as the Director of Human Resources. I have a wonderful unexpected opportunity fall on my lap with a private organization where I will be building a Human Resources department from the ground up. Although this is a great opportunity for my professional career, I most likely would not be leaving the District if it were not for some members of the Board that do not understand their role as elected officials.

I have really enjoyed working beside a great professional group of men and women with the District for the last twelve years. I appreciate what I have learned from the public sector and I am very proud to have worked for such a wonderful fiduciary responsible organization, who is one of the most respected in the State of Nevada.

The members of the board come and go and the staff is the constant for the District. It is unfortunate when the swings of the boards have such a negative impact on the staff's morale. The lack of trust, restrictions to let the professional staff perform their jobs to the best of their abilities, undermining and micromanaging by the board, audit committee members and some extremely disrespectful community members take their toll on staff and make this decision easier. I personally am losing steam in keeping the staff motivated and communicating that the board has confidence in the talent, experience, and expertise of the District personnel.

Please know that I have truly enjoyed working with the employees at the District, but more recently, I do not like the way I feel coming into work, reasons described above, it is having a personal effect on me. This change for me will be a shift in my quality of life, for my family and for my overall happiness.

I must state that I have enjoyed working beside Indra Winqest and it is extremely hard for me to leave him as the General Manager. I have a ton of respect and loyalty for him. Indra is a man that is honest, intelligent, confident, engaged, direct, professional, and an optimistic leader and if given the opportunity to perform his professional duties, he will do great things for the future of the District.

My last day will be Wednesday January 20, 2020, however I will be happy to take calls and assist in any way that I can once I have departed.

Regards,


Dee Carey

Cc: Board of Trustees

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of February 12, 2020

DATE: February 5th, 2020

Capital Projects Update February 5, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

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 staff has review 50% Design construction documents and returned comment to the Architect. Project permitting will occur in the coming months and the final design is tentatively scheduled to be presented to the Board on March 11th, prior to advertising for bids.

Construction

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 Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. Contractor is scheduled to mobilize to the site in mid-March and the project will continue until December 2020.

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.

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. An onsite construction coordination meeting occurred on January 22, 2019. Currently equipment cut-over is scheduled for the week of February 24th.

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.

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers. Engineering staff has completed design and project will bid this Spring with an anticipated start date of May 4, 2020.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and project will bid this Spring with an anticipated start date of May 4, 2020.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center remodel but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and project will bid this Spring with an anticipated start date of June 1, 2020.

Items of Note

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 planning to bring a formal resolution/policy to the Board of Trustees in March.

Update on Mountain Golf Course Maintenance Building Electrical Evaluation

District Staff contracted with an MSA Engineering Consultants to perform a feasibility study for installation of improvements at the Mountain Golf Course to accommodate an electrical fleet of golf carts. The current fleet of golf carts are gasoline and are serviced from the Maintenance Building. It is not known at this time the extent of building modifications that may be required by Washoe County or North Lake Fire Protection District. This report was to determine the potential cost and feasibility of switching to an electrical charging system to support electrical golf carts; construction costs at this time are estimated at \$240,000.

Update on Bar Services Contract at Burnt Cedar and Incline Beaches

As discussed at the December 11, 2019 BOT meeting, after much consideration and discussion, the district has decided to offer an extension to Incline Spirits to continue to operate the Incline and Burnt Cedar Bar concessions. Staff considered the anticipation of upcoming projects including the potential replacement of the Incline Beach House and the Burnt Cedar Pool, it would be challenge for any new private contractor to assume the contract at this point in time. Staff and the Board agree that a formal process needs to be developed in relation to the frequency that the Districts goes out to Request for Proposal (RFP) for contract services. Staff is currently in the process of working with Incline Spirits on finalizing a two year extension to the existing agreement.

Update on Potential Dog Park Site

Staff met with staff from the USFS on January 27th to kick off discussions about entering into a special use permit for use of the 14 acre parcel across the street from Incline High School. Staff will be meeting with USFS staff for a site visit in mid-February. Staff will continue to provide updates on these discussions.

Update of Diamond Peak's Season to Date

Skier visits for the month of January were 28,735, 4% down for the 10 year average and 15% down within the 5 year average visit count. 8,300 of the total monthly visit count fell within the first week of January. The total visit count of 6,400 during the MLK weekend was 12% better than the 10 year average. Season to date skier visit counts are about average for this time of year. Year to date season pass sales through January have increased by 34% over last season through January for a total of 6,563 passes sold with 2,936 of those being resident passes.

Unfortunately, we saw only one good snowstorm that came in on January 16th leaving 15" of snow other than that we have been relatively dry for the month. Ski area staffing levels are on target as we prepare for the Presidents Holiday week which begins on February 15th through February 23rd, during the nine day period we plan to provide a great experience to over 17,000 visitors.

Financial Transparency

The OpenGov Transparency Tool has been down intermittently after a software update to the integration module in December 2019. Staff is working with the engineers at OpenGov and have created a temporary solution so the reporting tool is now available to the public.

The December 2020 Monthly District Financial reports are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency>.

The Accounting Staff is currently closing the month of January 2020 and plan to distribute the financials and update OpenGov by Friday, February 15, 2020. As of the writing of this status report, the preliminary revenue for the month of January 2020 indicate all Community Service Venues exceeded budget.

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Priority Projects & Items

Burnt Cedar Pool Project Update

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Diamond Peak Ski Season 2019/2020

As of February 17, the ski area season to date total skier visit count is at 79,191 with 72 days of operation, nearly identical to the same period last year with 77,559 and 67 days of operation. During Community Appreciation week beginning on February 3rd through the 9th we provided 1,539 free lift tickets to our residents as compared to last season during the appreciation week 2,660 lift tickets were provide in appreciation to our residents. The ski area has not seen any substantial snow since January 15th. Although there has been a lack of natural snow, the conditions on the groomed trails are excellent. We have heard lots of compliments from our pass holders on the quality of snow and the grooming of the trails. An update on the President's week holiday period will be included in following General Manager's status report.

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.

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The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. District staff has obtained a project scope of work to prepare a bid package for all civil, mechanical and electrical engineering design work. The effluent pond lining project also includes upgrading the existing effluent pond pumping station to current pumping and electrical standards to pump the effluent back into the effluent export pipeline.

Effluent Export System – Segment 3 Priority Replacement 5100 lf

District staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The Board packet from that meeting contains the scope of projects for pipeline replacement and rehabilitation and effluent pond lining, possible project schedules, potential partnering options for funding and how we arrived at those decisions. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. The project timeline is to accomplish this over two or three construction seasons from 2021 to 2023. The two major scenarios presented to the Board on January 29 was what does the project look like with the effluent pipeline co-located with the Central Corridor SR-28 Multi-Use Path and what it looks like if the District proceeds without partnership. Whether co-location is chosen or not, the District can replace the 5,067 linear feet of export pipeline in SR-28 in 2021 to accomplish the project goals and priorities without impacting future decisions for co-locating. The 2021 priority will be to replace a total of 5067 linear feet of Segment 3 export pipeline in State Route 28 located in Carson County, south of the Secret Harbor Parking Lot. The pipeline replacement is split into two priority sections, 3957 lf and 1110 lf. Staff has obtained a scope of services to complete the design and permitting of the replacement/rehabilitation of 5067 lf of segment 3 effluent export pipeline.

Construction

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 Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. Contractor is scheduled to mobilize to the site in mid-March and the project will continue until December 2020.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of February 26, 2020

DATE: February 19th, 2020

Capital Projects Update February 19, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

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 staff has review 50% Design construction documents and returned comment to the Architect. Project permitting will occur in the coming months and the final design is tentatively scheduled to be presented to the Board on March 11th, prior to advertising for bids.

Effluent Export System - Pond Lining

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). This storage basin was designed to provide automated and passive back-up effluent storage in the event the Plant's 500,000 gallon effluent storage tank fills to capacity.

Financial Transparency

The January 2020 Monthly District Financial reports are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency> and OpenGov has been updated.

District Net Operating sources over uses exceeded budget for the month due to Diamond Peak ancillary revenue continuing to exceed budget from lessons, rentals, and food & beverage while admissions were flat for the month. The internal services revenues continue to be under due to Staff vacancies causing reduced services. The extra miscellaneous revenue items are primarily due to insurance proceeds for the Mountain Course fire. Services and Supplies are under budget and due to temporary timing. Capital Expenditures noted are only for the General Fund and budgeted evenly over the fiscal year. While extra was spent on the approved server replacement, other projects have not started which is causing the temporary timing variance for Capital Expenditures.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of March 11, 2020

DATE: March 11, 2020

Capital Projects Update March 4, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

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 13th. Engineering staff has received 90% Design construction documents and is in the process of reviewing these documents. Project permitting will occur in the coming months and the final design is scheduled to be presented to the Board on March 11th, prior to advertising for bids.

Effluent Export System - Pond Lining

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). This storage basin was designed to provide automated and passive back-up effluent storage in the event the Plant's 500,000 gallon effluent storage tank fills to capacity. The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018,

recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. This design scope of work was on the Agenda for the 2/28/2020 Board Meeting. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project.

Effluent Export System – Segment 3 Priority Replacement 5100 lf

District staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. The project timeline is to accomplish this over two or three construction seasons from 2021 to 2023. The 2021 priority will be to replace a total of 5067 linear feet of Segment 3 export pipeline in State Route 28 located in Carson County, south of the Secret Harbor Parking Lot. This design scope of work was on the Agenda for the 2/28/2020 Board Meeting. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project.

Construction

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 Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11th. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. The project will continue until December 2020.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$0	\$1,508,500	\$0	\$1,508,500

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

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 all customers. 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 are 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, 2019 and project completion scheduled for April 2020. Equipment cut-over occurred the week of March 2nd and startup and testing is scheduled for the week of March 9th.

San Joaquin Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$291,000	\$0	\$291,000	\$175,275	\$115,725

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, 2019 BOT meeting. Project is currently in construction with grading, utilities, decking and paving complete. Framing, plumbing, mechanical and electrical work are more than 50% complete. Windows and doors were installed the week of March 2nd and flooring and built in cabinetry is scheduled for the week of March 9th.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$47,733	\$1,053,733	\$510,015	\$543,717

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers. Engineering staff has completed design and the project is currently being bid. Anticipated start of construction is May 4, 2020.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and project is currently being bid. Anticipated start of construction is May 4, 2020.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center remodel but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and the project is currently being bid. Anticipated start of construction is June 1, 2020.

Priority Projects & Items

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.

Update on Potential Dog Park Site

Staff met with staff from the USFS on January 27th to kick off discussions about entering into a special use permit for use of the 14-acre parcel across the street from Incline High School. Staff will be meeting with USFS staff for a site visit in mid-February. Staff will continue to provide updates on these discussions.

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 planning to bring a formal resolution/policy to the Board of Trustees in late March.

Diamond Peak Ski Season 2019/2020

The Presidents week was as expected for this season, nice weather and great conditions allowed the ski area to provide an excellent product to our community members and customers. During the three day weekend we saw 7,900 skier visits as compared to 7,300 for the weekend last year including our second 3000+ skier day of the season on Sunday February 16th. The other 3000+ day fell on December 28th. The total visit count for the 9 day period was 16,540, about 4% below the average. During February the total visit count was 31,012 nearly identical to last year and 1,400 ski visits better than February 2018 when the winter was the same as far as snow days as this season. The ski area through February had 85 days of operation with a total visit count of 91,295 as compared to last year with 91,723 total visits. Revenue for the month was on target with projections and year to date revenue is better than projections. You can view all financial data for the ski area on the IVGID web page <https://inclinevillagegidnv.opengov.com/transparency>.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It has been set up as an unbudgeted project for the time being and until we allocate funding to it.

Vendor	Amount	Date Approved by the BOT	Start Date	Spent to Date	Balance Remaining

Financial Transparency

The January 2020 Monthly District Financial reports are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency> and OpenGov has been updated.

District Net Operating sources over uses exceeded budget for the month due to Diamond Peak ancillary revenue continuing to exceed budget from lessons, rentals, and food & beverage while admissions were flat for the month. The internal services revenues continue to be under due to Staff vacancies causing reduced services. The extra miscellaneous revenue items are primarily due to insurance proceeds for the Mountain Course fire. Services and Supplies are under budget and due to temporary timing. Capital Expenditures noted are only for the General Fund and budgeted evenly over the fiscal year. While extra was spent on the approved server replacement, other projects have not started which is causing the temporary timing variance for Capital Expenditures.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of April 1, 2020

DATE: March 25, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Filing of Preliminary Budget to Department of Taxation by 4/15/2020	4/15/2020	GM Winqest/Director of Finance Navazio/Board of Trustees	CIP Presentation on agenda for 4/1/2020. Operating Budgets presented 3/11/20
Effluent Pond Lining Project	TBD	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being developed for Project Review/Manager. Need USACE Partnership Agreement
Effluent Pipeline Project	TBD	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being developed for Project Review/Manager.
USFS Parcel Acquisition	Ongoing	GM Winqest	In discussions with USFS to begin process of filing a special use permit. Will be delayed as a result of COVID-19
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winqest	Will be going out to RFQ for a design team. Need to set up GM advisory committee meeting. May be slightly delayed as a result of COVID-19
Guest Access Ticket Revision	4/1/2020	GM Winqest	Will include details of new process in GM Report on 4/1
No Smoking/Vaping Policy	4/1/2020	GM Winqest	Will be on 4/1 Agenda
Internal Controls Audit/Questions regarding the 18-19 Audit/CAFR		Audit Committee/GM Winqest	In beginning Stage. Scope of Services Development
Audit Charter/Policy 15.1.0 Update	Ongoing	Audit Committee	Will be on 4/1 Agenda

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Ordinance 7 Administrative Revisions	TBD	GM Winquest	Public Hearing - Postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	5/20/2020	Legal Counsel/Board of Trustees/GM Winquest	Will be meeting with third party Legal Counsel to review case. Court has set a hearing date of May 12, 2020
2020-22 Strategic Plan	7/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020

COVID – 19, Impacts to the District & update on closures and restrictions

Diamond Peak and The Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The beaches are available for walk in only and social/physical distancing is being monitored closely. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Staff is working on an essential/critical employee basis.

Many full time staff are working from home and/or are working a combination of on site and home. Seasonal and hourly are currently working on a critical need basis only. Our Human Resources team is doing an outstanding job of working through the State and Federal guidelines for our workforce.

Our Finance, Accounting & Payroll team are working diligently to make sure the operations and business of the district keep moving. The team is currently and will continue to work on projections for a variety of different financial implications as a result of the COVID-19 outbreak.

The Community Services team are working on developing reopening strategies to make sure a healthy and safe environment is provided so that our residents and guests are comfortable visiting our venues and participating in activities. Additionally staff is working on digital and online resources to keep the community active and engaged. The golf courses, Tennis, and parks staff will continue with normal preparation for upcoming seasons although it is universally understood that there may be impacts as a result of COVID-19. The Recreation Center is closed until further notice, however, Recreation Staff is available to answer phone calls and respond to emails.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works

Administration is closed to the public but staff is answering phones and responding to emails during normal business hours.

Capital Projects Update March 24th, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

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 13th and authorized public advertisement for bids on March 11th. Project permitting and public bidding will occur in the coming months and the bid results are tentatively scheduled to be presented to the Board on June 10th.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. A new project data sheet is being prepared as part of the 2020-21 Capital Improvement Budget. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It has been set up as an unbudgeted project for the time being and until we allocate funding to it.

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). This storage basin was designed to provide automated and passive back-up effluent storage in the event the Plant's 500,000 gallon effluent storage tank fills to capacity. The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. This design scope of work was on the agenda for the 2/26/2020 Board Meeting. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. A project data sheet is being prepared as part of the 2020-21 Capital Improvement Budget.

Construction

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 Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. The project will continue until December 2020.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$0	\$1,508,500	\$0	\$1,508,500

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

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 all customers. 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 are 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, 2019 and project completion scheduled for April 2020. Equipment cut-over occurred the week of March 2nd and startup and testing occurred the week of March 9th. The project is nearly complete and in the process of project closeout.

San Joaquin Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$291,000	\$0	\$291,000	\$276,450	\$14,550

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, 2019 BOT meeting. Project is currently in construction with grading, utilities, decking and paving complete. Framing, plumbing, mechanical and electrical work are substantially complete. Windows and interior doors have been installed. Exterior doors, flooring, and built in cabinetry is scheduled for the week of March 23rd.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$56,947	\$1,062,947	\$761,371	\$301,576

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers. Engineering staff has completed design and the project has been bid. Three (3) bids were received on Thursday, March 5, 2020.

- Eric's Concrete Pavers, Inc. - \$57,817
- Cruz Construction Co., Inc - \$72,970
- Bruce Purves Construction, Inc - \$99,950

This project has a CIP budget of \$82,500. Anticipated start of construction is May 4, 2020.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been bid. Two (2) bids were received on Thursday, March 5, 2020.

- Intermountain Electric, Inc. - \$84,856
- Bruce Purves Construction, Inc. - \$154,921

This project has a CIP budget of \$109,950 (includes carryforward from FY 18/19). Anticipated start of construction is May 4, 2020.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center remodel but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and the project has been bid. Four (4) bids were received on Thursday, March 5, 2020.

- RaPiD Construction, Inc. - \$68,860
- Cruz Construction Co., Inc - \$75,860
- FW Carson Co. - \$99,000
- Bruce Purves Construction, Inc - \$161,190

This project has a CIP budget of \$110,000 which was reallocated from the Tennis Center Renovation Project. Anticipated start of construction is June 1, 2020.

Priority Projects & Items

Beach Guest Access Ticket Revised Process

At the December 11, 2019 Board of Trustees meeting, Staff was directed to develop an alternative to the existing Beach Guest Access Ticket process. All the below key components will require no change to Ordinance 7. Staff has met with multiple property management agencies over the past few months explaining the reasoning for this change and gathering feedback to aid in the development of a new process. The goals of this change are to add more control of beach access, create efficiencies within the operations, and to provide improved data as it relates to guest access. The revised process transitions the guest access ticket to a pay to play model. The key components include:

- Guest must be authorized by parcel owner or property manager. All property managers must have a completed agent authorization form on file signed by the parcel owner.
 - Guest required to provide a Guest Authorization form signed by parcel owner or agent.
 - Guest required to provide rental agreement.
 - Guest must pre purchase daily passes at the Recreation Center. Guest cannot pay directly at the beach gates.*
 - Guest can only purchase a pass during the length of stay determined by required documentation
 - No refunds allowed
- *guest can pay at the beach gates only if IVGID Passholder is present

Diamond Peak Ski Season 2019/2020

On Sunday, March 15, at 4:00 pm the ski area joined several other Tahoe ski resorts in suspending operations through Friday, March 20 to support efforts to decrease the opportunity for COVID-19 transmissions. Staff evaluated the situation and on March 18 we announced the Diamond Peak ski resort would close for the remainder of the 2019/2020 ski season as the Nevada Governor Steve Sisolak announced the closure of non-essential businesses for no less than 30 days. As a District, the health and safety of our customers, our community, and our employee have to come first and given the recent recommendations from our local authorities to avoid non-essential gatherings we could not justify reopening the ski area this season. We would like to take this opportunity to thank our community and supporters. Without the generous support of the community, the Diamond Peak ski venue would not be what is today.

Financial Transparency

The February 2020 Monthly District Financial reports are posted on the Financial Transparency page <https://www.yourtahoeplace.com/ivgid/financial-transparency> and OpenGov has been updated.

District Net Operating sources over uses exceeded budget for February due timing of Defensible Space costs budgeted in February but expenditures not billed. In addition, despite the lack of February snowfall, Diamond Peak ancillary revenue continued to exceed budget from lessons, rentals, and Snowflake Lodge food & beverage. The internal services revenues continue to be under due to Staff vacancies causing reduced services. The extra miscellaneous revenue items are primarily due to insurance proceeds for the Mountain Course fire. Services and Supplies are under budget and due to temporary timing. Capital Expenditures noted are only for the General Fund and budgeted evenly over the fiscal year. While extra was spent on the approved server replacement, other projects have not started which is causing the temporary timing variance for Capital Expenditures.

As we write this update the District has closed all venues to the public due to the COVID-19 Nevada Stay at Home order. Staff is currently evaluating the effects on the current fiscal year budget ending June 30, 2020. Staff is reviewing operations, including business and service levels to minimize the effect and we are developing scenarios depending on the date venues can reopen. With the current year strong performance for the first three quarters, the current fiscal year should finish the year ahead of budget.

While the District current year budget should be within plan, Staff is reviewing the pandemic effects on the Fiscal Year 2020/21 Budget presented at the March 11, 2020 Board meeting. In just two weeks, our world quickly changed. The effects of the economic slowdown, social distancing, and the downturn in tourism will need to be evaluated to determine best and worst case scenarios. The Fiscal Year 2020/2021 tentative budget will need to be filed by April 15, 2020.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of May 6, 2020

DATE: April 30, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Filing of Preliminary Budget to Department of Taxation by 4/15/2020	Completed	GM Winqest/Director of Finance Navazio/Board of Trustees	Budget Workshop 5/7. Public Hearing on Final Budget/Rec Roll 5/27
Effluent Pond Lining Project Review Scope of Services	5/6/2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being presented for possible action 5/6/20
Effluent Pipeline Project Review Scope of Services	5/6/2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being presented for possible action 5/6/20
USFS Parcel Acquisition	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winqest	Interviewed top 3 firms on 4/30/20 as selected through RFQ process
Guest Access Ticket Revision	Completed	GM Winqest	Included details of new process in GM Report on 4/1 and 4/14.
No Smoking/Vaping Policy	Completed	GM Winqest	Resolution approved by BOT on 4/1. Implementation beginning.
Internal Controls Audit/Questions regarding the 18-19 Audit/CAFR	6/30/2020	Audit Committee/GM Winqest	In beginning Stage. Scope of Services Development
Audit Charter/Policy 15.1.0 Update	5/06/2020	Audit Committee	Will be on 5/6 Agenda

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Ordinance 7 Administrative Revisions	TBD	GM Winqest	Public Hearing - Postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	5/20/2020	Legal Counsel/Board of Trustees/GM Winqest	Has met with third party Legal Counsel to review case. Court has set a status hearing date of May 12, 2020. Agenda item to address funds 5/6
Utility Reserve Fund/Rate Study	TBD	GM Winqest/Board	Need to discuss a target date
2020-22 Strategic Plan	7/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020
2020-21 Budget Workshop	Completed	Senior Management Team/Board of Trustees	Scheduled for 5/7/20

COVID–19, Impacts to the District & update on closures and restrictions

Diamond Peak and the Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Parks Staff is gradually being brought on to address needs to maintain and prepare the venues for seasonal operations.

As of April 30th, the beaches are accessible. Key operational aspects:

- High Sierra Patrol is currently on site 11:30am – 9:30pm
- All Beach Parking lots open 11am – 8pm Mon – Thu, 9am – 8pm Fri – Sun
- Beach Gates are currently Staffed 11am - 7pm Mon – Thu, 9am – 7pm Fri – Sun (High Sierra Patrol locks gates at 8pm)
- Ski Beach Boat Ramp Currently closed per TRPA
- Beaches are currently open to IVGID Picture Pass Holders only
- Physical/Social Distancing required
- No pop up tents

Beach operations are constantly changing and staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID – 19 and observed behavior at the beach properties. Staff is currently working on extending the hours that the beach gates are staffed in particular Ski Beach.

Many full time staff are working from home and/or are working a combination of on site and home as well as utilizing sick and/or vacation leave. Additional cost savings steps, as they relate to Full Time Year Round and Seasonal Management staff have been implemented and include a combination of temporary hourly furloughs and percentage pay decreases. Part Time Seasonal and hourly staff are currently working on a critical need basis only. Our Human Resources team is doing an outstanding job of working through the State and Federal guidelines for our workforce.

The Community Services teams are working on developing reopening strategies to make sure a healthy and safe environment is provided so that our residents and guests are comfortable visiting our venues and participating in activities. Additionally, Staff is working on digital and online resources to keep the community active and engaged. The golf courses and parks staff will continue with normal preparation for upcoming seasons although it is universally understood that there may be impacts as a result of COVID-19. The Recreation Center is closed until further notice, however, Recreation Counter Staff is available to answer phone calls and respond to emails. Recreation Counter staff is working on methods to open up access to services in the best interest of health and safety. This includes additional sanitization, barriers at the counter, line distancing, PPE measures.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*

On April 29-30, Nevada's Governor Sisolak issued an extension to the "Stay at Home" order until May 15. However, beginning May 1, restrictions on activities including Golf, Tennis, and Pickle Ball have been lifted and will be allowed if operated safely by agencies maximizing prevention of the spread of COVID-19. Golf courses staff are finalizing a plan to begin opening the golf courses as early as May 18th. Additionally, Parks & Recreation Department staff is finalizing a plan to safely begin opening the Tennis and Pickle Ball Center on May 18th. These venues will see a phased opening with safety and distancing requirements and measures in place. Group activities are not currently being planned as part of a phase 1 opening. Staff will continue to provide information to the community as these plans further develop.

Capital Projects Update April 30, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. Moving forward with this project will address health and safety issues and prevent future damage to this facility. A local engineering consultant has completed the design and is currently preparing the final bid documents. The project is scheduled to be publically advertised for bids on May 8th, and bid results will be presented at the June 24th Board of Trustees meeting. Construction is anticipated to start in mid-August 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff completed the design. The project is currently being publically advertised for bids and bid results will be presented at the June 24th Board of Trustees meeting. Construction is anticipated to start in mid-July 2020.

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 13th and authorized public advertisement for bids on March 11th. The video conference Pre-bid meeting on April 29th was well attended by prime and sub-contractors and staff is optimistic we will receive multiple bids on this project. Bid results are scheduled to be presented to the Board on June 10th.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls, Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication bid results are tentatively scheduled to be presented to the Board in June.

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. The project will continue until December 2020. Progress meetings are held every two weeks. Construction will start in mid-April.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$0	\$1,508,500	\$73,539	\$1,434,961

Water Reservoir Safety and Security Improvements – Phase 1

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of 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 for the remaining 3 reservoirs. Bid results are under review and are tentatively scheduled to be presented to the Board on June 10, 2020. If awarded, construction is scheduled to begin this summer and is expected to be substantially complete by the end of the year.

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 all customers. This project replaces the electric motor control centers (MCCs) and switchgear at WPS 2-1 dating to the original 1972 installation. 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, 2019. The project is now complete and retention has been released.

San Joaquin Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$291,000	\$0	\$291,000	\$291,000	\$0

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, 2019 BOT meeting. A notice of substantial completion was filed on April 29th, only punchlist and permit closeout items remain. IVGID staff is very pleased with the outcome of the project and is eagerly awaiting the start of the golf season to show off the renovated venue.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$83,575	\$1,089,575	\$916,365	\$173,210

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers addressed an outstanding safety concern. IVGID staff is very happy with the finish product, all work was completed by local contractor Eric's Concrete Pavers. Moving forward with the project during the COVID-19 pandemic and Rec Center closure significantly reduced the user conflicts and resulted in a cost savings to the District.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction is scheduled to start the week of May 4th.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center Remodel Project but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting, a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and the Rapid Construction is the lowest responsible bidder. Staff is requesting Board Approval on a Notice to Proceed at its May 6, 2020 meeting. Construction is scheduled to start the week of June 1st.

Priority Projects & Items

Resolution 1480 Update

As stated in Resolution 1480, the General Manager has direct supervision over all District employees, with the exception of the Attorney. The General Manager will ensure that the District's Organizational Chart reflects that Legal Counsel reports to the Board of Trustees while the General Manager coordinates the legal work of the District consistent with Board of Trustees direction. Additionally, all Legal Counsel invoices will be provided to the Board of Trustees for review and approval prior to payment.

Washoe County Collaboration

Washoe County Commissioner Marsha Berkbigler, on behalf of Washoe County, has provided \$11,000.00 in funding to purchase and install bear boxes along the Lakeshore Pathway. Staff will be selecting locations for installation and install when warmer temperatures allow.

Washoe County is also committed to installing the no overnight parking signage along Incline Way and other selected areas later this spring. This has been delayed by the current situation with COVID-19.

Financial Transparency

Staff continues to evaluate the effects on the current fiscal year budget of COVID-19 pandemic related closure of District venues and curtailment of non-essential programs and services into May, and possibly, June.

As communicated in previous reports, with the strong financial performance through the first three quarters of the fiscal year, we anticipate both the Community Services and Beach funds ending the year *ahead of budget*, assuming continued avoidance of staffing and program costs, consistent with curtailment of facility operations.

While both the General Fund and Utility Fund revenues are largely buffered from short-term impacts from facility closures and level of activity, additional cost-savings measures have been implemented including reduced work hours for staff (limited to essential services), reduced contract services, and deferring of non-essential expenditures. The General

Manager is evaluating additional personnel cost-saving measures should closures extend beyond the next thirty days. Criteria is also being established to prioritize pending capital project expenditures through the remainder of the current fiscal year.

As of this writing, staff is processing the month-end "close" for April and will be updating the year-end revenue and expenditures based on actual results through the first 10 months of the year and updated projections for the months of May and June. These updated current-year budget projections will be presented to the Board as part of the upcoming budget workshop on May 7th. The workshop will also focus on impact of alternative COVID-19 "recovery scenarios" on development of the final FY2020-21 Operating budget, Capital budget and Five-Year Capital Improvement Plan.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Chateau – Replace Carpet	\$62,000	Being Evaluated
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Recreation Center	Replace Fitness Equipment	\$45,000	Reduced to appx \$25,000
Tennis Center	Resurfacing of Courts 1-2/Drainage Improvements	\$47,000	Recommended to proceed with court resurfacing. Drainage improvements not needed at this time.
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being Evaluated

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of June 10, 2020

DATE: June 2, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Filing of 2020-21 District Budget & Recreation Roll	Completed	GM Winquest/Director of Finance Navazio/Board of Trustees	Public Hearing on Final Budget/Rec Roll 5/27
Effluent Pond Lining Project Request for Qualifications (RFQ)	Board award contract at early July BOT Meeting.	GM Winquest/Director of PW Pomroy Trustees Wong/Dent	Publicly advertising RFQ. Qualifications due 6/5.
Effluent Pipeline Project Request for Qualifications (RFQ)	Board award contract at early July BOT Meeting.	GM Winquest/Director of PW Pomroy Trustees Wong/Dent	Publicly advertising RFQ. Qualifications due 6/5.
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winquest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winquest/Director of Public Works Pomroy	No current update
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winquest	IVGID and TSK Architects have an agreement for Conceptual Design. Kick-off Meeting was June 3 rd .
Internal Controls Audit	7/31/2020	Audit Committee/GM Winquest/Director of Finance Navazio	In beginning stage; scope of services development. Contract Audit on agenda 6/10
Ordinance 7 Administrative Revisions	Fall 2020	GM Winquest	Public Hearing - postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	7/31/20	Legal Counsel/Board of Trustees/GM Winquest	Update will be provided on 6/10

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utility Reserve Fund/Rate Study	Summer 2020	GM Winqest/Board	Need to discuss a target date
2020-22 Strategic Plan	9/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020
2020-21 Budget Kick off Workshop	Fall 2020	GM Winqest/Director of Finance Navazio	Will discuss during long range calendar
No Smoking/Vaping Policy	Completed	GM Winqest	Resolution approved by BOT on 4/1. Implementation beginning.

COVID-19, Impacts to the District & update on closures and restrictions

Diamond Peak and the Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Parks Staff is gradually being brought on to address needs to maintain and prepare the venues for seasonal operations.

As of June 2nd, the beaches are accessible. Key operational aspects:

- High Sierra Patrol is currently on site 12:00pm – 10:00pm
- All Beach Parking lots open 9am – 8pm Daily
- Incline & Burnt Cedar Beach Gates are currently Staffed 11am - 7pm Mon – Thu, 9am – 7pm Fri – Sun (High Sierra Patrol locks gates at 8pm)
- Ski Beach Boat Ramp opened on Wednesday, May 20th. Gate will be staffed from 7am – 8pm daily. Launching is limited to Tahoe only watercraft with seal in tact. TRPA has not announced when they will begin providing watercraft inspections.
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only
- Physical/Social Distancing required
- No pop up tents

Beach operations are constantly changing and staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID – 19 and observed behavior at the beach properties.

Many full time staff are working from home and/or are working a combination of on site and home as well as utilizing sick and/or vacation leave. Additional cost savings steps, as they relate to Full Time Year Round and Seasonal Management staff have been implemented and include a combination of temporary hourly furloughs and percentage pay decreases. Many members of the Full Time staff have begun transitioning back to full time as services and

venues continue to open. Part Time Seasonal and hourly staff are currently working on a critical need basis only. Our Human Resources team is doing an outstanding job of working through the State and Federal guidelines for our workforce.

The Community Services teams are working on developing reopening strategies to make sure a healthy and safe environment is provided so that our residents and guests are comfortable visiting our venues and participating in activities. The golf courses are currently open and parks staff will continue with normal preparation for upcoming seasons although it is universally understood that there may be impacts as a result of COVID-19. The Recreation Center is currently closed, however, Staff is targeting a mid-June opening of the facility under guidelines and restrictions as recommended by Governor Sisolak and Washoe County. The Recreation Counter Staff is available to answer phone calls and respond to emails and continue working on methods to open up access to services in the best interest of health and safety. This includes additional sanitization, barriers at the counter, line distancing, PPE measures.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*

These venues will see a phased opening with safety and distancing requirements and measures in place. Group activities are not currently being planned as part of a phase 1 opening. Staff will continue to provide information to the community as these plans further develop.

The Golf Courses at Incline Village

Both golf courses and practice facilities are now officially opened and seeing great success with social distancing measures in place. Once restrictions are lifted on golfers being allowed to ride together and we can move to ten minute intervals, we expect to be right on projected revenues. Below is a breakdown comparing May 2020 with May 2019 and both opening dates were very comparable.

Opening Dates	2019	2020
Range	May 10	May 11
Championship Course	May 17	May 18
Mountain Course	May 28	May 25

Round Totals	2019	2020
Championship Course	773	1627
Mountain Course	149	701

Revenues (Championship Course)	2019	2020
Admissions & Fees	\$37,410	\$101,010
Play Passes	\$13,305	\$42,732
Range Fees	\$15,918	\$26,247

Revenues (Mountain Course)	2019	2020
Admissions	\$3,815	\$23,754
Play Passes	\$1,078	\$1,476

Although May 2020 far exceeded expectations, cautioned is urged as June, and especially July, might not have as much access, revenue and play totals. This is mainly due to restrictions we may still be under and not as much public play that produces a higher greens fee. Golf Operations will continue to manage to the bottom-line and make the best decisions based on restrictions we are faced with.

Recent Facility/Venue Openings

Incline Beaches and Boat Ramp – Open to IVGID Pass and Recreation Punch Card holders
 (Burnt Cedar Pool opening TBD)

Disc Golf Course – May 11

Championship Course Driving Range – May 11

Championship Golf Course – May 18

Incline Tennis & Pickleball Center – May 18

Incline Skate Park – May 21

Mountain Golf Course – May 25

Village Green & Incline Park Playing Fields – Open for limited drop in use

Incline Bike Park – May 23

Recreation Center & Community Programming – target of mid to late June

**all facilities/venues open with Covid-19 restrictions*

Capital Projects Update May 20th, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. Moving forward with this project will address health and safety issues and prevent future damage to this facility. A local engineering consultant has completed the design and project is currently being advertised for construction bids. Bid results will be presented at the June 24th Board of Trustees meeting. Construction is anticipated to start in mid-August 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff completed the design. Bid results are currently under review and will be presented at the June 24th Board of Trustees meeting. Construction is anticipated to start in mid-July 2020.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

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. Bid results will be presented at the June 10th Board of Trustees meeting. If awarded, construction is scheduled to begin mid-August and is expected to be substantially complete by April 1, 2020.

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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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$384	\$1,508,884	\$151,804	\$1,357,080

Water Reservoir Safety and Security Improvements – Phase 1

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of 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 for the remaining 3 reservoirs. Bid results will be presented at the June 10th Board of Trustees meeting. If awarded, construction is scheduled to begin this summer and is expected to be substantially complete by the end of the year.

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, 2019 BOT meeting. A notice of substantial completion was filed on April 29th, only punchlist and permit closeout items remain. IVGID staff is very pleased with the outcome of the project and has received several compliments on the renovated venue.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$87,893	\$1,093,893	\$1,072,015	\$21,878

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction started on June 1st and is scheduled to be substantially complete on or before June 26th.

Intermountain Electric, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$84,856	\$0	\$84,856	\$0	\$84,856

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Engineering staff has completed design and at the May 6th Board of Trustee meeting, the Board approved the Notice to Proceed. Rapid Construction will begin construction the week of June 8th and be substantially complete on or before July 24th.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$68,860	\$0	\$68,860	\$0	\$68,860

Priority Projects & Items

Financial Transparency

Staff continues to evaluate the effects on the current fiscal year budget of COVID-19 pandemic related closure of District venues and curtailment of non-essential programs through April and early May. As selected venues and programs have begun to re-open, starting in Mid-May, year-end budget projections will be updated. As communicated in previous reports, with the strong financial performance through the first three quarters of the fiscal year, we continue to anticipate both the Community Services and Beach funds ending the year ahead of budget.

The General Manager continues to evaluate additional personnel cost-saving measures should the path to re-opening of District venues and programs extend beyond the next thirty

days. Cost-saving measures within the General Fund and Utility funds continued through May, including reduced work hours for staff (limited to essential services), reduced contract services, and deferring of non-essential expenditures.

The Board approved the District's FY2020-21 Budget on May 27th, and on June 1st staff submitted required filings to the State of Nevada Department of Taxation. In addition, the preliminary Rec Roll test file was submitted to the Washoe County Treasurer's Office. The final Rec Roll is required to be filed no later than June 10th.

The Accounting staff is currently closing the Month of May and plan to distribute the financials by June 16, 2020. The Accounting staff is also preparing for the year-end close, including scheduling physical inventory counts and preliminary independent audit fieldwork.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Chateau – Replace Carpet	\$62,000	Being evaluated
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Parks	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Deferred
Beaches	Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Only proceeding with safety improvements, appx \$15,000
Recreation Center	Replace Fitness Equipment	\$45,000	Reduced to appx \$20,000
Tennis Center	Resurfacing of Courts 1-2/Drainage Improvements	\$47,000	Recommended to proceed with court resurfacing. Drainage improvement no longer needed. Partial remaining project funds re-allocated to conversion of court 10 to dedicated Pickle Ball courts. Estimated reduction of \$15k from 19-20 Capital Budget
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being evaluated

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of June 23, 2020

DATE: June 17, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ)	Board award contract at early July BOT Meeting.	GM Winquest/Director of PW Pomroy Trustees Wong/Dent	Qualifications are under review.
Effluent Pipeline Project Request for Qualifications (RFQ)	Board award contract at early July BOT Meeting.	GM Winquest/Director of PW Pomroy Trustees Wong/Dent	Qualifications are under review.
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winquest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winquest/Director of Public Works Pomroy	No Update
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winquest	Conceptual Design has commenced. Community Group and IVGID staff are providing input.
Internal Controls Audit	TBD	Audit Committee/GM Winquest/Director of Finance Navazio	In beginning stage; scope of services development. Internal Contract Audit will begin in early July.
Ordinance 7 Administrative Revisions	Fall 2020	GM Winquest	Public Hearing - postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	7/31/20	Legal Counsel/Board of Trustees/GM Winquest	Update was provided on 6/10/20
Construction Project and Engineering Contract Audit	Kick off meeting in July 2020	GM Winquest/Director of Finance Navazio	Approved by the BOT on 6/10/2020

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utility Reserve Fund/Rate Study	Fall 2020	GM Winqest/Board	Need to discuss a target date. Targeting start date mid-summer.
2020-22 Strategic Plan	9/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020
2020-21 Budget Kick off Workshop	Fall 2020	GM Winqest/Director of Finance Navazio	Will discuss during long range calendar
Recreation Punch card accounting	TBD	Director of Finance Navazio	In progress – no date identified for a Discussion with the Board to determine next steps

COVID–19, Impacts to the District & update on closures and restrictions

Diamond Peak and the Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Parks Staff is gradually being brought on to address needs to maintain and prepare the venues for seasonal operations.

As of June 17nd, the beaches are accessible. Key operational aspects:

- High Sierra Patrol is currently on site 12:00pm – 10:00pm
- All Beach Parking lots open 7am – 9pm Daily
- Incline & Burnt Cedar Beach Gates are currently Staffed 8am - 8pm Daily. (High Sierra Patrol locks gates at 9pm)
- Ski Beach Boat Ramp Gate will be staffed from 7am – 8pm daily. Launching is limited to Tahoe only watercraft with seal intact. TRPA is now providing inspections by appointment at the Truckee, Meyers, and Spooner Summit locations.
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only
- Physical/Social Distancing required
- No pop up tents

Beach operations are constantly changing and staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID – 19 and observed behavior at the beach properties.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works

Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*

These venues will see a phased opening with safety and distancing requirements and measures in place. Group activities are currently being limited to 50 people or less or 50% of capacity depending on the facility/venue as part of a phase 2 opening. Staff will continue to provide information to the community as these plans further develop.

The Golf Courses at Incline Village

Both golf courses and practice facilities are now officially opened and seeing great success with social distancing measures in place. Once restrictions are lifted on golfers being allowed to ride together and we can move to ten minute intervals, we expect to be right on projected revenues. Below is a breakdown comparing May 2020 with May 2019 and both opening dates were very comparable.

Opening Dates	2019	2020
Range	May 10	May 11
Championship Course	May 17	May 18
Mountain Course	May 28	May 25

Round Totals	2019	2020
Championship Course	773	1627
Mountain Course	149	701

Revenues (Championship Course)	2019	2020
Admissions & Fees	\$37,410	\$101,010
Play Passes	\$13,305	\$42,732
Range Fees	\$15,918	\$26,247

Revenues (Mountain Course)	2019	2020
Admissions	\$3,815	\$23,754
Play Passes	\$1,078	\$1,476

Although May 2020 far exceeded expectations, cautioned is urged as June, and especially July, might not have as much access, revenue and play totals. This is mainly due to restrictions we may still be under and not as much public play that produces a higher greens

fee. Golf Operations will continue to manage to the bottom-line and make the best decisions based on restrictions we are faced with.

Recent Facility/Venue Openings

Incline Beaches and Boat Ramp – Open to IVGID Pass and Recreation Punch Card holders

Burnt Cedar Pool – June 15, 2020 (Lap Swimming, Lessons, Aqua Fitness, Private Groups)

Disc Golf Course – May 11, 2020

Championship Course Driving Range – May 11, 2020

Championship Golf Course – May 18, 2020

Incline Tennis & Pickleball Center – May 18, 2020

Incline Skate Park – May 21, 2020

Mountain Golf Course – May 25, 2020

Village Green & Incline Park Playing Fields – Open for limited drop in use

Incline Bike Park – May 23, 2020

Recreation Center & Community Programming – June 15, 2020

**all facilities/venues open with Covid-19 restrictions*

Capital Projects Update June 17th, 2020

Design

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected to work with IVGID staff and a community group to develop a preferred conceptual design. The project will proceed into final design this fall, construction is tentatively planned for summer 2021.

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. Moving forward with this project will address health and safety issues and prevent future damage to this facility. A local engineering consultant has completed the design and project is currently being advertised for construction bids. Bid results will be presented at the June 23rd Board of Trustees meeting. Construction is anticipated to start in mid-August 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff completed the design. Bid results are currently under review and will be presented at the June 23rd Board of Trustees meeting. Construction is anticipated to start in mid-July 2020.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10th Board of Trustees meeting. Construction is scheduled to begin mid-August and is expected to be substantially complete by April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$0	\$709,000	\$0	\$709,000

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls, Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication was awarded at the June 10th Board of Trustees meeting.

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$384	\$1,508,884	\$151,804	\$1,357,080

Water Reservoir Safety and Security Improvements – Phase 1

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 15, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of 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 for the remaining 3 reservoirs. The construction contract was awarded at the June 10th Board of Trustees meeting. Construction is scheduled to begin this summer and is to be completed by the end of the year.

Paso Robles Tank, Inc Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$109,000	\$0	\$109,000	\$0	\$109,000

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 awarded the construction contract to Houston Smith Construction at the August 14, 2019 BOT meeting. A notice of substantial completion was filed on April 29th, only punchlist items remain. IVGID staff is very pleased with the outcome of the project and has received several compliments from the public on the renovated venue.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$87,893	\$1,093,893	\$1,072,015	\$21,878

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction started on June 1st and is scheduled to be substantially complete on or before July 3rd.

Intermountain Electric, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$84,856	\$0	\$84,856	\$0	\$84,856

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Engineering staff has completed design and at the May 6th Board of Trustees meeting, the Board approved the Notice to Proceed. Rapid Construction has started construction and is scheduled to be substantially complete on or before July 17th.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$68,860	\$0	\$68,860	\$0	\$68,860

Repair Deck Stairs and Powder Coat All Patio Deck Railings

This is 2020 Capital Improvement Project to make several improvements to the exterior patio deck at the Recreation Center. A failing concrete staircase has been replaced and the deck railing has been powder coated. There is \$14,330 remaining in the budget. IVGID solicited and received a proposal to address the spalling concrete on the patio deck but the bid exceeds the available funds. To proceed with the project and prolong the life of this asset excess funds (\$14,190) from completed CIP#4885BD1606, *Pool Facility Deck/Floor Re-coat* will be reallocated to this project. SI Legacy Coating is scheduled to seal the deck patio later this month.

Financial Transparency

As communicated in previous reports, with the strong financial performance through the first three quarters of the fiscal year, we continue to anticipate both the Community Services and Beach funds ending the year ahead of budget.

The Accounting staff has closed the Month of May and the financials will be posted to the Financial Transparency page June 18, 2020. Along with completing the year-end close, the Accounting staff had its kickoff meeting with the Auditors from Eide Bailly and are assisting auditors with walk-throughs this week. Golf merchandise inventory was observed by the Auditors and passed with zero exceptions.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Parks	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Deferred
Beaches	Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Only proceeding with safety improvements, appx \$15,000
Recreation Center	Replace Fitness Equipment	\$45,000	Reduced to appx \$20,000
Tennis Center	Resurfacing of Courts 1-2/Drainage Improvements	\$47,000	Recommended to proceed with court resurfacing. Drainage improvement no longer needed. Partial remaining project funds re-allocated to conversion of court 10 to dedicated Pickle Ball courts. Estimated reduction of \$15k from 19-20 Capital Budget
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being evaluated

Popular Report

With the new fiscal year just fourteen days away from the date of this memorandum, I wanted to remind the Board that we agreed to the publishing of the Popular Report starting in the new fiscal year. The first report will be published to the District's website no later than October 31, 2020 and it will continue the information for the months of July, August, and September of 2020.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of October 27, 2020

DATE: October 20, 2020

General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ) <i>*updated</i>	CMAR RFQ Posted 10/23/20	GM Winquest/Engineering Manager Chorey Trustees Wong/Dent	RFQ Posted 10/23/20. Interviews to take place in November.
Effluent Pipeline Project Request for Qualifications (RFQ)	See above	GM Winquest/DPW Pomroy Trustees Wong/Dent	See above
Burnt Cedar Pool Project <i>*updated</i>	Schematic Design Phase	Engineering Manager Chorey/GM Winquest	Schematic Design in progress. To be presented to Board 11/18.
<u>Internal Controls Project(s)</u>			Draft framework / project plan shared with Audit Committee; prioritizing procurement policy review
Review of Internal Control * Policies and Procedures	Winter/Spring	Director of Finance Navazio	
* Construction Contract Review	Winter 2020	GM Winquest/Director of Finance Navazio	Moss Adams contract audit underway; completed document review and stakeholder interviews; fact validation by 10/30; final report 11/16
Ordinance 7 Administrative Revisions <i>*updated</i>	Fall/Winter 2020	GM Winquest	GM Advisory Committee Kick off meeting was held on 9/29/20. Next meeting was held 10/27/20
Smith vs IVGID Litigation	Ongoing	Legal Counsel/Board of Trustees/GM Winquest	Update provided by Legal Counsel at the 9/9/20 BOT mtg

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utilities Performance/Asset Management Review <i>*updated</i>	Hiring of Consultant Fall 2020	GM Winqest/Board	Draft RFP under final review; target date for RFP release late October
2020/2022 Strategic Plan <i>*updated</i>	February 2020/21	Senior Management Team/Board of Trustees	Will discuss in the future, during long range calendar. Will set a workshop date after election.
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winqest	Have resumed discussions with the USFS regarding special use permit,
2020/2021 Budget Kick off Workshop <i>*updated</i>	December 2020	GM Winqest/Director of Finance Navazio	Long Range Calendar updated to reflect workshop 12/9/20
Recreation Punch card accounting	Fall 2020	Director of Finance Navazio	Board Workshop took place on 9/9/20.
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winqest/Engineering Manager Chorey	Meeting with Marcus Faust/Laura Whitney of the USACE early November

COVID–19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. The Chateau Grille is currently open with limited capacity and reservations are required. Weddings, Banquets and Events are currently taking place with significant restrictions based on state and county guidelines and restrictions. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored. The Tennis Center remains open until late October weather dependent. Tennis and Pickle Ball courts will remain open on a first come first serve basis once the Pro Shop operations cease for the season.

Beach operations are constantly changing and Staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID–19 and observed behavior at the beach properties. Currently the beach operational season is winding down. Food & Beverage and lifeguard operations ended on September 7th. Beach Host Staff will continue to staff the entrance gates and the boat ramp as weather and utilization allows through the end of October.

- All Beach Parking lots open 8am – 8pm daily
- Ski Beach Boat Ramp is available by appointment. All appointments must be made 24 hours in advance

Golf Courses Update

Championship Course Review

The Championship course opened May 18 for play and closed October 18 with no disruptions or closures for the season. The golf course was in great condition all season, thanks to the hard work by Jeff Clouthier and his team. The Golf staff lead by Head Professional Kyle Thornburg kept things safe for all golfers while checking-in and playing. As you will see below, Resident play was significantly up for the year and all of this was accomplished with incredibly low pace-of-play which made all golfers happy.

Overall Play Percentages Of Total Play	Residents	Play Pass	Resident's Guest	Non-Residents	Other
2019	26%	33%	9%	24%	8%
2020	36%	39%	10%	12%	3%
<i>Difference in 2020</i>	<i>+10%</i>	<i>+6%</i>	<i>+1%</i>	<i>-12%</i>	<i>-5%</i>

Mountain Course Review

The Mountain course opened May 25 for play and closed October 11, also with no disruptions or closures for the year thanks to the Mountain course staff headed by Head Professional Ashley Wood. Jeff Clouthier and his staff also had the Mountain course in great condition for the entire season.

Mountain Course	Residents	Play Pass	Resident's Guest	Non-Residents	Other
2019	5239	2788	1698	4846	875
2020	9212	2957	1962	3624	567
<i>Difference in 2020</i>	<i>+43%</i>	<i>+6%</i>	<i>+14%</i>	<i>-25%</i>	<i>-35%</i>

Overall Play Percentages of Total Play	Residents	Play Pass	Resident's Guest	Non-Residents	Other
2019	34%	18%	11%	31%	6%
2020	50%	16%	11%	20%	3%
<i>Difference in 2020</i>	<i>+24%</i>	<i>-2%</i>	<i>0</i>	<i>-11%</i>	<i>-3%</i>

Staff Recruitment

The Human Resources Team is very busy with multiple key recruitments - Controller, Parks and Recreation Superintendent, and the Director of Public Works. The District General Manager will keep the Board of Trustees up to date on these key recruitments as the process proceeds.

Public Works

- IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances. We expect to discontinue this by December 1.
- Solid waste violations and fines have been reinstated as of all new violations beginning August 31, 2020.

Ordinance 7 General Manager Advisory Committee

A page on the IVGID website has been created and that link is <https://www.yourtahoeplace.com/ivgid/general-managers-committee-on-ordinance-7>. The minutes from the first meeting are posted to this website. The next meeting of this committee is scheduled for Tuesday, October 27, 2020. The GM will give an update at the BOT meeting on 10/27/20.

Key Project Updates

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected and worked with IVGID Staff and a community group to develop a preferred conceptual design. On August 12, 2020, the Board of Trustees unanimously selected a preferred option. On September 9, 2020, the Board of Trustees unanimously authorized schematic design services. On September 30, 2020, the Board of Trustees provided feedback on project delivery with the majority supporting the Construction Manager-At-Risk (CMAR) project delivery method. Schematic Design is scheduled to be presented to the Board of Trustees at the November 18, 2020 Board Meeting. Assuming acceptance of the schematic design, the CMAR will prepare a construction cost estimate. The CMAR construction cost estimate and a proposal to complete design and permitting are tentatively scheduled to be reviewed and discussed at the December 9, 2020 Board Meeting. Attached to this memorandum is a memorandum sent to the Board of Trustees by the Engineering Manager which Staff wanted to make available to the community.

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be substantially complete April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$25,358	\$734,358	\$213,150	\$521,208

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff has prepared a Request for Proposals (RFP) to solicit responses from potential CMARs and it will appear in the newspaper on October 23, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4-million-gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff has prepared a Request for Proposals (RFP) to solicit responses from potential CMARs and it will appear in the newspaper on October 23, 2020.

Financial Transparency

Fiscal Year 2019/2020 Year-End Audit. Auditor has provided review comments on preliminary draft of financial statements and notes to financial statements. Staff continues to respond to audit inquiries and is updating sections of the CAFR. Currently 11 audit adjustments that have been identified and posted. One audit adjustment is under review by staff and is not posted.

Staff has completed the September 2020 close and posted the financial packet to the District website and updated OpenGov.

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

From September 30, 2020 to October 21, 2020

PO Number	Vendor	Description	PO Amt
21-0090	EXL Media	EXL Media 2020-21 media buying services for Diamond Peak – Agency Fees	\$25,000.
21-0091	EXL Media	EXL Media 2020-21 media buying services for Diamond Peak Ski Resort – paid media spending	\$75,000
21-0092	Sierra Pacific Turf Supply Inc.	Fertilizer, adjuvants, construction amendment for root zone mixes	\$10,703
21-0094	Tate Snyder Kimsey Architects Ltd DBA TSK Architects	Burnt Cedar Swimming Pools Improvement Project; Schematic Design services per ASA 01 dated 9/11/2020	\$66,204
21-0098	Kassbohrer All Terrain Vehicles, Inc.	Parts and Labor for Snowcat Track rebuild \$645	\$16,000
21-0099	Halo Branded Solutions, Inc.	Diamond Peak Staff Uniforms	\$30,000
21-0101	Ward-Young Architecture and Planning	Recreation Center Locker Room Improvements; architectural services per SFA dated 8/20/2020	\$40,222
21-0102	Ward-Young Architecture and Planning	Recreation Center Lobby Restroom Improvements; architectural services per ASA dated 8/21/2020	\$16,237
		TOTAL	\$279,366

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of October 14, 2020

DATE: October 6, 2020

General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ) <i>*updated</i>	CMAR RFQ Process to begin in October 2020	GM Winqest/DPW Pomroy Trustees Wong/Dent	Finalizing a RFQ to hire a CMAR Contractor.
Effluent Pipeline Project Request for Qualifications (RFQ)	See above	GM Winqest/DPW Pomroy Trustees Wong/Dent	See above
Burnt Cedar Pool Project <i>*updated</i>	Design Phase	Engineering Manager Chorey/GM Winqest	Schematic Design in process
<u>Internal Controls Project(s)</u>			
Review of Internal Control * Policies and Procedures	Winter/Spring	Director of Finance Navazio	Draft framework / project plan shared with Audit Committee; prioritizing procurement policy review
* Construction Contract Review	Winter 2020	GM Winqest/Director of Finance Navazio	Moss Adams contract audit underway; completed document review and stakeholder interviews; fact validation by 10/30; final report 11/16
Ordinance 7 Administrative Revisions <i>*updated</i>	Fall/Winter 2020	GM Winqest	GM Advisory Committee Kick off meeting was held on 9/29/20. Next meeting is 10/27/20
Smith vs IVGID Litigation	Ongoing	Legal Counsel/Board of Trustees/GM Winqest	Update provided by Legal Counsel at the 9/9/20 BOT mtg

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utilities Performance/Asset Management Review <i>*updated</i>	Hiring of Consultant Fall 2020	GM Winqest/Board	Draft RFQ / RFP under final review; target date for RFQ release late October
2020/2022 Strategic Plan	February 2020/21	Senior Management Team/Board of Trustees	Will discuss, in the future, during long range calendar
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit.
2020/2021 Budget Kick off Workshop <i>*updated</i>	November 2020	GM Winqest/Director of Finance Navazio	Long Range Calendar updated 9/30/20
Recreation Punch card accounting	Fall 2020	Director of Finance Navazio	Board Workshop took place on 9/9/20.
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winqest/DPW Pomroy	No update

COVID–19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. The Chateau Grille is currently open with limited capacity and reservations are required. Weddings, Banquets and Events are currently taking place with significant restrictions based on state and county guidelines and restrictions. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored. The Tennis Center remains open until late October weather dependent.

Beach operations are constantly changing and Staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID–19 and observed behavior at the beach properties. Currently the beach operational season is winding down. Food & Beverage and lifeguard operations ended on September 7th. Beach Host Staff will continue to staff the entrance gates and the boat ramp as weather and utilization allows.

- All Beach Parking lots open 7am – 8pm daily
- Ski Beach Boat Ramp is available by appointment. All appointments must be made 24 hours in advance
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only. Physical/Social Distancing required.

Public Works

- IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances. We expect to discontinue this by December 1.
- Solid waste violations and fines have been reinstated as of all new violations beginning August 31, 2020.

Ordinance 7 General Manager Advisory Committee

A page on the IVGID website has been created and that link is <https://www.yourtahoepalace.com/ivgid/general-managers-committee-on-ordinance-7>. Karen Viel is no longer on the committee. The minutes from the first meeting are posted to this website. The next meeting of this committee is tentatively scheduled for Tuesday, October 27, 2020.

Key Project Updates

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected and worked with IVGID Staff and a community group to develop a preferred conceptual design. On August 12, 2020, the Board of Trustees unanimously selected a preferred option. On September 9, 2020, the Board of Trustees unanimously authorized schematic design services. On September 30, 2020, the Board of Trustees provided feedback on project delivery with the majority supporting the Construction Manager-At-Risk (CMAR) project delivery method. Schematic Design is tentatively scheduled to be presented to the Board of Trustees at the November 18, 2020 Board Meeting.

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be substantially complete April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
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Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff is preparing a Request for Qualifications (RFQ) to solicit responses from potential CMARs.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4-million-gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff is preparing a Request for Qualifications (RFQ) to solicit responses from potential CMARs.

Financial Transparency

Fiscal Year 2019/2020 Year-End Audit

Staff continues to work with the auditors on inquiries. Staff expects to have the August financials distributed by the end of the week (10/09/2020).

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of May 27, 2020

DATE: May 20, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Filing of 2020-21 District Budget & Recreation Roll	6/1/2020	GM Winqest/Director of Finance Navazio/Board of Trustees	Public Hearing on Final Budget/Rec Roll 5/27
Effluent Pond Lining Project Request for Qualifications (RFQ)	Board award contract at early July BOT Meeting.	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Publicly advertising RFQ. Qualifications due 6/5.
Effluent Pipeline Project Request for Qualifications (RFQ)	Board award contract at early July BOT Meeting.	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Publicly advertising RFQ. Qualifications due 6/5.
USFS Parcel Acquisition	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winqest	Top design team has been notified. IVGID Staff and consultant are negotiating contract.
Guest Access Ticket Revision	Completed	GM Winqest	Included details of new process in GM Report on 4/1 and 4/14.
No Smoking/Vaping Policy	Completed	GM Winqest	Resolution approved by BOT on 4/1. Implementation beginning.
Internal Controls Audit	6/30/2020	Audit Committee/GM Winqest/Director of Finance Navazio	In beginning stage; scope of services development

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Ordinance 7 Administrative Revisions	TBD	GM Winqest	Public Hearing - postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	6/30/20	Legal Counsel/Board of Trustees/GM Winqest	Update coming in June
Utility Reserve Fund/Rate Study	Summer 2020	GM Winqest/Board	Need to discuss a target date
2020-22 Strategic Plan	7/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020
2020-21 Budget Workshop	Completed	Senior Management Team/Board of Trustees	Scheduled for 5/7/20
2020-21 Budget Kick off Workshop	Fall 2020	GM Winqest/Director of Finance Navazio	Will discuss during long range calendar

COVID–19, Impacts to the District & update on closures and restrictions

Diamond Peak and the Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Parks Staff is gradually being brought on to address needs to maintain and prepare the venues for seasonal operations.

As of April 30th, the beaches are accessible. Key operational aspects:

- High Sierra Patrol is currently on site 11:30am – 9:30pm
- All Beach Parking lots open 11am – 8pm Mon – Thu, 9am – 8pm Fri – Sun
- Incline & Burnt Cedar Beach Gates are currently Staffed 11am - 7pm Mon – Thu, 9am – 7pm Fri – Sun (High Sierra Patrol locks gates at 8pm)
- Ski Beach Boat Ramp opened on Wednesday, May 20th. Gate will be staffed from 7am – 8pm daily. Launching is limited to Tahoe only watercraft with seal in tact. TRPA has not announced when they will begin providing watercraft inspections.
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only
- Physical/Social Distancing required
- No pop up tents

Beach operations are constantly changing and staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID – 19 and observed behavior at the beach properties.

Many full time staff are working from home and/or are working a combination of on site and home as well as utilizing sick and/or vacation leave. Additional cost savings steps, as they relate to Full Time Year Round and Seasonal Management staff have been implemented and include a combination of temporary hourly furloughs and percentage pay decreases. Part Time Seasonal and hourly staff are currently working on a critical need basis only. Our Human Resources team is doing an outstanding job of working through the State and Federal guidelines for our workforce.

The Community Services teams are working on developing reopening strategies to make sure a healthy and safe environment is provided so that our residents and guests are comfortable visiting our venues and participating in activities. Additionally, Staff is working on digital and online resources to keep the community active and engaged. The golf courses are currently open and parks staff will continue with normal preparation for upcoming seasons although it is universally understood that there may be impacts as a result of COVID-19. The Recreation Center is closed until further notice, however, Recreation Counter Staff is available to answer phone calls and respond to emails. Recreation Counter staff is working on methods to open up access to services in the best interest of health and safety. This includes additional sanitization, barriers at the counter, line distancing, PPE measures.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*

Nevada's Governor Sisolak issued an extension to the "Stay at Home" order until Late May. However, beginning May 1, restrictions on activities including Golf, Tennis, and Pickle Ball have been lifted and will be allowed if operated safely by agencies maximizing prevention of the spread of COVID-19. The Championship Golf Course opened on May 18th, while the Mountain Golf Course opened on May 25th. Additionally, Parks & Recreation Department staff opened the Tennis Center on May 18th, as well as other parks venues. These venues will see a phased opening with safety and distancing requirements and measures in place. Group activities are not currently being planned as part of a phase 1 opening. Staff will continue to provide information to the community as these plans further develop.

Recent Facility/Venue Openings

Incline Beaches and Boat Ramp – Open to IVGID Pass and Recreation Punch Card holders (Burnt Cedar Pool opening TBD)

Disc Golf Course – May 11

Championship Course Driving Range – May 11

Championship Golf Course – May 18

Incline Tennis & Pickleball Center – May 18

Incline Skate Park – May 21

Mountain Golf Course – May 25

Village Green & Incline Park Playing Fields – Open for limited drop in use

Incline Bike Park – May 23

**all facilities/venues open with Covid-19 restrictions*

Capital Projects Update May 20th, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. Moving forward with this project will address health and safety issues and prevent future damage to this facility. A local engineering consultant has completed the design and is currently preparing the final bid documents. The project is scheduled to be publically advertised for bids on May 8th, and bid results will be presented at the June 24th Board of Trustees meeting. Construction is anticipated to start in mid-August 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff completed the design. The project is currently being publically advertised for bids and bid results will be presented at the June 24th Board of Trustees meeting. Construction is anticipated to start in mid-July 2020.

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 13th and authorized public advertisement for bids on March 11th. The video conference Pre-bid meeting on April 29th was well attended by prime

and sub-contractors and staff is optimistic we will receive multiple bids on this project. Bid results are scheduled to be presented to the Board on June 10th.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls, Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication bid results are tentatively scheduled to be presented to the Board in June.

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$0	\$1,508,500	\$73,539	\$1,434,961

Water Reservoir Safety and Security Improvements – Phase 1

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of 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 for the remaining 3 reservoirs. Bid results are under review and are tentatively scheduled to be presented to the Board on June 10, 2020. If awarded, construction

is scheduled to begin this summer and is expected to be substantially complete by the end of the year.

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, 2019 BOT meeting. A notice of substantial completion was filed on April 29th, only punchlist and permit closeout items remain. IVGID staff is very pleased with the outcome of the project and is eagerly awaiting the start of the golf season to show off the renovated venue.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$83,575	\$1,089,575	\$916,365	\$173,210

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction is scheduled to start the week of June 1st.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center Remodel Project but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting, a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and the Rapid Construction is the lowest responsible bidder. Staff is requesting Board Approval on a Notice to Proceed at its May 6, 2020 meeting. Construction is scheduled to start the week of June 1st.

Priority Projects & Items

Financial Transparency

Staff continues to evaluate the effects on the current fiscal year budget of COVID-19 pandemic related closure of District venues and curtailment of non-essential programs and services into May, and possibly, June.

As communicated in previous reports, with the strong financial performance through the first three quarters of the fiscal year, we anticipate both the Community Services and Beach funds ending the year *ahead of budget*, assuming continued avoidance of staffing and program costs, consistent with curtailment of facility operations.

While both the General Fund and Utility Fund revenues are largely buffered from short-term impacts from facility closures and level of activity, additional cost-savings measures have been implemented including reduced work hours for staff (limited to essential services), reduced contract services, and deferring of non-essential expenditures. The General Manager is evaluating additional personnel cost-saving measures should closures extend beyond the next thirty days. Criteria is also being established to prioritize pending capital project expenditures through the remainder of the current fiscal year.

Staff has complete the financial close for April 2020 and posted the monthly financials to the District's website along with updating the OpenGov transparency tool. Management has taken measures to control costs during the pandemic that resulted in net operating revenue to be just slightly below budget for the month and remaining ahead of budget year to date.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Chateau – Replace Carpet	\$62,000	Being evaluated
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Parks	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Deferred
Beaches	Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Only proceeding with safety improvements, appx \$15,000
Recreation Center	Replace Fitness Equipment	\$45,000	Reduced to appx \$20,000

Tennis Center	Resurfacing of Courts 1-2/Drainage Improvements	\$47,000	Recommended to proceed with court resurfacing. Drainage improvement no longer needed. Partial remaining project funds re-allocated to conversion of court 10 to dedicated Pickle Ball courts. Estimated reduction of \$15k from 19-20 Capital Budget
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being evaluated

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of July 22, 2020

DATE: July 17, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ)	August 2020	GM Winquest/Director of PW Pomroy Trustees Wong/Dent	Qualifications are under review.
Effluent Pipeline Project Request for Qualifications (RFQ)	August 2020	GM Winquest/Director of PW Pomroy Trustees Wong/Dent	Qualifications are under review.
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winquest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winquest/Director of Public Works Pomroy	No Update
Burnt Cedar Pool Project	Present Conceptual Design at 8/12 BOT Meeting	Engineering/GM Winquest	Conceptual Design has commenced. Community Group and IVGID staff are providing input.
Internal Controls Audit	Winter 2020	Audit Committee/GM Winquest/Director of Finance Navazio	Internal policies, processes, controls etc. being evaluated by staff
Ordinance 7 Administrative Revisions	Fall/Winter 2020	GM Winquest	Creation of advisory team in August 2020.
Smith vs IVGID Litigation	7/31/2020	Legal Counsel/Board of Trustees/GM Winquest	Update was provided on 6/10/20.
Construction Project and Engineering Contract Audit	Kick off meeting in mid-July 2020	GM Winquest/Director of Finance Navazio	Approved by the BOT on 6/10/2020. In Contract with Moss Adams

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utility Reserve Fund/Rate Study	Fall 2020	GM Winqest/Board	Targeting start date late Summer, 2020.
2020/2022 Strategic Plan	TBD	Senior Management Team/Board of Trustees	Need to discuss timing based on upcoming election
2020/2021 Budget Kick off Workshop	Fall 2020	GM Winqest/Director of Finance Navazio	Will discuss during long range calendar
Recreation Punch card accounting	TBD	Director of Finance Navazio	Presentation and discussion including next steps on agenda for 7/22/20 BOT meeting.

COVID-19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. The Chateau Grille is currently open with limited capacity and reservations are required. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored. Parks Staff is gradually being brought on to address needs to maintain and prepare the venues for seasonal operations.

- High Sierra Patrol is currently on site 12:00pm – 10:00pm
- All Beach Parking lots open 7am – 9pm daily
- Incline & Burnt Cedar Beach Gates are currently staffed 8am - 8pm Mon – Thurs, and Fri – Sun 7am – 8pm. (High Sierra Patrol locks gates at 9pm)
- Ski Beach Boat Ramp Gate is currently staffed from 7am – 8pm daily. Launching is limited to Tahoe only watercraft with seal intact. TRPA is now providing inspections by appointment at the Truckee, Meyers, and Spooner Summit locations.
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only. Physical/Social Distancing required. Pop up tents only allowed in specific areas.

Beach operations are constantly changing and Staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID-19 and observed behavior at the beach properties.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering Staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*
- *Solid waste violations and fines have been suspended except for some customer upgrades to wildlife resistant carts for spills. Waste Not has been reduced in staffing as a non-essential operation during Covid-19 and is unable to respond to violation reports. Customers are being charged by Waste Management for excess refuse per the Franchise Terms.*

VENUES

These venues will see a phased opening with safety and distancing requirements and measures in place. Group activities are currently being limited to 50 people or less or 50% of capacity depending on the facility/venue as part of a COVID-19 Phase 2 opening. Staff will continue to provide information to the community as these plans further develop.

Facility/Venue Openings

- Incline Beaches and Boat Ramp – Open to IVGID Pass and Recreation Punch Card holders
- Burnt Cedar Pool – June 15, 2020 (Lap Swimming, Swim Lessons, Aqua Fitness)
- Disc Golf Course – May 11, 2020
- Championship Course Driving Range – May 11, 2020
- Championship Golf Course – May 18, 2020
- Incline Tennis & Pickleball Center – May 18, 2020
- Incline Skate Park – May 21, 2020
- Mountain Golf Course – May 25, 2020
- Village Green & Incline Park Playing Fields – Open for limited drop in use
- Incline Bike Park – May 23, 2020
- Recreation Center & Community Programming – June 15, 2020

**all facilities/venues open with COVID-19 restrictions*

The Golf Courses at Incline Village

Golf Operations June update

Round Totals	Daily Averages			
	2019	2020	2019	2020
Championship Course	4105	4074	136.8	135.8
Mountain Course	3234	3390	107.8	113

Revenues (Championship Course)	2019	2020
Admissions & Fees	\$307,748	\$280,334
Play Passes	\$135,408	\$146,312
Range Fees	\$35,825	\$41,465

*Revenue for play was \$10,870 below last year for June

Revenues (Mountain Course)	2019	2020
Admissions	\$92,694	\$126,404
Play Passes	\$24,529	\$13,747

*Revenue for play was \$22,928 ahead of last June

Customer satisfaction is high due to the incredible work Jeff Clouthier and his staff are doing with maintaining the golf course, as well as how professional the Golf staff, under the direction of Head Professional Kyle Thornburg, has been handling day-to-day COVID-19 restrictions for golf.

Beach Visits

By date, by type, 4th of July weekend 2020

	7/3/2020	7/4/2020	7/5/2020
IVGID PPH*	1842	1984	1588
IVGID Exchange	59	49	42
Punch Cards	1181	1386	693
Total	3082	3419	2323
Boat Launches	118	54	80

*Picture Pass Holder

By date, by beach, 4th of July weekend 2020

Burnt Cedar	7/3/2020	7/4/2020	7/5/2020
IVGID PPH*	499	643	506
IVGID Exchange	14	23	14
Punch Cards	38	83	28
Total:	551	749	548
Ski Beach	7/3/2020	7/4/2020	7/5/2020
IVGID PPH	570	349	304
IVGID Exchange	6	2	6
Punch Cards	438	687	239
Total:	1014	1038	549

*Picture Pass Holder

Incline Beach	7/3/2020	7/4/2020	7/5/2020
IVGID PPH*	773	992	778
IVGID Exchange	39	24	22
Punch Cards	705	616	426
Total:	1517	1632	1226

*Picture Pass Holder

Comparison by year, July 4 only

	7/4/2018	7/4/2019	7/4/2020
IVGID PPH*	3576	3426	1984
IVGID Exchange	355	482	49
Guest Access	3580	4616	1386
Total	7511	8524	3419
Boat Launches	72	84	54

*Picture Pass Holder

Capital Projects Update July 13, 2020

Design

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected to work with IVGID Staff and a community group to develop a preferred conceptual design. Conceptual design drawings will be presented to the Board of Trustees at their August 12, 2020 meeting. The project will proceed into final design this fall, construction is tentatively planned for summer 2021.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. This project addresses health and safety issues and prevents future water damage to this facility. A local engineering consultant completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed this October.

Cruz Construction, Inc Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$425,433	\$50,000	\$475,433	\$0	\$475,433

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering Staff completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction is anticipated to start in mid-July 2020.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$456,610	\$0	\$456,610	\$0	\$456,610

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction is scheduled to begin mid-August and is expected to be substantially complete by April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$0	\$709,000	\$0	\$709,000

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls, Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with Staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication was awarded at the June 10, 2020 Board of Trustees meeting.

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11, 2019. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$6,069	\$1,514,569	\$221,794	\$1,292,775

Water Reservoir Safety and Security Improvements – Phase 1

This project will 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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 15, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of this project will replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices for the remaining 3 reservoirs. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction is scheduled to begin this summer and is to be completed by the end of the year.

Paso Robles Tank, Inc Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$109,000	\$0	\$109,000	\$0	\$109,000

Mountain Course Clubhouse Renovation

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 project is complete. IVGID Staff is very pleased with the outcome of the project and has received several compliments from the public on the renovated venue.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$87,893	\$1,093,893	\$1,093,893	\$0

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside electrical engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction started on June 1, 2020 and is substantially complete.

Intermountain Electric, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$84,856	\$0	\$84,856	\$70,300	\$14,556

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Engineering Staff has completed design and at the May 6, 2020 Board of Trustees meeting, the Board approved the Notice to Proceed. Rapid Construction has started construction and is scheduled to be substantially complete on or before July 17, 2020.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$68,860	\$0	\$68,860	\$0	\$68,860

Repair Deck Stairs and Powder Coat All Patio Deck Railings

This is a 2020 Capital Improvement Project to make several improvements to the exterior patio deck at the Recreation Center. A failing concrete staircase has been replaced and the deck railing has been powder coated. There is \$14,330 remaining in the budget. IVGID solicited and received a proposal to address the spalling concrete on the patio deck but the bid exceeds the available funds. To proceed with the project and prolong the life of this asset excess funds (\$14,190) from completed CIP#4885BD1606, *Pool Facility Deck/Floor Re-coat*

will be reallocated to this project. SI Legacy Coating has coated and sealed the deck patio to prolong the life of this asset.

Financial Transparency

Accounting and Finance Staff are working on completing the close for the month of June as well as performing fiscal year-end close activities. Current schedule targets completing the June close by Friday, July 24, 2020.

The FY2020-21 budget is live in our Innoprise financial system and the budget has also been uploaded to our OpenGov financial transparency portal. We are working on publishing our formal FY2020-21 budget book as well as a new OpenGov report that will allow the public to view and query budget information by month. As we roll into the new fiscal year, we are in the process of reviewing our internal and external financial reports to support our goal of financial transparency and demonstrating sound fiscal management of District resources.

As part of the year-end close, Staff has completed physical inventory, which was monitored/evaluated by our independent auditors who participated virtually. We will be following up to resolve discrepancies found between our bookkeeping and tank readings for our fuel inventory. The independent auditors are in process of conducting field work and have begun sampling transaction records across our various sub-systems (journal entries, payroll, accounts payable, bank reconciliations, utility billing, procurement cards, etc.).

On July 13, 2020, we had a kick-off meeting with our consultant (Moss Adams) who will be conducting an audit of the District's contract management and administration procedures and practices. The meeting focused on initial document requests from the consultant team as well as Staff point-of-contact(s) for the engagement.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Parks	Aspen Grove Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Deferred

Department	Project Title	2019-20 Budgeted Amount	Note
Beaches	Flatscape and Retaining Wall Enhancement and Replacement	\$55,000	Only proceeding with safety improvements, appx \$15,000
Recreation Center	Replace Fitness Equipment	\$45,000	Reduced to appx \$20,000
Tennis Center	Resurfacing of Courts 1-2/Drainage Improvements	\$47,000	Recommended to proceed with court resurfacing. Drainage improvement no longer needed. Partial remaining project funds re-allocated to conversion of court 10 to dedicated Pickle Ball courts. Estimated reduction of \$15k from 19-20 Capital Budget
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being evaluated

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of August 12, 2020

DATE: August 5, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ)	August 2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	One submittal received. Lumos & Associates will be interviewed mid-August
Effluent Pipeline Project Request for Qualifications (RFQ)	August 2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	See above
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winqest/Director of Public Works Pomroy	No update
Burnt Cedar Pool Project	Present Conceptual Design at 8/12 BOT Meeting	Engineering Manager Chorey/GM Winqest	Conceptual design has been completed. Community Group and IVGID Staff are continuously providing input.
Internal Controls Audit	Winter 2020	Audit Committee/GM Winqest/Director of Finance Navazio	Internal policies, processes, controls etc. being evaluated by staff
Ordinance 7 Administrative Revisions	Fall/Winter 2020	GM Winqest	Creation of advisory team in August 2020.
Smith vs IVGID Litigation	Board completely updated in August, 2020	Legal Counsel/Board of Trustees/GM Winqest	Update was provided on 6/10/20 by Legal Counsel.
Construction Project and Engineering Contract Audit	Kick off meeting was held on July 13, 2020	GM Winqest/Director of Finance Navazio	Approved by the BOT on 6/10/2020. Under contract with Moss Adams

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utility Reserve Fund/Rate Study	Fall 2020	GM Winquest/Board	Team meeting on 7/24/20. Agenda item to confirm goals and objectives 8/12/20.
2020/2022 Strategic Plan	TBD	Senior Management Team/Board of Trustees	Need to discuss timing based on upcoming election
2020/2021 Budget Kick off Workshop	Fall 2020	GM Winquest/Director of Finance Navazio	Will discuss during long range calendar
Recreation Punch card accounting	Ongoing	Director of Finance Navazio	Board Workshop scheduled on 9/9/20

COVID–19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. The Chateau Grille is currently open with limited capacity and reservations are required. Weddings, Banquets and Events are currently taking place with significant restrictions based on state and county guidelines and restrictions. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored.

- High Sierra Patrol is currently on site 12:00pm – 10:00pm
- All Beach Parking lots open 7am – 9pm daily
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Chateau Grille & Championship Golf Course – May 18, 2020

Incline Tennis & Pickleball Center – May 18, 2020

Incline Skate Park – May 21, 2020

Mountain Golf Course – May 25, 2020

Village Green & Incline Park Playing Fields – Open for limited drop in use

Incline Bike Park – May 23, 2020

Recreation Center & Community Programming – June 15, 2020

Banquets, Weddings, & Events – Late May, 2020

**all facilities/venues open with COVID-19 restrictions*

Capital Projects Update July 13, 2020

Design

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected to work with IVGID Staff and a community group to develop a preferred conceptual design. Conceptual design drawings will be presented to the Board of Trustees at their August 12, 2020 meeting. **The project will proceed into final design this fall, construction is tentatively planned for summer 2021. The advertisement for a Construction Manager at Risk (CMAR) closes August 6, 2020. The CMAR proposals will be reviewed and**

evaluated prior to selecting a Contractor. The CMAR contract is anticipated to be presented to the BOT for approval in September.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4-million-gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget.

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A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. This project addresses health and safety issues and prevents future water damage to this facility. A local engineering consultant completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed this October.

Cruz Construction, Inc Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$425,433	\$50,902.43	\$476,335.43	\$64,446.98	\$411,888.45

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering Staff completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed by the end of September.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$456,610	\$0	\$456,610	\$0	\$456,610

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction is scheduled to begin August 17th and is expected to be substantially complete by April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$0	\$709,000	\$0	\$709,000

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls, Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and

procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with Staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication was awarded at the June 10, 2020 Board of Trustees meeting.

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11, 2019. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$6,069	\$1,514,569	\$221,794	\$1,303,864

Water Reservoir Safety and Security Improvements – Phase 1

This project will 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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 15, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of this project will replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices for the remaining 3 reservoirs. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction is scheduled to begin this summer and is to be completed by the end of the year.

Paso Robles Tank, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$109,000	\$0	\$109,000	\$0	\$109,000

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside electrical engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. The project is complete.

Intermountain Electric, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$84,856	\$0	\$84,856	\$84,856	\$0

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Engineering Staff has completed design and at the May 6, 2020 Board of Trustees meeting, the Board approved the Notice to Proceed. Construction of the four (4) Bocce Courts adjacent to the Incline Village Recreation Center is complete.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$68,860	\$1,200	\$70,060	\$70,060	\$0

Financial Transparency

FY2019-20 Year-End

Accounting and Finance Staff are working on performing fiscal 2019-20 year-end close activities, as well as the accounting close for the first month of the new 2020-21 fiscal year. Preliminary unaudited results reflect favorable performance relative to budget across all of the Districts governmental and proprietary funds.

Preliminary (Unaudited) FY2019-20 Results

	General Fund			<i>CFWD To</i>
	Budget	Actual	Variance	<i>FY2020/21</i>
Sources	5,020,299	5,144,395	124,096	
Uses	5,664,169	4,342,506	(1,321,663)	
Net Sources/(Uses)	(643,870)	801,889	1,445,759	(300,000)
	Utilities			
	Budget	Actual	Variance	
Sources	12,841,469	12,781,653	(59,816)	
Uses	14,349,751	9,966,893	(4,382,858)	
Net Sources/(Uses)	(1,508,282)	2,814,760	4,323,042	(2,553,786)
	Community Services			
	Budget	Actual	Variance	
Sources	22,598,780	23,207,383	608,603	
Uses	26,635,871	21,645,199	(4,990,672)	
Net Sources/(Uses)	(4,037,091)	1,562,184	5,599,275	(2,500,701)
	Beach			
	Budget	Actual	Variance	
Sources	2,479,800	2,449,452	(30,348)	
Uses	3,105,529	1,827,495	(1,278,034)	
Net Sources/(Uses)	(625,729)	621,957	1,247,686	-
	Internal Services			
	Budget	Actual	Variance	
Sources	3,155,307	2,623,819	(531,488)	
Uses	3,142,117	2,796,321	(345,796)	
Net Sources/(Uses)	13,190	(172,502)	(185,692)	-

Year-end Audit

By mid-August Staff anticipates providing unaudited trial balances to the District's Independent Auditor who is scheduled to perform their field work the first two weeks in September. Draft financial statements are scheduled to be completed in October with the final Comprehensive Annual Financial Report due to be delivered by the end of October.

FY2020-21

Staff is working on the first close of the new fiscal year, including updating our operating and capital project reporting to reflect the new fund structure supporting the FY2020/21 adopted budget. Reviewing our internal and external financial reports is critical to support our goal of financial transparency and demonstrating sound fiscal management of District resources.

Work also continues on the engagement with Moss/Adams to perform a review of the District's contract management practices. We are completing the initial document request for identified projects and the audit team will be scheduling interviews with staff, board members and community stakeholders in late August / early September.

Update on Staffing Changes and Organizational Approach

The Communication Coordinator Position formerly held by Misty Moga has been vacant since May 3, 2019. Excited to announce that Kari Ferguson has accepted the position as of July 26, 2020. Kari previously was our Recreation Supervisor – Youth & Family Programs & Events from 2005 to 2020. Now that Kari has transitioned into her new position, the position that she vacated will be eliminated and the existing responsibilities and duties from this position will be absorbed by other staff members within the Parks & Recreation Department as part of an ongoing organizational restructuring within the Parks & Recreation Department.

Additionally, Mike Gove who previously served as the District's Senior IT Analyst and has been the Interim Director of IT since October 21, 2018 has been formally promoted to the Director of IT as of July 22, 2020. We are excited to see both Kari and Mike transition into their new roles with the district.

Tax Revolt Update

IVGID has received the following information from Village League's President Mr. Todd Lowe and we thought it important enough to share with our community.

Below are the numbers calculated to show the impact of moving the first payment date from October 2020 until July 2021.

<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>Total Owed by IVGID</i>
<i>\$509,402.31</i>	<i>\$468,861.44</i>	<i>\$381,472.81</i>	<i>\$1,359,736.56</i>

Summary of Implementation Plan Agreement

Recall that in 2019 the District Court ordered the County to make excess property tax refunds to every residential property owner in Incline Village and Crystal Bay during the 2003-2006 period with interest by October 2021. The County and State both appealed the District Court's decision to the Nevada Supreme Court. In a similar 2006 District Court ruling which was also appealed to the Supreme Court it took until 2011 to get a final ruling and start the refund

process. And those refunds required over two years to distribute, cost the County over \$1 million dollars to process and left nearly 3,000 taxpayers with no refund at all.

Rather than expend many hundreds of thousands of dollars in litigation expenses with interest still accruing at over \$5,000 per day only once again for the County to lose the fight and delay refund payments until the year 2024, we entered into settlement negotiations. We felt there had to be a better outcome for taxpayers and the County if we could devise a "kinder and more gentle" implementation of the Court's ruling. My meeting with you, Ryan and trustee chair Wong helped shape our objectives. Those negotiations, which were long and difficult were fruitful, producing the agreement approved yesterday by the Board of County Commissioners.

The essential terms of the agreement were worked out between December 2019 and February 2020. Those terms, memorialized before a Supreme Court Judge are attached to the final agreement as an exhibit. You can get that from our website. When the pandemic hit and we resumed further negotiations to modify that agreement based on expected impacts and difficulties.

The Court's ruling stands in every regard except the implementation details of order items 7 and 8. Those provisions direct the Treasurer on how and when to make refund payments. Here is a summary of where we ended up.

Who Gets A Refund

Every owner of a residential parcel starting in the 2003/4 year through the 2005/6 tax year is eligible for a refund. There are some 9,000 parcels in Incline Village and Crystal Bay. Some 1,500 of those are owned by the US government, Nevada State, Washoe County or IVGID; all of whom are exempt from paying property taxes. So that leaves about 7,500 parcels. Many of those parcels have been sold during the period so there are multiple owners eligible for a refund. We estimate that the County will need to pay 11,000 owners.

For removal of doubt, if one did not actually pay the excess taxes during the 2003 through 2006 period there is no refund available. Additionally, the Village League gets zero refunds and will not recoup any of the millions of dollars (all donated by our community) of fees and costs. This was a concession made as part of the settlement.

Remember that during 2003 through 2008 Incline Village and Crystal Bay property owners were paying taxes at rate 214% higher than neighboring Nevada Lake Tahoe counties. Even if one did not own property here in 2003 every property owner has benefited by a dramatic reduction in property taxes owed ever since because of the work we did to reverse unconstitutionally made assessments.

How much

The amount of taxes refunded for each parcel is calculated simply by determining the difference between the property tax assessment determined by the Supreme Court in the famous Bakst, Barta, and Drakulich decisions and that which the treasurer actually used for each of the three tax years in question. That difference is then multiplied by each year's applicable tax rate. To that amount interest is added. During the 17-year period during which the County held taxpayers excess tax payments the judicial interest rate varied between 5 and 10.25%. To simplify matters, we agreed to a flat 6% simple interest rate. To further simplify the calculations for the Treasurer we agreed to fix the start date for each interest period to the final day on which a property tax payment could be made during each of the three tax years. For sold properties, the refund amount is prorated between old and new owners based on the number of days of ownership.

To incent the County to make payments soonest and complete the task in reasonable time there is a 24-month interest holiday. During that period interest ceases to accrue. The period begins following the first month that the County starts making refunds and continues for the following 24 months. If the County fails to make payments ratably over that period, they forfeit the interest holiday. Any refunds not made during the holiday resume accruing interest.

How and When

After making the refund calculations the Treasurer is obligated to provide notice to all owners. Current residents of Incline Village and Washoe County residents are notified first. To ensure all owners get notice the County is required to contract a 3rd party search firm to locate anyone they cannot find themselves.

The payment of refunds can start at any time. However, the County has the option to wait until July 1, 2021 to start payments. This was a pandemic-related concession by taxpayers. Whether they pay sooner or not the refund issuance process must meet a minimum monthly quota. All refund payments must be completed by June 21, 2024.

Unlike previous refund payment scenarios, parcel owners are required to submit claims in order to get a refund. Those claims will be processed on a first in-first out basis. Owners failing to make a claim by May 1, 2023 forfeit getting a refund.

There are many details controlling the Treasurer's action articulated in the agreement. Of particular impact to IVGID and other taxing authorities is that the County cannot reduce their distributions of tax revenues before starting to pay refunds and cannot deduct more than refund amounts actually paid.

Washoe County's Obligations

In order to audit and ensure compliance and fair taxpayer treatment the County has various obligations. Here are a few:

- *Create an implementation website*
- *Calculate refunds in accordance to the agreement*
- *Provide notice to all Owners*
- *Provide a log of all owners, notices and refund payments to the Village League, Court and County*
- *Find every owner, contracting search firms as-needed*
- *Prepare regular progress reports to the Court, County and Village League,*
- *Follow a prescribed dispute resolution process*

For further information and details of the agreement and the refund plan, please visit the Village League's website:

(<http://nevadapropertytaxrevolt.org/wp-content/uploads/2020/08/Taxpayer-Implementation-Agreement.pdf>).

The deal must be approved by the District Court and the State before it becomes law.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of September 9, 2020

DATE: September 2, 2020

General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ) <i>*updated</i>	Will depend on determined next steps	GM Winqest/DPW Pomroy Trustees Wong/Dent	Performed interview with Lumos & Associates on August 20. Working group determining next steps. Additional update will be given on Sept. 9.
Effluent Pipeline Project Request for Qualifications (RFQ)	See above	GM Winqest/DPW Pomroy Trustees Wong/Dent	See above
Burnt Cedar Pool Project <i>*updated</i>	Design Phase	Engineering Manager Chorey/GM Winqest	Schematic Design Proposal on agenda for 9/9/20 BOT Meeting
<u>Internal Controls Project(s)</u>			Draft framework / project plan shared with Audit Committee; prioritizing procurement policy review
Review of Internal Control Policies and Procedures	Winter/Spring	Director of Finance Navazio	
Construction Contract Review <i>*updated</i>	Winter 2020	GM Winqest/Director of Finance Navazio	Moss Adams contract audit commenced July. Doc review phase underway; stakeholder interviews scheduled 8/31-9/15
Ordinance 7 Administrative Revisions <i>*updated</i>	Fall/Winter 2020	GM Winqest	Finalizing GM Advisory Committee. Board will be updated on 9/9/20.
Smith vs IVGID Litigation <i>*updated</i>	Ongoing	Legal Counsel/Board of Trustees/GM Winqest	Update to be provided by Legal Counsel at the 9/9/20 BOT mtg

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utilities Performance/Asset Management Review <i>*updated</i>	Hiring of Consultant Fall 2020	GM Winqwest/Board	BOT approved proceeding with a Performance/Asset Management Review at the 8/12/20 BOT meeting
2020/2022 Strategic Plan	February 2020/21	Senior Management Team/Board of Trustees	Will discuss, in the future, during long range calendar
USFS Parcel Acquisition – Potential Dog Park	Ongoing	GM Winqwest	Met with USFS Staff 4/2/20 process of filing a special use permit.
2020/2021 Budget Kick off Workshop <i>*updated</i>	November 2020	GM Winqwest/Director of Finance Navazio	Will discuss during long range calendar
Recreation Punch card accounting <i>*updated</i>	Fall 2020	Director of Finance Navazio	Board Workshop scheduled on 9/9/20
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winqwest/DPW Pomroy	No Update

COVID–19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. The Chateau Grille is currently open with limited capacity and reservations are required. Weddings, Banquets and Events are currently taking place with significant restrictions based on state and county guidelines and restrictions. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored.

- High Sierra Patrol is currently on site 12:00pm – 10:00pm
- All Beach Parking lots open 7am – 9pm daily (High Sierra Patrol locks gates at 9pm)
- Ski Beach Boat Ramp Gate is currently staffed from 8am – 7:30pm daily.
- Beaches are currently open to IVGID Picture Pass and Recreation Punch Card Holders only. Physical/Social Distancing required. Pop up tents only allowed in specific areas.

Beach operations are constantly changing and Staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID–19 and observed behavior at the beach properties.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering Staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances. We expect to discontinue this by December 1.
- Solid waste violations and fines have been reinstated as of all new violations beginning August 31, 2020.

Ordinance 7 General Manager Advisory Committee

A General Manager's Advisory Committee is in the final stages of creation and the goal is to have a kick off meeting in late September. Prior to a first meeting, all committee members will be given a variety of historical and supporting material and data for thorough review. Staff is anticipating this will be 4-month process and should include opportunities for the community to weigh in prior to presenting recommended draft amendments to Ordinance 7. A formal process and timeline will be presented to the Board of Trustees in October, 2020. Committee members are all full time residents and have a strong understanding of the district. The Board of Trustees will be provided with a verbal update on the committee members and the process at the September 9, 2020 Board of Trustees Meeting.

Gymnastics Program Update

Our gymnastics program came to fruition because many families have been asking about a program in Incline. These families have been driving to Truckee and Reno so their children can participate in gymnastics. The IVGID Parks & Recreation Department has operated various gymnastics programs over the years but start-up costs have been an issue in the past. The District is thankful for the generosity of the Dave & Cheryl Duffield Foundation for supplying over \$20,000 in equipment to ensure the program is successful. The equipment will be arriving shortly and upon arrival, Staff will inventory all equipment ordered before submitting for reimbursement from the Duffield Foundation.

With only minimal marketing, the program is currently at capacity which is currently at 32 girls signed up for the session that starts on September 9, 2020. The program will be separated into 4 program options (2 beginner & 2 intermediate) with a maximum of 8 gymnasts per session. The gymnasts will participate in a four-week program, one day a week, at a cost of \$70 for IVGID pass holders and \$88 for non-pass holders. This equates to \$17.50 per session for IVGID pass holders. The program will be run by Recreation Specialist Sharla Baker who is a local resident and has an extensive background in operating gymnastics facilities and programs. Mrs. Baker will work on a commission basis and is a member of the IVGID staff

who works limited part time hours as the instructor. All equipment and programs will remain at the Recreation Center until further notice. This will be an annual, ongoing program.

This program will take place on Wednesday & Thursday evenings in the rear part of the recreation center gymnasium. We have beginners from 5:45 – 6:45pm both evenings and then we have the intermediate to advanced group from 6:55 – 8:00pm. The District still hopes to collaborate with the Lake Tahoe School on facility usage if and when possible.

Gymnastics Program Financial Projection per session:

32 participants at \$70 = \$2,240.00 Gross Revenue

Instructor Commission 70% = \$1,568.00

IVGID Commission 30% = \$672.00

The financial projection is based on all participants paying the resident rate. IVGID commission is expected to cover all IVGID related expenses which include minimal staff and material time to oversee and administer the program. The Recreation Center is available at the programming times and this is not expected to impact the users of the Recreation Center as it is scheduled during non-peak time. More information will be provided after the first program has concluded. Parks & Recreation Department Staff will continuously evaluate the need for any changes to aspects of the program including pricing in order to ensure the program is cost neutral to the community.

TWSA Grant Funds Awarded

Tahoe Water Suppliers Association was awarded a \$62,000 NDEP 319h Source Water Protection grant with the Tahoe Center for Environmental Sciences, for a 2-year educational campaign on micro-plastics pollution and ways to reduce single use plastics from getting in the environment. The Federal EPA highlighted this collaborative work in conjunction with the Lake Tahoe Summit hosted by Senator Cortez Masto.

See the following link to the website. Other grants were also awarded to other Lake Tahoe Agencies.

<https://www.yourtahoeplace.com/news/u.s.-epa-awards-nearly-100000-to-address-microplastic-pollution-in-lake-tahoe>

Golf Operations – July Update

Following is a golf operations update for July 2020 prepared by Director of Golf/Community Services Darren Howard.

-Net Calculations-

Round Totals	Daily Averages			
	2019	2020	2019	2020
Championship Course	6133	5469	198	176
Mountain Course	4870	4587	157	148

Revenues (Championship Course)	2019	2020
Admissions & Fees	\$351,544.70	\$283,928.75
Play Passes **	\$161,172.00	\$174,779.32
Range Fees	\$38,249	\$42,283.25

*Net Revenue for play was \$49,974.38 below last year for June

Revenues (Mountain Course)	2019	2020
Admissions	\$173,460.75	\$164,460.75
Play Passes	\$22,095.00	\$15,134.62

*Net Revenue for play was \$15,960.38 behind last June

**Note: All Fees listed above are now NET numbers.

Championship Course	Mountain Course
---------------------	-----------------

June	2019	% of Play	2020	% of Play	2019	% of Play	2020	% of Play
Total Rounds	6133		5469		4870		4587	
Residents	1577	25.7%	1779	32.6%	1784	36.6%	2251	49%
Play Pass	2233	36.4%	2216	40.5%	669	13.7%	774	16.9%
Guest of Resident's	577	9.4%	593	10.8%	550	11.3%	547	12%
Non-Resident	1470	24%	730	13.3%	1620	33.3%	903	19.7%
Other	276	4.5%	151	2.8%	247	5.1%	112	2.4%
Golf Green Fee Dollars per Round	\$83.60		\$84.09		\$35.78		\$36.18	
Merchandise Sales per Round	\$19.36		\$14.62		\$3.82		\$3.06	
Total Golf Dollars per Round**	\$114.35		\$109.25		\$41.66		\$39.26	

*84% of rounds were Residents or Residents Guest – Championship Course

*78% of rounds were Residents or Residents Guest – Mountain Course

Championship Course

July overall was a very profitable month for golf even with COVID-19 restrictions. Normally, the maximum capacity for golf rounds in July is 7440, with COVID-19 restrictions, this July capacity was 5868 rounds. By months' end, the Championship Course finished July with 93.2% of capacity available. Tee times have moved to 12 minute intervals except for a few mid-day times that will be back to 15 minute intervals for availability of carts for afternoon times. There were 4 days of play impacted by rain and hail and two maintenance days that also impact play. Golfers are still riding one per cart unless they arrive to the course together. Practice facilities remain at capacity daily and range revenues are 10% ahead of July 2019. Pace of Play is continuing to be at an all-time low and this makes golfers very happy! For July, we still did not allow shotgun starts.

Mountain Course

July was an exceptional month for the Mountain Course as well. Tee times for July were at 15 minute intervals. The intervals for the Mountain Course are higher than the Championship Course due to less carts available. Normal July play capacity is 7192, but for this July capacity was limited to 5580 for the month due to COVID-19 restrictions. The Mountain Course finished the month with 82.2% of play capacity. There were 4 days of play impacted by rain and hail.

Merchandise

Overall all, sales are continuing to grow daily and with the individual "Fitting Days", we saw incredible success with custom fit club orders. Most of the custom club orders will show-up in August as most club manufacturers are still operating at 50% capacity and orders are taking longer to arrive to us. More emphasis this year was put on increasing our Merchandise margins and the Merchandising team has done an incredible job of taking us from 20% margins to 37.5% for July. This incredible jump in margins and better overall management of expenses and payroll has allowed Merchandising to operate at achieving their overall bottom-line budget.

Overview

All staff at Championship and Mountain courses continue to provide the best, safest experience for golfers. The golf course is in great condition and even with the limited restrictions for tee times, golf operations have not missed turning carts for a tee time and expenses have been held to a minimum. Overall, the bottom line for Championship Course (including F&B) is \$284,488 (*Revenues ahead of expenses*) for July and Mountain Course is \$65,715 ahead (*Revenues ahead of expenses*) for July. Overall, the Championship Course (Golf) is \$12,503 ahead of budget and F&B at Chateau is \$35,455 below budget. Only being open at 50% is affecting the overall F&B budget. We had budgeted to be at least 80% for July and unfortunately restrictions still keep us from getting there. Overall, the Mountain Course is \$6525 ahead of budget and all managers are managing their departments with the bottom-line in mind while still providing services that can be provided, with COVID-19 restrictions in mind.

Note: Figures were taken from Innoprise as of August 31, 2020.

Capital Projects Update September 2, 2020

Design

Mountain Golf Cart Path Replacement

A multi-year Capital Improvement Project to reconstruct the cart pathways at the Mountain Course. An engineering consultant has been contracted, for the amount of \$27,500, to complete; an evaluation of the existing pathway, a geotechnical investigation, and a design memorandum. A kick-off meeting was held August 13, 2020 and anticipate delivery of the design memorandum in approximately 5 weeks. The design memorandum will be presented to the Board of Trustees for confirmation on how to proceed. Priority A project.

Building Upgrades Water Resource Recovery Facility (WRRF)

A 2020/2021 Capital Improvement Project, this project will replace the access gate at the WRRF with a new vertical lift gate. IVGID Engineering staff prepared bid documents and solicited proposals for the project. Bids were due August 28, 2020 and are currently under review. Staff anticipates construction will occur this fall. Priority B project.

Recreation Center Upstairs Lobby Restroom Remodel

A 2020/2021 Capital Improvement Project to renovate the Recreation Center's upstairs restrooms (men's and women's). The restrooms are showing their age and have fallen below IVGID's standard of service. An architect has been contracted, for the amount of \$16,237, to complete the design and is currently working with staff to develop construction documents. The final design will be presented to the Board of Trustees prior to publically advertising for bids. Priority B project.

Recreation Center Locker Room Improvements

A 2020/2021 and 2021/2022 Capital Improvement Project to renovate the Recreation Center's locker rooms (men's and women's). The locker rooms are showing their age and have fallen below IVGID's standard of service. An architect has been contracted, for the amount of \$40,222, to complete the design and is currently working with Staff to develop construction documents. The final design will be presented to the Board of Trustees prior to publically advertising for bids. Priority A/B project.

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected and worked with IVGID Staff and a community group to develop a preferred conceptual design. On August 12, 2020, the Board of Trustees unanimously selected a preferred option. On September 9, 2020, the Board of Trustees will review a proposal for schematic design services. On September 30, 2020, the Board of Trustees will review the project delivery method (Construction Manager-At-Risk or Design-Bid-Build).

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4-million-gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project.

Construction

Recreation Center Elevator Modernization

A 2020/2021 Capital Improvement Project, this project will modernize the elevator's operational and mechanical control devices. The elevator is original to the Recreation Center and provides the only interior means of ADA access between the two floors. For several years now, the contractor performing regular maintenance on the elevator has warned of increasing difficulty sourcing parts. If the elevator were to breakdown, the difficulty in sourcing parts may result in a prolonged shut down impacting operations. For this reason, a capital project was created for modernization to extend the life of this critical asset. IVGID Engineering Staff prepared bid documents and solicited proposals for the project. Two (2) bids were received on Thursday, July 16, 2020.

- Koch Elevator Company - \$72,587.83
- Otis Elevator Company - \$81,000

This project has a CIP budget of \$97,500. Construction is anticipated to start in late September 2020. Priority B project.

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the

Championship Golf Maintenance Building. This project addresses health and safety issues and prevents future water damage to this facility. A local engineering consultant completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed this October.

Cruz Construction, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$425,433	\$63,485	\$488,918	\$215,518	\$273,400

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering Staff completed the design and the construction contract was awarded at the June 23, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be completed by the end of September.

Rapid Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$456,610	\$0	\$456,610	\$0	\$456,610

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be substantially complete April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$14,847	\$723,847	\$0	\$723,847

Lakeview Ski Lift Maintenance and Improvements

This project includes electrical upgrades to the ski lift. Upgrades consist of the replacement of the Main Low Voltage Control Panel, DC Motor Drive Panel, Return Station Controls,

Loading System Controls and Drive panel. The project also includes the replacement of the communication cable from the top terminal to the bottom terminal. There are three distinct components to the project including electrical engineering and design, bidding and procurement for the fabrication of the panels as well as bidding a contracted installation of the replacement panels. An electrical engineer has been hired to complete the design and is currently working with Staff to develop the electrical design documents for bidding the panel fabrication and installation. Panel fabrication was awarded at the June 10, 2020 Board of Trustees meeting.

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, K.G. Walters, on December 11, 2019. Construction has commenced and is anticipated to continue until December 2020. Progress meetings are held every two weeks.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$6,069	\$1,514,569	\$610,431	\$904,138

Water Reservoir Safety and Security Improvements – Phase 1

This project will 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 of Trustees awarded the contract to Resource Development Company on April 10, 2019 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 15, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of this project will replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices for the remaining 3 reservoirs. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction is scheduled to begin September 8, 2020 and is scheduled to be completed by October 2, 2020.

Paso Robles Tank, Inc. Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$109,000	\$0	\$109,000	\$0	\$109,000

Financial Transparency

Fiscal Year 2019/2020 Year-End Audit

Staff has been working on fiscal year-end close and preparation of trial balances and draft financial statements for review by the District's Independent Auditor. We are 10-14 days behind schedule re deliverables, but are working to ensure overall audit plan is completed within required timeframe. Audit team is currently performing their field work (first two weeks in September) "remotely". Draft financial statements are scheduled to be completed in October with the final Comprehensive Annual Financial Report due to be delivered by the end of October.

Fiscal Year 2020/2021

Staff continues to work on updating our operating and capital project reporting to reflect the new fund structure supporting the Fiscal Year 2020/2021 adopted budget. Reviewing our internal and external financial reports is critical to support our goal of financial transparency and demonstrating sound fiscal management of District resources.

Work also continues on the engagement with Moss Adams to perform a review of the District's contract management practices. Consultant is completing document review for identified projects and the team has scheduled interviews with Staff, Board members and community stakeholders through the second week in September.

Washoe County Tax Revolt Update

IVGID has received the following information from Village League's President Mr. Todd Lowe and we thought it important enough to share with our community.

Below are the numbers calculated to show the impact of moving the first payment date from October 2020 until July 2021.

2003	2004	2005	Total Owed by IVGID
\$509,402.31	\$468,861.44	\$381,472.81	\$1,359,736.56

Summary of Implementation Plan Agreement

Recall that in 2019 the District Court ordered the County to make excess property tax refunds to every residential property owner in Incline Village and Crystal Bay during the 2003-2006 period with interest by October 2021. The County and State both appealed the District Court's decision to the Nevada Supreme Court. In a similar 2006 District Court ruling which was also appealed to the Supreme Court it took until 2011 to get a final ruling and start the refund process. And those refunds required over two years to distribute, cost the County over \$1 million dollars to process and left nearly 3,000 taxpayers with no refund at all.

Rather than expend many hundreds of thousands of dollars in litigation expenses with interest still accruing at over \$5,000 per day only once again for the County to lose the fight and delay refund payments until the year 2024, we entered into settlement negotiations. We felt there had to be a better outcome for taxpayers and the County if we could devise a "kinder and more gentle" implementation of the Court's ruling. My meeting with you, Ryan and trustee chair Wong helped shape our objectives. Those negotiations, which were long and difficult were fruitful, producing the agreement approved yesterday by the Board of County Commissioners.

The essential terms of the agreement were worked out between December 2019 and February 2020. Those terms, memorialized before a Supreme Court Judge are attached to the final agreement as an exhibit. You can get that from our website. When the pandemic hit and we resumed further negotiations to modify that agreement based on expected impacts and difficulties.

The Court's ruling stands in every regard except the implementation details of order items 7 and 8. Those provisions direct the Treasurer on how and when to make refund payments. Here is a summary of where we ended up.

Who Gets A Refund

Every owner of a residential parcel starting in the 2003/4 year through the 2005/6 tax year is eligible for a refund. There are some 9,000 parcels in Incline Village and Crystal Bay. Some

1,500 of those are owned by the US government, Nevada State, Washoe County or IVGID; all of whom are exempt from paying property taxes. So that leaves about 7,500 parcels. Many of those parcels have been sold during the period so there are multiple owners eligible for a refund. We estimate that the County will need to pay 11,000 owners.

For removal of doubt, if one did not actually pay the excess taxes during the 2003 through 2006 period there is no refund available. Additionally, the Village League gets zero refunds and will not recoup any of the millions of dollars (all donated by our community) of fees and costs. This was a concession made as part of the settlement.

Remember that during 2003 through 2008 Incline Village and Crystal Bay property owners were paying taxes at rate 214% higher than neighboring Nevada Lake Tahoe counties. Even if one did not own property here in 2003 every property owner has benefited by a dramatic reduction in property taxes owed ever since because of the work we did to reverse unconstitutionally made assessments.

How much

The amount of taxes refunded for each parcel is calculated simply by determining the difference between the property tax assessment determined by the Supreme Court in the famous Bakst, Barta, and Drakulich decisions and that which the treasurer actually used for each of the three tax years in question. That difference is then multiplied by each year's applicable tax rate. To that amount interest is added. During the 17-year period during which the County held taxpayers excess tax payments the judicial interest rate varied between 5 and 10.25%. To simplify matters, we agreed to a flat 6% simple interest rate. To further simplify the calculations for the Treasurer we agreed to fix the start date for each interest period to the final day on which a property tax payment could be made during each of the three tax years. For sold properties, the refund amount is prorated between old and new owners based on the number of days of ownership.

To incent the County to make payments soonest and complete the task in reasonable time there is a 24-month interest holiday. During that period interest ceases to accrue. The period begins following the first month that the County starts making refunds and continues for the following 24 months. If the County fails to make payments ratably over that period, they forfeit the interest holiday. Any refunds not made during the holiday resume accruing interest.

How and When

After making the refund calculations the Treasurer is obligated to provide notice to all owners. Current residents of Incline Village and Washoe County residents are notified first. To ensure all owners get notice the County is required to contract a 3rd party search firm to locate anyone they cannot find themselves.

The payment of refunds can start at any time. However, the County has the option to wait until July 1, 2021 to start payments. This was a pandemic-related concession by taxpayers.

Whether they pay sooner or not the refund issuance process must meet a minimum monthly quota. All refund payments must be completed by June 21, 2024.

Unlike previous refund payment scenarios, parcel owners are required to submit claims in order to get a refund. Those claims will be processed on a first in-first out basis. Owners failing to make a claim by May 1, 2023 forfeit getting a refund.

There are many details controlling the Treasurer's action articulated in the agreement. Of particular impact to IVGID and other taxing authorities is that the County cannot reduce their distributions of tax revenues before starting to pay refunds and cannot deduct more than refund amounts actually paid.

Washoe County's Obligations

In order to audit and ensure compliance and fair taxpayer treatment the County has various obligations. Here are a few:

- *Create an implementation website*
- *Calculate refunds in accordance to the agreement*
- *Provide notice to all Owners*
- *Provide a log of all owners, notices and refund payments to the Village League, Court and County*
- *Find every owner, contracting search firms as-needed*
- *Prepare regular progress reports to the Court, County and Village League,*
- *Follow a prescribed dispute resolution process*

For further information and details of the agreement and the refund plan, please visit the Village League's website:

(<http://nevadapropertytaxrevolt.org/wp-content/uploads/2020/08/Taxpayer-Implementation-Agreement.pdf>).

The deal must be approved by the District Court and the State before it becomes law.

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winquest
General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of November 18, 2020

DATE: November 10, 2020

General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Pond Lining Project Request for Qualifications (RFQ) <i>*updated</i>	CMAR RFQ Posted 10/23/20	GM Winquest/Engineering Manager Chorey Trustees Wong/Dent	RFQ Posted 10/23/20. Contractor Site Walk took place on 10/28 Interviews to take place in early December.
Effluent Pipeline Project Request for Qualifications (RFQ)	See above	GM Winquest/DPW Pomroy Trustees Wong/Dent	See above
Burnt Cedar Pool Project	Schematic Design Phase	Engineering Manager Chorey/GM Winquest	Schematic Design in progress. To be presented to Board 11/18. Core Construction selected as CMAR. Pre-Construction Services commencing.
Internal Controls Project(s) Review of Internal Control * Policies and Procedures	Winter/Spring	Director of Finance Navazio	Draft framework / project plan shared with Audit Committee; prioritizing procurement policy review
* Construction Contract Review	Winter 2020	GM Winquest/Director of Finance Navazio	Moss Adams contract management audit underway; fact validation completed; final report 11/30
Ordinance 7 GM Advisory Committee <i>*updated</i>	Fall/Winter 2020	GM Winquest	GM Advisory Committee's second meeting was held on 10/27/20. Next meeting 11/10/20.
Smith vs IVGID Litigation	Ongoing	Legal Counsel/Board of Trustees/GM Winquest	Update provided by Legal Counsel at the 9/9/20 BOT mtg.

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Utilities Performance/Asset Management Review <i>*updated</i>	Hiring of Consultant Early Winter 2020	GM Winquest/Board	RFP released in 11/6/20
2020/2022 Strategic Plan	February 2020/21	Senior Management Team/Board of Trustees	Will discuss in the future, during long range calendar. Will set a workshop date after election
USFS Parcel Acquisition – Potential Dog Park <i>*updated</i>	Ongoing	GM Winquest	Have resumed discussions with the USFS regarding special use permit, Legislation in progress
2020/2021 Budget Kick off Workshop <i>*updated</i>	December 2020	GM Winquest/Director of Finance Navazio	Long Range Calendar updated to reflect first workshop December 2020
Recreation Punch card accounting	Fall 2020	Director of Finance Navazio	Board Workshop took place on 9/9/20
USACE Grant Funding for Pond Lining/Pipeline Projects	TBD	GM Winquest/Engineering Manager Chorey	Meeting with Marcus Faust/Laura Whitney (USACE) on 10/23. Update from Mr. Faust included in 11/18 GM Report
Ski Way Reconstruction Project <i>*updated</i>	TBD	Engineering Manager Chorey	GM Winquest/ Engineering Manager Chorey met with Tyrolian Board Chairman/Vice Chairman on 10/21

COVID–19, Impacts to the District & update on closures and restrictions

The Recreation Center is currently open with a limited capacity of 50% for current members only. Drop in use is being evaluated at this time. Reservations are required for Group Fitness Classes, Gymnasium, Pool, and Strength and Conditioning area. Weddings, Banquets and Events are currently taking place with significant restrictions based on state and county guidelines and restrictions. A variety of Parks & Recreation programs are being offered with strict health and safety guidelines. The community parks remain open for drop in use and social/physical distancing is being closely monitored. The Tennis Center Pro Shop is closed for the season, however courts remains open first come first serve weather dependent.

Beach operations are constantly changing and Staff has and will remain flexible as restrictions are ready to either lifted or added dependent on impact of COVID–19 and observed behavior at the beach properties. Currently the beach operational season is in the final stages of

closing down. Beach Gates no longer will be staffed as of October 31, 2020. Boat Launching is available with a 24 hour advance reservation required.

Trail of Treats and Terror Event Recap

Trail of Treats and Terror has been an Incline Village tradition since 2001. This intergenerational event is extremely important to our community, as it is the only opportunity many of the families in our town have to get dressed up and celebrate Halloween. Our team was unsure if we were going to be able to continue this event amidst the pandemic, however, with some creativity, incredible community partners, and community support, we completely reformatted the Trail of Treats and Terror. This year, the Trail of Treats and Terror took place completely outdoors and reservations were required. Trick-or-treaters traveled the "spooky" Fit Trail, with decorated stops along the way provided by our community partners. Every reservation slot filled, which means we served 600 Incline Village/Crystal Bay residents. Our partners included: Incline Tahoe Foundation, Lake Tahoe School, Sierra Nevada University, Young Life, Cornerstone Church, Incline Village Rotary, Diamond Peak, Incline Village Golf Courses, Picture This Photography (Dayle Hoevel), Ridgeline Apps, the North Lake Tahoe Fire Department, and community donors.

Golf Courses Update

The season has wrapped up for both golf courses for the 2020 season and what a season it was! The year started with uncertainty due to COVID-19 restrictions and how we were actually going to operate through this pandemic. Many planning sessions were held with staff to come up with a safe and responsible way to open both courses.

Both courses opened on time and continued throughout the season with no delays or closures due to the incredible effort by all of the Golf Course staff including Maintenance, Food & Beverage and Events. Everyone pitched in to make sure operations ran smoothly daily - which meant that almost all of our staff were doing things they would not normally be doing. This year was truly a team effort and I cannot thank our staff enough for their dedication.

Jeff Clouthier and his maintenance staff had the golf course in incredible shape all year, a fact that was evident by the large number of compliments we received on golf course conditions. Currently, Jeff and his team are finishing construction on the remaining red tees, aerification, tree work, bunker work and putting the course to "bed" before the harsh weather hits. Our Golf Course Maintenance crew always does their best to get as many golfers out on the course before the course closures, but they must also make sure they have ample time to prep the course for the uncertainty of the winter season and ensure proper growth for playing conditions when spring rolls around. Please make sure to check out this YouTube video (<https://youtu.be/uWcVzalhEIE>) with Jeff Clouthier on post golf maintenance on the course. Golf Operations has been busy preparing for cleaning and closure of the cart barn, cleaning-up the range and getting the golf simulator ready for winter operations.

Chef Bill and his staff did an incredible job keeping the Food & Beverage operations going throughout the season with minimal impact and serving up delicious food for our residents and guests as always. The snack bars were also a key component in serving our golfers with the restrictions on what we could provide on the carts.

I would like to thank our staff again for their incredible efforts this season with providing our golfers the best and safest golf experience possible. Lastly, I would like to thank everyone for being patient through our many restrictions this season. We look forward to some sort of normalcy next season.

Diamond Peak Update

The ski area continues to work towards a projected opening date of December 10, 2020. Snowmaking efforts for the season began on October 26, 2020 with a fairly good run for a couple of days and resumed our efforts on Friday, November 6, 2020 with a strong cold front that moved into the region. Staff continues to make snow when temperatures allow on the lower mountain as well as up top on Crystal Ridge. As always, we commit to provide top to bottom skiing for our guests on opening day. Making sure the mountain and facilities are prepared for operations this winter have been interesting. The addition of physical distancing requirements for our staff has made getting around and completing off season projects challenging for our maintenance crews. Their hard work and ability to think outside the normal guidelines has enabled us to complete projects on time for the upcoming season. All seasonal managers and supervisors have returned to Diamond Peak for the winter season and have been actively recruiting staff for the upcoming season. We hosted an employee recruitment fair on October 14, 2020 that was very successful and have one planned for Saturday November 14, 2020. As this season will be different from the past, please keep in mind things you can do to help.

- Face coverings are required in both indoor and outdoor spaces including riding the chairlifts.
- All guests are expected to provide six-feet of distancing from Diamond Peak staff and other guests.
- Lodge facilities will have overall capacity limitations and seating restrictions to meet required indoor operating guidelines.
- Season Pass Holders are not required to make a reservation for skiing.
- Daily tickets must be purchased online and redeemed at the ticket windows.
- Skiers will be allowed to self-group and load chair lifts with those they are skiing with.
- Lift attendants will not require skiers to ride the chair with other skiers they do not know.
- Stay at home if you are feeling unwell.

We encourage our community to visit our full list of details related to the upcoming season at diamondpeak.com "COVID- 19 FAQ: Know Before You Go page"

Staff Recruitment

The Human Resources Team is very busy with multiple key recruitments - Controller, Parks and Recreation Superintendent, and the Director of Public Works. The District General Manager will keep the Board of Trustees and community up to date on these key recruitments as the process proceeds.

Organizational Charts

Attached are three organizational charts – one for Parks and Recreation leadership dated June 2020 and one dated November 2020 which reflects restructuring of the Parks & Recreation Department. Also included is an organizational chart representing the District's middle and upper management dated November 2020.

Ordinance 7 General Manager Advisory Committee

A page on the IVGID website has been created and that link is <https://www.yourtahoepace.com/ivgid/general-managers-committee-on-ordinance-7>. The minutes from the first meeting are posted to this website. The next meeting of this committee is scheduled for Tuesday, November 10, 2020. The District General Manager will give a verbal update at the Board of Trustees meeting on November 18, 2020.

Key Project Updates

Webpage Link:

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

Burnt Cedar Swimming Pool Improvements

A 2020/2021 Capital Improvement and Board of Trustees Priority Project, this project will reconstruct the two (2) existing pools (full size and toddler) at Burnt Cedar Beach. A design consultant has been selected and worked with IVGID Staff and a community group to develop a preferred conceptual design. On August 12, 2020, the Board of Trustees unanimously selected a preferred option. On September 9, 2020, the Board of Trustees unanimously authorized schematic design services. On September 30, 2020, the Board of Trustees provided feedback on project delivery with the majority supporting the Construction Manager-At-Risk (CMAR) project delivery method. Schematic Design is scheduled to be presented to the Board of Trustees at the November 18, 2020 Board Meeting. Assuming acceptance of the schematic design, the CMAR will prepare a construction cost estimate. The CMAR construction cost estimate and a proposal to complete design and permitting are tentatively **scheduled to be reviewed and discussed at the December 9, 2020 Board Meeting.**

Tennis Center Renovation

The project includes remodeling the pro-shop and restrooms, enclosing the existing kitchenette area, expanding and enhancing the deck area, and layout improvements to make the venue more welcoming. The construction contract was awarded at the June 10, 2020 Board of Trustees meeting. Construction has commenced and the project is scheduled to be substantially complete April 1, 2021.

Daniel Fraiman Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$709,000	\$32,720	\$741,720	\$213,150	\$528,570

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff has prepared a Request for Proposals (RFP) to solicit responses from potential CMARs. Proposals are due November 19, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a 2.4-million-gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager/Construction Manager-At-Risk (CMAR) to conduct a complete project review of the Effluent Export Project. IVGID staff has prepared a Request for Proposals (RFP) to solicit responses from potential CMARs. Proposals are due November 19, 2020.

Financial Transparency

Fiscal Year 2019/2020 Year-End Audit. Staff anticipates completion of audit work and publication of Comprehensive Annual Financial Report by end of November. Draft of financial statements to be reviewed by Audit Committee at meeting of November 19th. A request has been submitted to the Nevada Dept. of Taxation requesting a 30-day extension to file the audit report with the state, in order to allow the Audit Committee and Board to consider the results of a third-party review of District financial reporting practices.

The District's First Quarter Budget Update and Popular CIP Status Report are being presented to the Board on this evening's agenda.

Staff is working to complete the October 2020 close by November 20th, and will be posting the monthly financial packet to the District website and OpenGov.

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

From October 22, 2020 to November 06, 2020

PO Number	Vendor	Description	PO Amt
21-0103	Gierlich-Mitchell, Inc.	Sewer Pump Station Improvements; Cornell Pump parts.	\$6,415
21-0104	Cinderlite Trucking Corp.	Fairway topdressing sand	\$20,000
21-0105	Dion Label Printing, Inc.	Purchase Ski lift tickets - 25,000 - regular, 10,000 - restricted and 40,000 live = 75,000	\$12,926
21-0110	Amer Sports Winter & Outdoor	Annual budgeted and approved purchase of staff consumable uniforms including shirts, hats and face coverings	\$18,270.72
		TOTAL	\$57,611.72

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of April 14, 2020

DATE: April 8, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Filing of Preliminary Budget to Department of Taxation by 4/15/2020	4/15/2020	GM Winqest/Director of Finance Navazio/Board of Trustees	Preliminary budget filing items on agenda for 4/14/2020.
Effluent Pond Lining Project Review Scope of Services	5/6/2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being developed for Project Review/Manager. Need USACE Partnership Agreement
Effluent Pipeline Project Review Scope of Services	5/6/2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being developed for Project Review/Manager.
USFS Parcel Acquisition	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winqest	Currently out for RFQ for a design team. Need to set up advisory committee meeting.
Guest Access Ticket Revision	Completed	GM Winqest	Included details of new process in GM Report on 4/1 and 4/14.
No Smoking/Vaping Policy	Completed	GM Winqest	Resolution approved by BOT on 4/1. Implementation beginning.
Internal Controls Audit/Questions regarding the 18-19 Audit/CAFR	Ongoing	Audit Committee/GM Winqest	In beginning Stage. Scope of Services Development
Audit Charter/Policy 15.1.0 Update	Ongoing	Audit Committee	Will be on 5/6 Agenda

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Ordinance 7 Administrative Revisions	TBD	GM Winquest	Public Hearing - Postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	5/20/2020	Legal Counsel/Board of Trustees/GM Winquest	Will be meeting with third party Legal Counsel to review case. Court has set a status hearing date of May 12, 2020
2020-22 Strategic Plan	7/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020
2020-21 Budget Workshop	05/07/2020	Senior Management Team/Board of Trustees	Planning for a workshop at the Chateau unless COVID-19 stay at home order is extended then it will be virtual

COVID – 19, Impacts to the District & update on closures and restrictions

Diamond Peak and the Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The beaches are available for walk in only and social/physical distancing is being monitored closely. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Staff is working on an essential/critical employee basis.

504 Staff at Diamond Peak were laid off on March 16th, and an additional 127 staff have been furloughed. These staff were paid “Pandemic Pay” from March 16 – 27th. Hiring of Spring/Summer seasonal staff will be delayed until further notice. We have placed the hiring of J1’s on hold and we will continue to evaluate the COVID-19 situation as we hope to begin gradually bringing back Staff when safe and as venues begin opening.

Many full time staff are working from home and/or are working a combination of on site and home as well as utilizing sick and/or vacation leave. Additional cost savings steps, as they relate to Full Time Year Round Staff, are being evaluated. Seasonal and hourly are currently working on a critical need basis only. Our Human Resources team is doing an outstanding job of working through the State and Federal guidelines for our workforce.

Our Finance, Accounting & Payroll team are working diligently to make sure the operations and business of the District keep moving. The team is currently and will continue to work on projections for a variety of different financial implications as a result of the COVID-19 outbreak.

The Community Services team are working on developing reopening strategies to make sure a healthy and safe environment is provided so that our residents and guests are comfortable visiting our venues and participating in activities. Additionally, Staff is working on digital and online resources to keep the community active and engaged. The golf courses and parks

staff will continue with normal preparation for upcoming seasons although it is universally understood that there may be impacts as a result of COVID-19. The Recreation Center is closed until further notice, however, Recreation Counter Staff is available to answer phone calls and respond to emails.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*

On April 8, effective 11:59 p.m., Nevada's Governor Sisolak issued Directive 13 which closed all public recreational spaces such as the skate park, golf courses, etc. Staff began the process of posting signage to be in compliance with this directive.

Capital Projects Update April 8, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

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 13th and authorized public advertisement for bids on March 11th. Project permitting and public bidding will occur in the coming months and the bid results are tentatively scheduled to be presented to the Board on June 10th.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

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 supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. The project will continue until December 2020. Progress meetings are held every two weeks. Construction will start in mid-April.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$0	\$1,508,500	\$0	\$1,508,500

Water Reservoir Safety and Security Improvements – Phase 1

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 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of 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 for the remaining 3 reservoirs. Bid results are under review and are tentatively scheduled to be presented to the Board on May 6th. If awarded, construction is scheduled to begin this summer and is expected to be substantially complete by October 15, 2020.

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 all customers. This project replaces the electric motor control centers (MCCs) and switchgear at WPS 2-1 dating to the original 1972 installation. 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, 2019. The project is now complete and retention will be held for 30 days.

San Joaquin Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$291,000	\$0	\$291,000	\$276,450	\$14,550

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, 2019 BOT meeting. Project is nearing completion. Work schedule for the next complete weeks include inside finish work, installation of kitchen equipment, site paving, and exterior painting.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$83,575	\$1,089,575	\$916,365	\$173,210

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers will address an outstanding safety concern. Engineering staff has completed design and the project has been awarded to Eric's Concrete Pavers, Inc. Project start date has been moved to April 13th to take advantage of the Recreation Center closure. Completing the project during the closure will significantly reduce the user conflicts and hazards to the public.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction is scheduled to start the week of May 4th.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center Remodel Project but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting, a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and the project has been awarded to Rapid Construction, Inc. Construction is scheduled to start the week of June 1st.

Priority Projects & Items

Resolution 1480 Update

As stated in Resolution 1480, the General Manager has direct supervision over all District employees, with the exception of the Attorney. The General Manager will ensure that the District's Organizational Chart reflects that Legal Counsel reports to the Board of Trustees while the General Manager coordinates the legal work of the District consistent with Board of Trustees direction. Additionally, all Legal Counsel invoices will be provided to the Board of Trustees for review and approval prior to payment.

Beach Guest Access Ticket Revised Process

At the December 11, 2019 Board of Trustees meeting, Staff was directed to develop an alternative to the existing Beach Guest Access Ticket process/s. This update was originally included in GM Report for the 4/1/20 BOT meeting. All the below key components will require no change to Ordinance 7. Staff has met with multiple property management agencies over the past few months explaining the reasoning for this change and gathering feedback to aid in the development of a new process. The goals of this change are to add more control of beach access, create efficiencies within the operations, and to provide improved data as it relates to guest access. The revised process transitions the guest access ticket to a pay to play model. The key components include:

- Guest must be authorized by parcel owner or property manager. All property managers must have a completed agent authorization form on file signed by the parcel owner.
- Guest required to provide a Guest Authorization form signed by parcel owner or agent.
- Guest required to provide rental agreement.
- Guest must pre purchase daily passes at the Recreation Center. Guest cannot pay directly at the beach gates.*
- Guest can only purchase a pass during the length of stay determined by required documentation
- No refunds allowed

*guest can pay at the beach gates only if IVGID Passholder is present

Washoe County Collaboration

Washoe County Commissioner Marsha Berkbigler, on behalf of Washoe County, has provided \$11,000.00 in funding to purchase and install bear boxes along the Lakeshore Pathway. Staff will be selecting locations for installation and install when warmer temperatures allow.

Washoe County is also committed to installing the no overnight parking signage along Incline Way and other selected areas later this spring. This has been delayed by the current situation with COVID-19.

Financial Transparency

As we write this update, the District has closed all venues to the public due to the COVID-19 Nevada Stay at Home order. Staff continues to evaluate the effects on the current fiscal year budget, with a primary focus on the Community Services and Beach Fund operations, under scenarios where venues and non-essential services are closed a) through May and b) through June.

With the strong financial performance through the first three quarters, we anticipate both funds ending the year *ahead of budget*, assuming avoidance of staffing and program costs, consistent with curtailment of facility operations. While financial results absent closures would have yielded results with significant favorable variance compared to the adopted budget, within the Community Services Fund, under the closure scenarios, the fund is expected to end the year with a net favorable variance of between \$400,000 and \$1,100,000, for closure through June and May, respectively. This is primarily attributable to revenues generated by Diamond Peak through March 15. For the Beach Fund, year-end results are conservatively projected to yield a favorable budget variance in the range of \$500,000 to \$650,000 as compared to the adopted budget.

While both the General Fund and Utility Fund revenues are largely buffered from short term impacts from facility closures and level of activity, additional cost-savings measures are being implemented including reduced work hours for staff (limited to essential services), reduced contract services, and deferring non-essential expenditures. The General Manager is evaluating additional personnel cost-saving measures should closures extend beyond the next thirty days.

Consistent with Board direction, Staff is also evaluating current year capital projects through development of criteria to inform decisions on proceeding with or deferring capital expenditures, with a focus on health and safety, mandates and assessment of long-term impacts on services upon return to quasi-normal operations.

The effects of the economic slowdown, social/physical distancing, and the downturn in tourism is also being evaluated in conjunction with refinement of the FY2020-21 budget process. To inform Board direction on the final budget, Staff is evaluating alternative scenarios contemplating closures and/or reduced program activity through July (one-month), September (3-months) and December (6-months) into the new fiscal year. These budget scenarios – including both operating and capital budget impacts – will be presented to the Board at the May 7th budget workshop.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Chateau – Replace Carpet	\$62,000	Being Evaluated
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Recreation Center	Replace Fitness Equipment	\$45,000	Being Evaluated
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being Evaluated

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL AUGUST 24, 2023 MEETING –
AGENDA ITEM C – APPROVE ACTIONS AND EXPENDITURES PROPOSED
BY INTERIM FINANCE DIRECTOR MAGEE – IN PARTICULAR, RECOM-
MENDED FORENSIC FINANCIAL DUE DILIGENCE AUDIT**

Introduction: Finally! For years I and others have been asking for a forensic audit. Because we suspect fraud. For years we have been criticizing staff conduct as wasteful and less than professional. And now what do we hear from our interim Finance Director? That “since July 2023 the Department of Finance has been conducting a self-assessment...This process has included staff-to-workload analysis, prioritization of Board initiatives, Audit Committee needs, and routine workload... (And) as a result...on August 9, 2023 the Finance Department made a number of recommendations to the Board...The Board directed staff to return with (a) prioritized Project List and estimated costs...The internal Active and Special Project list is (now presented)...with brief descriptions of the issues at hand and the current status of the projects as well as the recommended priorities...Staff is seeking Board guidance on this proposed prioritization.”¹

Meanwhile, “the core functions of the Accountants, such as daily accounting, bank reconciliations, auditing, and financial reporting are no longer being utilized effectively due to the workload demands and changes over the past several years. The need remains to shift these duties on to more appropriate staff, which would allow the accounting team to return to the types of activities it should be focused on.”²

So what is it that Mr. Magee is really telling us? That *for years* the “district...(was and) is not being properly managed.”³ And what does this mean? That “the board of county commissioners...hold a hearing to consider (whether)...the board of county commissioners shall...(a) Adopt an ordinance (designating)...the board of county commissioners, *ex officio*, as the board of trustees of the district; (b) Adopt an ordinance providing for the merger, consolidation or dissolution of the district... (c) File a petition in the district court...for the appointment of a receiver for the district; or (d) Determine by resolution that management and organization of the district will remain unchanged.”⁴ Not a good thing! And these are the purposes of this written statement.

¹ See page 7 of the packet of materials prepared by staff in anticipation of this meeting [go to https://www.yourtahoeplace.com/uploads/pdf-ivgid/0824_-_Rev-1.pdf (“the 8/24/2023 Board packet”)].

² See page 8 of the 8/24/2023 Board packet.

³ See NRS 318.515(1)(a).

⁴ See NRS 318.515(3).

The Hiring of a Forensic Financial Due Diligence Auditor: “Given the known fact that many of the (District’s) routine accounting duties have been shifted or delayed for multiple years, combined with the current need to get caught up on several seriously past due reconciliations, (Mr. Magee) also recommende(s) the Board direct staff to issue a request for proposals to find a qualified firm to conduct a Financial Due Diligence Audit...Th(is) recommended action differs from the annual audit. The purpose of the annual audit is to ensure that management has presented a true and fair picture of the organizations financial performance and position. The Financial Due Diligence Audit is a type of forensic audit...(that) differs from the annual audit in that the procedures, scope of work, and depth to which the auditors dig into the agency’s finances and operations...to include a wide range of areas including legal, operational, information technology, and a deep dive into all financial matters related to the District. ”²

One of my complaints has been with the type of audit the Board orders each year. Although NRS 354.624(1) mandates that the District “provide for an annual audit of all of its financial statements,” it doesn’t mandate the type of audit. And since NRS 354.486 identifies eight (8) possible kinds of audits, it would appear the Board can designate which audit to perform. Notwithstanding, the audits of the past that I am familiar with have largely been a waste. But now Mr. Magee is proposing what may very well be a very productive audit; a Forensic Financial Due Diligence Audit. I wholeheartedly support this endeavor and hope the Board will approve Mr. Magee’s request.

Conclusion: I understand that the cost to do a Due Diligence Audit will not be inexpensive. But if we can afford to waste the money we continually waste on alleged services our customers demand, then we can afford to get our financial house in order. For once. So please approve Mr. Magee’s request.

And to those of you reading this written statement wondering what your Recreation (“RFF”) and Beach (“BFF”) Facility Fees actually pay for, now you know.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

**WRITTEN STATEMENT TO BE ATTACHED TO AND MADE A PART OF THE WRITTEN
MINUTES OF THE IVGID BOARD'S SPECIAL AUGUST 24, 2023 MEETING – AGENDA
ITEM B – PUBLIC COMMENTS – SETTING THE RECORD STRAIGHT – RESIDENT
KRISTIE WELLS' COMMENTS AT THE BOARD'S AUGUST 9, 2023 MEETING**

Introduction: At the Board's July 26, 2023 meeting I gave public comment to the effect that IVGID's acquisition, maintenance, improvement and operation of its various "for profit" (but really "for loss") recreational business enterprises was founded upon fraud. And that given the remedy for fraud is rescission, this Board should terminate all affected operations based thereupon in order to return the public to the position it would have been had there been no fraud.

At the Board's August 9, 2023 meeting someone who I have never seen before in our community gave public comment contesting my July 26, 2023 allegations. She stated she was there "to set the record straight,"¹ and that my comments represented an "intentional erroneous statement" (i.e., a lie). She "encourage(d me) to retract" my erroneous statements². Well it turns out my statements were truthful. And I have written documentation which proves the point. And that's the purpose of this written statement.

Prelude: Ms. Wells is so much like the portion of our community which talks one thing, yet when it comes to actions, does the complete opposite. If one listens to Ms. Wells' husband's August 9, 2023 public comments to the IVGID Board³, one will hear his pleas to "treat each other as neighbors...where we work for the betterment of all?" Right.

So with that as a backdrop, on August 11, 2023, well before the preparation of this written statement, I reached out to Ms. Wells so we could treat one another as "neighbors." Since she didn't pick up her cellphone, I left a message stating the purpose of my call, and asking she return my call to discuss the substance of her public comments. And to make sure I didn't hear an excuse down the road that Ms. Wells did not get my voicemail message, I followed up my telephone call with an e-mail. Which came from her county short term rental ("STR") application (discussed below).

Okay. So what was Ms. Wells' response to my initiative? Nothing, nada, zilch. In other words, although she talks the talk, when it comes to acting on that talk, like so many in our community, she's

¹ And who exactly nominated you to "set the record straight?"

² IVGID livestreams its Board meetings (go to <https://livestream.com/accounts/3411104>). Its livestream of the Board's August 9, 2023 meeting appears at <https://livestream.com/ivgid/events/10927997> ("the 8/9/2023 livestream"). Ms. Wells' comments can be viewed at 14:50-17:04 of the 8/9/2023 livestream.

³ See 12:07- of the 8/9/2023 livestream.

a blowhard⁴! So this is the type of person we all should believe? About anything? Like the merits of the recall petition against Trustees Dent and Schmitz she promotes?

But wait. There's more. Is Ms. Wells really a member of our community? And if so, what type of member? And for how long? Let's consider the facts.

Where does Ms. Wells live? Well according to her husband, 930 Tahoe Blvd. #802-488⁵. *IN THE CITY OF INCLINE VILLAGE* no less⁶. According to the address stated on Mr. and Mrs. Heuer's August 5, 2023 Ticor Title escrow closing statement for the purchase of their Southwood property⁷, the same 930 Tahoe Blvd. address. And according to her STR application with the county, the same 930 Tahoe Blvd. address. But no one lives here! Right Ms. Wells? This is nothing more than the address for Box 488 at the PakMail Services business center located in the Raley's Shopping Center⁸. Right Ms. Wells?

Okay. If Mr. and Mrs. Heuer do not live at PakMail, then is it maybe 837 Southwood Blvd. #20? After all a search of the County Assessor's web site reveals that Ms. Wells and her husband purchased this condo barely two (2) years ago (on August 5, 2021). But wait a minute. It appears Ms. Wells doesn't live there either. That's because this property is registered with the county as a STR! That's right. Because Mr. and Mrs. Heuer don't reside in the property, the county has assigned a "high tax cap" rate rather than a low owner-occupied rate, as a "short term rental."

As additional evidence, check out the Heuers' Airbnb "Super-host" listing⁹ where Ms. Wells admits that the Southwood property¹⁰ has been issued "Washoe County STR Permit No. WSTR21-0352,"¹¹ and "Reno Transient Lodging Tax License No. W-4960." According to Mr. Heuer, they live "a

⁴ According to Merriam-Webster, "an arrogantly and pompously boastful or opinionated person: (a) BRAGGART, WINDBAG" (see <https://www.merriam-webster.com/dictionary/blowhard#:~:text=%3A%20an%20arrogantly%20and%20pompously%20boas%20or%20opinionated%20person%20%3A%20braggart%2C%20windbag>).

⁵ See page 227 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/F.2._-_General_Business_-_Capital_Investment_Committee_Interviews.pdf.

⁶ Check out Ms. Wells' August 19, 2021 "House Guide" submitted in conjunction with her STR application (at file:///C:/Users...Downloads/Pinot%20Creek%20House%20Guide.pdf) where she states "*the city of Incline Village...charge(s) \$15 per person, per day for beach access.*"

⁷ Go to file:///C:/Users...Downloads/837%20Southwood%20-%20Ticor%20Closing%20Statement%20(2).pdf.

⁸ Go to <https://www.pakmail.com/stores/inclinevillage>.

⁹ Go to https://www.airbnb.com/rooms/51367672?source_impression_id=p3_1691861251_TTwi1wz3eY05aQby.

¹⁰ Also known as Pinot Creek (see <https://pinotcreeklaketahoe.com/>).

¹¹ Go to file:///C:/Users...Downloads/WSTR21-0352%20Renewal.pdf.

few minutes away" (in other words, somewhere else). And where exactly would that be Ms. Wells? Box 488 at the PakMail business center?

Unsurprisingly Then, Ms. Wells' Recital of Fact Insofar as IVGID's Exercise of The Basic Power to Furnish Facilities For Recreation is Not Exactly Accurate: Before I go to the truth of IVGID's fraud, let's clear up some mis/deceitful statements made by Ms. Wells.

Economic Analysis: Ms. Wells asserts that such an analysis was prepared in 1961 "to guide the original Incline Village development plan." Maybe so. But it had *nothing* to do with IVGID. It was likely prepared to assist Incline Village's developers in their sale of Incline Village property. So whatever it says, has zero relevance to IVGID. And Ms. Wells should know this.

Where Did Ms. Wells Get The Documents? This is a more intriguing question. There's no way a recent transplant to our community would know about a 1961 economic analysis¹². Heck. Even I don't know about it! Nor would Ms. Wells know the particulars of the District's 1976 purchase of Ski Incline (now Diamond Peak), our golf courses, and Bowl Incline. So who fed her the documents? I firmly believe it was Susan Herron. This is a subject I am going to have more to say about later. But suffice it to say, Ms. Herron's true job is to assist members of the community and the Board of Trustees whose views she aligns with, to attack critics of staff and the Board. Similar to Kaye Shackford's attacks of Frank Wright and myself, and Trustee Noble's recent attack of Cliff Dobler. And now Kristie Wells has joined the fray. Welcome to the party!

Recreation is a "Responsibility" of IVGID: Ms. Wells stated that in 1965 the acquisition and operation of "recreation facilities" was "added...to (IVGID's) responsibilities." Although that's when the District was granted new recreation powers, apparently Ms. Wells doesn't understand that none of IVGID's powers represent a "responsibility." Rather, they represent basic powers which may or may not be exercised. Look at NRS 318.055(4)(a). It states that a GID is initiated by a resolution or petition. And its "initiating ordinance must set forth" its one or "more...*basic powers*." And if granted "more than one *basic power*," its name shall "include the words General Improvement District" ("GID").

The powers GIDs may exercise appear at NRS 318.100, et seq. But again, none *must* be exercised. And all that have been granted to the District by the Washoe County Board of Commissioners ("County Board") *may* be exercised. So IVGID has not been "charged" with the responsibility of providing any facilities or services.

Moreover, Ms. Wells makes it sound like somehow the County has given up its powers to furnish facilities for Incline Village recreation because they have been granted to IVGID. Untrue. The

¹² Heck. I don't even know about it.

County continues to have the power to furnish facilities for public recreation in Incline Village. So much for the District's *responsibilities*.

“Once (The Power of) Recreation Was Added, IVGID Started Purchasing Land And Facilities: (for recreation) including our beaches, our ski resort, our golf courses, even Bowl Incline.” Untrue Ms. Wells. Anyone who has studied IVGID’s creation understands that its reason for acquiring the basic power to furnish facilities for recreation, was so that a financing mechanism could be created to pay Incline Village’s developer for the beaches it had represented would be granted to an homeowners’ association on behalf of the purchasers of its private lot sales. Therefore, it is a true statement that insofar as the beaches are concerned, IVGID moved to exercise its new power to acquire the beaches.

However, it’s not true insofar as the remainder of Ms. Wells’ statements are concerned. At least eleven (11) years lapsed between IVGID being granted the power to furnish facilities for public recreation, and its acquisition of Diamond Peak and the golf courses from Japan Golf Promotion (U.S.A.). Obviously, the District had doubts it could acquire recreational facilities other than the beaches and parks given its representations to the County Board and the public (see discussion below). Only when enough time had lapsed and “the coast was clear” so to speak, did IVGID venture into the public recreational facility acquisition business.

Bulletin No. 77-11 Issued by The Nevada Legislative Commission of The Legislative Counsel Bureau in September of 1976¹³: “This (is a) report...submitted in compliance with Assembly Concurrent Resolution No. 32 of the 58th session of the Nevada legislature, which directed the legislative commission to study the methods of creating, financing and governing GIDs.” The report identified and addressed “well-known general improvement district failures as a means of identifying weaknesses in the (GID) law.” And one of those identified weaknesses was the “use of a general improvement district by a developer as a means of financing the costs of (private) development.” And that was exactly what happened insofar as IVGID is concerned.

IVGID was created at the instance of Incline Village’s developer; Crystal Bay Development Co. (“CBD”). Its initial Board of Trustees was made up of CBD principals, or persons closely aligned with CBD. Once created, the first acts on behalf of this GID¹⁴ were to: “define (the) type/location of (water, sewer and roadway) improvements to be made, (and) costs & expenses (to be) defrayed by special assessment;” “order...public acquisition & improvements (water, sewer and roadways), (and) costs & expenses (to be) defrayed by special assessments;”¹⁵ and, “determining unpaid assessments & providing for issuance of bonds, (and the) creation & maintenance of a sinking fund from which said

¹³ Go to <https://www.leg.state.nv.us/Division/Research/Publications/InterimReports/1977/Bulletin77-11.pdf>.

¹⁴ See Resolution Nos. 3-5.

¹⁵ See Resolution Nos. 9-11.

bonds & the interest thereon w(ould) be paid.”¹⁶ In other words, the purpose for IVGID’s creation was to use the bonding and assessment powers of a GID “as a means of financing the costs of development” of private property.

Revered Harold Tiller’s¹⁷ October 25, 1965 Testimony to The Washoe County Board: Ms. Wells admits that IVGID was created in 1961. And in 1965 it was granted the basic power to furnish facilities for public recreation. Although “the board (of Commissioners can) elect to add basic powers not provided in its formation,” when doing so, NRS 318.077 requires it to “cause proceedings to be had...similar, as nearly as may be, to those provided for the formation of the district.” That means the equivalent of an organizational hearing similar to the one described in NRS 318.060. And at that hearing, “the (County) Board (is required to)...give full consideration to...all persons desiring to be heard and...thereafter (to) adopt an ordinance either (granting the requested basic power)...or determining that it shall not be” granted [see NRS 318.070(1)].

Therefore Harold B. Tiller, Treasurer of the IVGID Board, exercised the Board’s election to give testimony in support of the granting of this new basic power. And that testimony is reflected in an October 25, 1965 letter which is attached as Exhibit “A” to this written statement.

So what does the letter say that was untrue?

1. That “all of the recreational facilities...will be privately owned and operated (but for)...park properties (including the two beaches);”
2. That “the assessed value of IVGID, together with its expected growth, w(ould) readily finance the acquisition and operation of the two beaches” (this representation was based upon the *ad valorem* tax projections included on page 2 of the letter); and,
3. That “the beaches can be acquired for \$1.25M.”

All three of these representations were false. And had Mr. Tiller not made the representations that he did, there is no assurance IVGID would have been successful in securing the new basic power to furnish facilities for public recreation.

How We Know Mr. Tiller’s Representations Were False When Made: I point to two pieces of evidence. First, in anticipation of the District’s acquisition of the beaches, the Board at the time adopted Resolution No. 419 which announced that payment for said acquisition would be provided by revenue bonds whose servicing costs would be derived from what is now known as the Beach Facility Fee (“BFF”). In other words, expressly *not* the District’s *ad valorem* tax revenue.

¹⁶ See Resolution Nos. 21-23.

¹⁷ Known as “the father of Incline Village.”

And second, IVGID subsequently entered into an agreement to purchase the beaches from CBD for nearly 70% more than Mr. Tiller's representations (i.e., \$2.1M versus \$1.25M). Although IVGID was created in May of 1961, as stated above the beaches were not acquired until June of 1968. During this seven (7) year period CBD sold over 3,000 vacant Incline Village lots. As part of the purchase price paid for those lots (i.e., \$50), each purchaser paid to become an owner of an homeowners' association ("HOA") "formed for the sole purpose of owning, developing and maintaining Incline Village beach property."¹⁸ In addition to ownership of the beaches, CBD expressly represented that thereafter, each purchaser would be assessed "a maximum of \$50 per year, beginning July 1, 1961." In other words, expressly *not* a combined \$1.25M so the HOA could purchase the beaches.

Conclusion: So what is your definition of fraud Ms. Wells? According to the Association of Certified Fraud Examiners ("ACFE"), it is the "knowing misrepresentation of the truth or concealment of a material fact to induce another to act to his or her detriment (Black's Law Dictionary)."¹⁹ When we look at the acts of the person who made the representation to determine how they differ from the representation made, isn't that what we see? Fraud Ms. Wells. Just as I have alleged.

Therefore, the recreational facilities we have to today, facilities that are really not recreational but staff and the Board assert they are ancillary thereto, and the intentional losses we rack up year after year, are the product of yesterday's fraud.

Before Tonight's Meeting I Reached Out to Ms. Wells Requesting We Sit Down to Discuss These Matters So One or The Other of Us Wouldn't Make Derogatory Public Comments About The Other? That's right. I did this nearly two weeks ago on August 11, 2023²⁰. And what has been Ms. Wells' response? Nada. Nothing. Not even a return telephone call or e-mail.

Thank you so much Ms. Wells. I guess I should have guessed that this was your idea of "treat(ing) each other as neighbors...where we work for the betterment of all."

And those of you reading this written statement wondering what your Recreation ("RFF") and BFF Facility Fees actually pay for, now you know.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because Nearly No One Else Seems to be Watching).

¹⁸ Note that there was no reference to "acquiring" the beaches. Nor paying anything more to CBD therefore.

¹⁹ Go to <https://www.acfe.com/fraud-resources/fraud-101-what-is-fraud>.

²⁰ My follow up e-mail to her is attached as Exhibit "B" to this written statement.

EXHIBIT "A"

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

POST OFFICE BOX 897
INCLINE VILLAGE, NEVADA

October 25, 1965

Board of County Commissioners
Washoe County
Nevada

Re: Ordinance to add power to acquire
and operate recreation facilities
to present powers of Incline Village
General Improvement District

PUBLIC CONVENIENCE AND NECESSITY

Incline Village is designed to be a complete recreational area. To this end, when completed, there will be two great golf courses; the finest tennis facilities in the world in the Tahoe Racquet Club; a major ski development; riding stables with a vast area for activities such as trails to the very crest of the mountains and to remote places for evening and all-night cookouts, both by horse back and wagon hay rides; gaming and related night club entertainment and a cultural center with related youth programs.

After all of the foregoing, you have to consider the availability of the use of Lake Tahoe the most important and actually the very heart of a complete recreational base. To this end, it seems highly desirable to acquire facilities for such use and to acquire them as public property (public to the property owners within the District). With the acquisition of the two pieces of lake frontage (see attached maps) the property owners of the Incline Village General Improvement District would be assured forever of access to and use of Lake Tahoe. Those two lake front properties would be used as family perks for picnics and swimming and for boating access to the Lake for fishing and water skiing.

ECONOMIC FEASIBILITY

All of the recreational facilities except the park properties (including the two beaches) are, or will be, privately owned and operated. The assessed value of Incline Village General Improvement District, together with its expected growth, will readily finance the acquisition and operation of the two beaches. The feasibility of a bond issue to acquire these properties will have to be passed upon and approved by the Washoe County Bond Commission. For your present consideration and future use by the Bond Commission, the Trustees of the Incline Village General Improvement District present their projection of taxes necessary to finance the acquisition of the beaches and the operation thereof. The projection is based upon the following assumptions:

65-968

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October 25, 1965

1. That the bonds can be acquired for \$1,250,000.00;
2. That the operating expense will average \$20,000.00 annually;
3. That the bonds can be sold at a 4-3/4% yield;
4. That the bond issue include a working capital bond reserve for the first two years due to the Nevada property tax being one year behind on collection together with the fact that it will take another year to get the tax levied to apply on the debt retirement; and
5. That the total bond issue amount to \$1,458,000.00 for costs, acquisition and working capital and reserve.

Tax Year	Debt Service Requirement	Operating Expenses	Total	Assessed Value of District	Tax Rate per \$100
1966-67	\$ 69,255.00	20,000.00	89,255.00	15 M	None
1967-68	69,255.00	20,000.00	89,255.00	20 M	None
1968-69	69,255.00	20,000.00	89,255.00	25 M	0.357
1969-70	121,972.00	20,000.00	141,972.00	30 M	0.473
1970-71	119,407.00	20,000.00	139,407.00	35 M	0.398
1971-72	116,842.00	20,000.00	136,842.00	40 M	0.341
1972-73	114,277.00	20,000.00	134,277.00	45 M	0.298
1973-74	111,712.00	20,000.00	131,712.00	50 M	0.263
1974-75	109,147.00	20,000.00	129,147.00	55 M	0.235
1975-76	106,582.00	20,000.00	126,582.00	60 M	0.211
1976-77	104,017.00	20,000.00	124,017.00	65 M	0.206
1977-78	101,452.00	20,000.00	121,452.00	70 M	0.174
1978-79	98,887.00	20,000.00	118,887.00	75 M	0.159
1979-80	96,322.00	20,000.00	116,322.00	80 M	0.145

Tax rate to continue to decrease as assessed value goes up and principal is retired. At this point (1979-80) \$594,000.00 of principal has been retired, leaving an unpaid principal of \$864,000.00 to be retired over the remaining 16 years.

To clarify again the no tax for the first two years, the bond proceeds would be used as follows:

Acquisitions	\$1,250,000.00
Working capital bond reserve	178,510.00
Expense of bond issue	29,490.00
	<u>\$1,458,000.00</u>

Attachments:
 Development Map
 Summary of Appraisal by
 Real Estate Research Corporation

Submitted for the record by
 INCLINE VILLAGE GENERAL IMPROVE-
 MENT DISTRICT

By Harold B. Tiller
 Harold B. Tiller, Treasurer



This certificate is at-
 test, this 25th day of
 October, 1965, in my office.

James B. Tiller
 County Clerk in and for the
 County of Washoe, State of Nevada

Deputy

James B. Tiller
 Deputy

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EXHIBIT "B"

From Aaron Katz

From: <s4s@ix.netcom.com>
To: <kristiewells@gmail.com>
Subject: From Aaron Katz
Date: Aug 11, 2023 11:15 AM

Hello Kristie -

Tried calling you first but your google interceptor was doing its job,

So in addition to leaving a message asking you return my call, I am sending this e-mail.

I would appreciate the opportunity to speak to you about your public comments about me at last Wednesday's IVGID Board meeting.

Please call me at 408.741.1008.

Thank you, Aaron

Public Comments - Iljosa Dobler - IVGID Board Meeting - August 24,2023

I am here tonight to say I am sick and tired of hearing from the angry Recall Group that my husband owns and bought Trustees Tullock, Schmitz and Dent. What does he own and what did he buy? What I believe he owns is the three people's interest in reading and understanding his memorandums on the failures of IVGID and prior Board Members, in managing and delivering proper accounting and reporting. Other existing and previous Board Members could care less. In tonight's agenda anyone can see what has happened.

Is buying a person achieved by providing campaign donations? We gave to Callitate and Wong only to be gouged by not honoring their promises. So we obviously made a mistake. Donations are provided across the country to support ideas and help people with similar interests. Cliff's interests in IVGID are only correcting improper accounting, reporting, and to strengthen weak contracts. He was highly paid by banking institutions for this service that IVGID is getting for free. Over 20 years we have donated more than 100 scholarships to High School Seniors, many of which were IVGID employees. Did we buy them or just help them? We have given support to Sierra Nevada College and the Reno Art Museum. Did we buy them or just support them?

By providing a loan to Trustee Dent, did we buy him or are we just receiving a monthly interest check? The loan was given because there was ample collateral and he has the three required attributes, Character, Capability and Capital.

So what is this recall all about? It is about accountability. The recall leaders Callicrate and Wong along with Tonking and Noble don't want that, and have a burning desire to attempt a cover up of the former weak management.

Tonight you will hear what poor accounting and no internal controls have brought and will bring over the next six months. The cost will be enormous. And let's not forget the efforts by the Audit Committee resulting in four consecutive years of required prior period adjustments because of awful accounting. Cliff just happened to be a member.

I ask you What is Cliff getting out of this?except aggravation and hostility !

Good evening and I am sorry you trustees had to miss The Taste of Incline event tonight, it was delicious. Though I am very glad you chose to expeditiously consider these critical financial issues facing our community.

My name is Harry Swenson, I have lived in Incline Village since my retirement from NASA about 10 years ago and love our very eclectic and beautiful community.

Last week at the Conversation Café group one of my acquaintances, Andy who is a supporter of the recall, indicated that if we really want to know what is going on in the community, we should review the August 9th Trustee meeting. I simply thought he was probably referring to some of the vitriol that has been the mainstay of the recall movement folks. What really got my attention was the testimony from the acting director of finance describing the financial morass that the previous GM and Director of Finance left the District. Including but not limited to:

- 1) The lack of preparation and delivery to the State our required financial reports due at the end of June.
- 2) Our IVGID financial results have not been audit nor are they able to be audited.
- 3) Our IVGID financial accounts have not been reconciled in 14 months and cannot be closed and may not be reconcilable.
- 4) IVGID does not perform any asset tracking for acquisition or disposal.

5) The transition to a modern financial tracking tool, started over a year ago, has been and continues to be a disaster with millions of missing or misplace dollars.

This demonstrates complete incompetence by the previous General Manager and Director of Finance and borders on criminal malfeasance. I was shocked by this lack of financial professionalism that is required by an enterprise the size of IVGID. Now this is in direct contrast to a previous presentation to the Trustees by both the previous GM and Director of Finance. I was at that board meetings where our budgets and finances were discussed and none of these issues were brought up. The GM and Director of Finance left the attendees with the impression that everything was just fine, even though they could not answer trustee questions regarding inconsistencies within both their presentations and hundreds of pages of backup material provided to the trustees.

I want to commend the board that once this financial swamp was discovered that you are taking quick and decisive action to correct this disaster. I also hope that you consider having the IVGID general council investigate clawing back funds from not only the GM's separation agreement but his and the Director of Finance's last year's salary for gross incompetence. As the detailed auditing that you are considering from an independent group proceeds, if malfeasance is even suspected please consider contacting the Washoe County District Attorney.

Thank you for your consideration.

Harry N. Swenson

Mick Homan
Incline Resident

Here's my letter of resignation from the IVGID Audit Committee. I want it attached to the minutes.

I've come to the conclusion I can no longer serve this Board when its present leadership demonstrates a complete disregard for ethical behavior.

The letter lays out some of the ethical issues I've seen and tried to correct.

On multiple occasions, Trustee Schmitz responded to this work by twisting my words, attempting to call into question my knowledge and integrity.

She also tried to limit my ability to hold trustees accountable - by telling staff they shouldn't provide me with information unless I file public records requests.

As an Audit Committee member, this is offensive.

But my breaking point was appointing Cliff Dobler to the Capital Investment committee on August 9.

We witnessed a blatant conflict of interest and influence peddling.

My background made me an expert on ethics and compliance.

Despite what Chair Dent said he discussed with a state bureaucrat, his material loan from Dobler is, in fact, a material conflict of interest.

He should have abstained from voting.

He and Trustees Schmitz and Tulloch doubled down on that ethics violation by actively protecting Mr. Dobler

They protested and shut down relevant questions from Trustee Noble – despite advice from legal counsel that the questions were acceptable.

These trustees shattered the mere appearance of a conflict of interest.

Their actions protected their financial benefactor.

They also ignored Dobler's lie - on the public record - that his recreation privileges weren't suspended.

I've seen the registered letters to him laying out the suspension.

And they showed complete disrespect for IVGID staff and residents by appointing Dobler despite his serial, abusive, demeaning, and misogynistic behavior.

I also can't abide by Audit Committee Chair Nolet's recent public comments and editorial.

The Audit Committee's role is to help the Board oversee the integrity of financial reporting, underlying controls and ethics

It must be neutral, unbiased and fact driven.

It facilitates corrective action to issues identified.

Above all, it acts as a fiduciary.

His comments contained speculation AND innuendo that were inflammatory, defamatory, and potentially libelous.

He politicized the committee by inflaming a narrative.

To me, this violates his fiduciary responsibility to IVGID.

And now we have today's special agenda, in large part due to a staffing crisis caused by individual Trustees.

The only item that should be acted on is approving funds to hire staffing.

That's the critical need – you were derelict in not approving it at the last meeting.

Nothing can be done about the other items without staffing to do the work.

Unfortunately, we'll need contractors since nobody wants to work for this board.

There was no Audit Committee input, but it does appear to have Dobler's fingerprints all over it, in particular the forensic audit suggestion.

Despite the bluster, we've seen no evidence of any malfeasance justifying such action.

In summary - I'm not able to provide audit committee oversight when individual Board members won't live by basic ethical standards and openly violate fiduciary responsibilities.

Nor will I allow my professional reputation, built over four decades in public accounting and the controllership profession, to be tarnished by actions of, or association with those Board members.

I'd be happy to serve in the future if the Board evolves to one that's more consistent with my moral and ethical compass.

Board of Trustees
 Incline Village General Improvement District
 893 Southwood Boulevard
 Incline Village, NV 89451

Re: Letter of Resignation – Mick Homan
 Audit Committee

This letter serves as my notice of resignation from the Audit Committee of the Incline Village General Improvement District (“IVGID” or “District”). It is regrettable that I have been forced to make this decision. I joined the Audit Committee out of a deep desire to help IVGID and the Board of Trustees (“Board”) move forward with key priorities, to improve its overall accounting and finance capabilities and its compliance/ethical culture. However, I have come to the unfortunate conclusion that I cannot serve this Board when the present Board leadership demonstrates what I consider to be a complete disregard for ethical behavior. I simply cannot allow my professional reputation, which was built over the past four (4) decades in the public accounting and controllership profession, to be sullied by the actions of members of the Board.

During my tenure on the Audit Committee, there have been several ethical issues with Trustees I have spoken up about. While individually, those past issues have been troubling, they have not risen to a critical level to warrant severing my ties with the Board. Some of those issues were as follows:

- I have been vocal with members of the Board (Trustees Schmitz and Tulloch) and corrected the public record after they created and pushed false and misleading numbers this past year during the Board’s discussion on golf operations and rate setting. Despite being presented with the facts, neither of these Trustees has recanted their narrative in public. In my world, that is every bit as egregious as intentionally manipulating the underlying financial reporting of the District.
- I have pressed the Board more recently on the questionable ethics around the development of the “Frequently Asked Questions”, which I believe to be very politically motivated and devoid of hard facts. I feel very strongly that utilizing District resources and communication tools to defend the actions of individual Board members who are subject to a recall petition and potential recall election is a direct violation of Nevada’s ethics statutes.
- On two (2) separate occasions, I have had one Board member (Trustee Schmitz) twist my words in an attempt to call into question my knowledge, ethics, and integrity.
- Trustee Schmitz has also attempted to limit my ability to hold staff and trustees accountable for the dissemination of accurate information by making it more difficult for me to access underlying data. Trustee Schmitz told staff that they should not provide me with any information unless I file a public records request. This was in response to the data I compiled to correct the false golf financial narrative. It is completely unacceptable for any organization to limit information to its Audit Committee members, who are, after all, charged with helping to insure financial oversight.

While each of the above issues has been troubling, they pale in comparison to what played out during the Board meeting on August 9, 2023—more specifically, the process and ultimate Board decision to appoint Cliff Dobler to the Committee on Capital Investment. This item has two (2) underlying issues that I simply cannot abide by or be associated with. First is the blatant conflict of interest and influence peddling that played out. There is simply no accepted business or other organizational circumstances under which Chairman Dent should not have abstained from the vote to appoint Mr. Dobler. Despite what a state bureaucrat may or may not have told Chair Dent, the existence of a material personal loan from Mr. Dobler is, in fact, a material conflict of interest. Mr. Dent himself recently committed to Incline Village / Crystal Bay residents that he would abstain from any Board votes having to do with Mr. Dobler because of the existence of that loan (See Topic G.2. of the July 12, 2023, Board package). Second, Chair Dent, along with Trustees Schmitz and Tulloch, exacerbated this ethical violation by actively protecting Mr. Dobler, by

protesting and ultimately shutting down a completely valid and very relevant line of questions posed to Mr. Dobler by Trustee Noble. To make matters worse, those trustees seemed to completely ignore the lie told by Mr. Dobler on the public record during his interview that he never had his recreational privileges suspended, but that he “merely decided not to access them for 3 months.” I have seen three (3) separate letters to Mr. Dobler proving that he was in fact suspended. The only viable conclusion I can draw from these actions is that those three trustees (Dent, Schmitz, and Tulloch) shattered the mere appearance of a conflict of interest. They actively engaged in actions to protect a financial benefactor, demonstrating that the conflict of interest has played out in favorable treatment for Mr. Dobler. Further, in my opinion they have shown complete disrespect for the IVGID staff and residents of Incline Village / Crystal Bay by appointing Mr. Dobler to the Capital Investment Committee, despite Mr. Dobler’s repetitive, abusive, demeaning, and misogynistic behavior towards IVGID staff. I simply cannot, in good conscience, serve a Board that so openly violated ethical standards in appointing Mr. Dobler or that turned its back and figuratively raised a middle finger to its employees, who should be viewed as IVGID’s most important assets.

Also factoring into my decision to resign, though admittedly to a lesser extent, are recent public comments by IVGID’s Audit Committee Chair and a related social media post broadcasting those same comments. To first provide context, the role of the Audit Committee is to help the Board oversee the integrity of the financial reporting, along with the underlying controls and the broader ethical and compliance framework for the entity it serves. In doing so, the Audit Committee must remain neutral and unbiased. When potential issues are identified, the Audit Committee’s primary responsibility is to understand the issues and work with the Board to ensure corrective action is taken. Its actions must be fact driven. Above all, the Audit Committee acts as a fiduciary. Comments made by the Audit Committee’s Chair, Chris Nolet during the Board’s August 9, 2023, meeting and subsequently published in a local social media outlet, contained speculation and inuendo that were inflammatory, defamatory, and potentially libelous. Mr. Nolet’s comments inflamed a narrative pushed by members of the community, while doing nothing to fully understand and correct the underlying issues. Mr. Nolet has every right to give his opinions in public comments like any other resident of Incline Village / Crystal Bay. However, doing so under the banner of the Audit Committee Chair is unacceptable. Such comments by Mr. Nolet have the effect of politicizing the Audit Committee and violating his fiduciary responsibility to the District.

In summary, I view the role of the Audit Committee and my role as a member of that Committee to uphold not only the accuracy and integrity of the financial reporting of the District, but also to oversee the broader governance and compliance/ethics framework and the District’s adherence to that framework. I am simply not able to provide that oversight when multiple members of the Board are unwilling to live by those standards and so openly violate them. Further, I am not willing to let my professional reputation be damaged by continuing to serve a Board that, in my opinion, is not carrying out its basic fiduciary responsibilities in an ethical manner for the residents of Incline Village / Crystal Bay. Thus, I am regrettably forced to resign from the Audit Committee. At the same time, I would like to thank IVGID staff, both current and former, for all the work and time they invested in preparing me to take on the role and the assistance they provided me with during my tenure. Should the Board evolve in the future to one that operates in a manner consistent with my moral and ethical compass, I would be happy to serve again.

Regards,



Michael (Mick) Homan
Incline Village

Distribution

Trustee Matthew Dent
Trustee Dave Noble
Trustee Sara Schmitz

Trustee Michaela Tonking
Trustee Ray Tulloch

General Counsel Joshua Nelson
Interim General Manager Mike Bandelin

Carolyn Usinger

I want to talk about the elephants in the room – that is the effect of the IVGID board and a group of overly demanding residents, on how they are undermining the ability of IVGID staff to get its work done.

First, I looked at the audit results from DavisFarr from 2021 and 2022. Guess what guys? There are no huge problems. Mr. Dobler likes to rant and rave that the sky is falling, but if you read the report, there is no “there” there.

What is in the past reports is that primarily Cliff Dobler, Aaron Katz and Frank Wright have submitted public record requests requiring 250 staff hours for 3 months alone this year. ---This is stealing time away from staff in doing their regular jobs. What’s amazing about the 250 hours is that some of these requests haven’t even been completed. Please take a look at their requests – they are ridiculously time consuming. How much more time will they steal from IVGID staff?

So, our friends mis-using the public record request system could be one reason that our Finance Department doesn’t have time to reconcile the IVGID checking account.

Now let’s talk about the hundreds of emails sent by certain board members to staff each month. Maybe I should submit a public record request to see how many hours you took from staff time. I know that a bunch of the projects on the priority list today were requested by the Board, Audit Committee or members of the public. I know that thanks to Sara Schmidt’s interference, a simple project I was doing with the Rec department has turned into a months long hassle.

Let’s talk about the effect the IVGID board, audit committee and a group of overly demanding residents have had on staff turnover, and the resulting reduction in available staff to do work.

The Audit Committee has acknowledged that some senior staff were underpaid. Amazing... they were willing to work for IVGID at lower pay when they could work with someone they liked – Indra Winquest – and when they had beach and ski benefits. Now, thanks to this board and the Audit Committee...virtually the entire top management has walked. And to replace them, we, the residents, get to pay more to people who will be willing to be insulted and micromanaged by the very unlikable Audit Committee, Board, and residents intent on finding “gotchas” everywhere they look. Frankly, paying them double isn’t enough for the aggravation.

I am going to save IVGID a lot of money today. You don’t have to hire any more auditors.... Everyone knows the problem – it’s the elephants in this room.... you and our fine friends who are managing you like puppets.

Please don’t pay consultants extra money to deal with your abuse. What you should do is let the staff do their jobs.... Stop micromanaging them... Keep all hostile players away from the staff.

The best is for the board to resign so that IVGID can actually recruit decent people. And please put all the requests from our friends Mr. Dobler, Katz, and Wright at the bottom of the to-do pile... to be completed in 2028 or so. Hopefully they’ll be playing shuffleboard at an old folks home and will no longer care.

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

See the attached report for February 2023.

Public Records Requests

Following are the public records requests from February 2, 2023 to March 1, 2023.

Date Requested	By Whom	Subject	Date Responded	Status/Comments
01/09/2023	Gumz, Joy	Payroll Information – CY 2022	02/28/2023	Complete
01/12/2023	Abel, Mike	Please provide by email: 1.unredacted invoices dated from Dec 2021 to Jan 10, 2023 from legal firm Thorndal Armstrong Delk Balkenbush Eisinger; 2. any emails, memorandum or other written materials related to the Scope of Services to be provided by Thorndal Armstrong Delk Balkenbush Eisinger per the engagement letter dated Dec 8, 2021 and accepted by General Manager Winquest Dec 20, 2021; 3. Any "work product" such as recommendations and/or opinion or report or legal definitions or other materials as the engagement letter dated Dec 9, 2021 stated opinion and recommendation were to be provided.	02/04/2023	Complete
01/26/2023	Katz, Aaron	Ski Resort and Burnt Cedar Beach	02/02/2023 02/08/2023 Complete	Burnt Cedar Beach items; Ski resort items.
01/26/2023	White, Lilly	E-Mails/Text Messages: All Trustees from 11/13 to present		Requester was advised that Staff is looking at a schedule to respond. 01/31/23: Trustees requested to provide information. 02/03/23: Trustee Noble's information sent and Requester advised of a 2/28 fulfillment. 02/17/23: Trustee Dent's information sent 02/08/23:Trustee Tulloch's information sent 02/28/23: Requestor advised of new delivery date of 3/24
01/27/2023	Wright, Frank	Balkenbush Invoices	02/04/2023	Complete
01/27/2023	Martini, Margaret	Balkenbush invoices, salary range, job description, Chateau invoice	02/06/2023	Complete
01/30/2023	Katz, Aaron	Line Item Budget	02/01/2023 02/07/2023	Complete Additional information sent Note: Line item budget posted to the IVGID website after the 02/22/2023 BOT meeting
01/30/2023	Miller, Judith	Recreational Privilege Document	01/31/2023	Complete

01/30/2023	Wright, Frank	Same items that he requested on 11/15/2022 and that he was provided/responded to on 11/18/2022	02/02/2023	Complete
02/06/2023	Katz, Aaron	Salary Range Grade Numbers and Monetary Ranges of 14 positions	02/07/2023	Complete
02/06/2023	Wright, Frank	The total compensations for employees for the years 2017, 2018, 2019, 2020, 2021 and 2022	02/08/2023	Complete
02/09/2023	Katz, Aaron	Unreimbursed Internal Services Staff Time expended in preparation of the 2/8/2023 Beach House Project presentation to the IVGID Board	02/16/2023	Complete
02/13/2023	Dobler, Cliff	Evidence of pre-approval of the State Treasurer's office for the \$52 million SRF loan	02/28/2023	Complete
02/13/2023	Katz, Aaron	IVGID's Electric Vehicle Charging Stations	03/01/2023	Complete
02/16/2023	Katz, Aaron	10-year CIP detail assigned to Ski		
02/17/2023	Wright, Frank	Name of the account assigned to the funds paying for Staff time for the Beach House	02/28/2023	Complete
02/22/2023	Gumz, Joy	Tyler: Project schedule for implementation and all status reports since 12/10/2022	02/28/2023	Requestor advised of a 3/24 completion date
02/22/2023	Wright, Frank	Job Posting, Job Description, etc. and Job titles and descriptions for all newly created Director positions as well as advertisements, etc. and salaries.		Note: These are the same items that he requested on 11/15/2022 and that he was provided/ responded to on 11/18/2022 and that were resent on 02/02/2023
02/23/2023	Wright, Frank	Copy of the document that Dr. Myles Riner submitted to the Board at the 2/22/2023 Board meeting	02/28/2023	Complete
02/25/2023	Gumz, Joy	Requesting an updated Chart of Accounts		
02/28/2023	Wright, Frank	Beach House Project – multiple items		
02/28/2023	Wright, Frank	Balkenbush invoices again	02/28/2023	Complete
02/28/2023	Gumz, Joy	P-Card (Jan 2022 – February 28, 2023)		

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

There were two contracts signed by the District General Manager; see attached.

Public Records Requests

Following are the public records requests from May 3, 2023 to June 6, 2023.

Date Requested	By Whom	Subject	Date Responded	Status/Comments
01/26/2023	White, Lilly	E-Mails/Text Messages: All Trustees from 11/13 to present	05/04/2023 05/17/2023	Complete
02/28/2023	Wright, Frank	Beach House Project – multiple items	02/28/2023 03/03/2023 03/17/2023	Responded on 2/28 and requester had follow up questions. Advised requester of response date of 3/31
03/12/2023	Dobler, Cliff	Effluent Pipeline & Lining Charges		
03/14/2023	Katz, Aaron	Procurement Card Purchases		
03/16/2023	Abel, Mike	PW Emails	04/10/2023	Complete
03/23/2023	Gumz, Joy	Employee Benefit Plan	04/07/2023	Complete
04/03/2023	Katz, Aaron	Summaries of all revenues and expenses assigned by staff to the following functions [Champ course range; bar cart sales; lessons, club rentals, pro shop merchandise sales; food, beer, wine and liquor sales at each golf course (in other words, NOT including those sales at the Grille Restaurant nor reported under facility sales); and, the Grille Restaurant] for the following fiscal years [July 1, 2018-June 30, 2019; July 1, 2019-June 30, 2020; July 1, 2020-June 30, 2021; July 1, 2021-June 30, 2022; and July 1, 2022-June 30, 2023 (at least to date)] separately for the District's Champ and Mountain golf courses		
04/17/2023	Dobler, Cliff	Please provide for my examination a listing of all charges to the Water Reservoir Coatings and Improvements (Capital Acct #2299D11204) for the period from fiscal year ending June 30, 2017 to June 30, 2021		
04/17/2023	Dobler, Cliff	Please provide for my examination a listing of all charges to the following Diamond Peak capital accounts (Lifts) for the fiscal years June 30, 2017 to June 30, 2022 Crystal Express - 3462HE1502 Lakeview - 3462HE1702 Lodge Pool - 3462HE1702 School House - 3462HE1602 Red Fox - 3462HE1712 Ridge - 3462HE1603		
04/28/2023	Katz, Aaron	1. All requests from Darren Howard to whomever else at the District for help with this snow removal since January 1, 2023; 2. Whatever Darren Howard agreed to pay or transfer to DP on behalf of both golf courses for the snow removal help he requested since January 1, 2023; 3. All snow removal work performed by non-golf personnel at both golf courses since January 1, 2023; 4. All billings to golf for the snow removal work performed since January 1, 2023; 5. All evidence of transfers or payments from golf to wherever for snow removal work performed since January 1, 2023; 6. All chart of account nos assigned by staff for each of the payments referenced in	05/12/2023	Complete

General Manager's Status Report
 Prepared for the meeting of June 14, 2023

-6-

June 7, 2023

		paragraph 5 above; 7. Where in the current year's budget for both golf courses the costs associated with this snow removal were budgeted.		
04/28/2023	Wright, Frank	I would like all the records relating to payments made by Incline Village General Improvement district to the Northern California golf Association on behalf of our golf club members, members dues. Or any other payments to NCGA Or other golf associations, such as PGA for the last five years, including this year.	05/18/2023	Complete
05/19/2023		Also the financial accounting and payments made by golf club members paying reimbursement or other such payments for these fees for the last 5 years.	06/07/2023	Complete
04/29/2023	Dobler, Cliff	A listing of each and all equipment and vehicles as stated in the 2022 audited annual report. The total amount is \$529,561.		
05/02/2023	Dobler, Cliff	Provide for my examination or provide an explanation of the \$145,903 of "Interfund Charges" and the \$50,360 of "Sales and Fees" as Revenues in Schedule B-GENERAL FUND as stated in form 4404LGF (page 975 of 1020) of the April 12, 2023 Board Packet.		
05/02/2023	White, Lilly	I want to know how much IVGID's lawyer, or Firm, has charged IVGID since this new Board has come on. This is what I want to know: BBK's Invoices to IVGID from Jan. 1, 2023 through June 1, 2023 (or later depending on when they can seem to get this information together - my last request was extended because no one can get any answers). Descriptions of the invoices are requested. And as comparison, I want to see BBK's Invoices to IVGID for everything pertaining to the past Board from Jan. 1, 20222 through Dec. 31, 2022. Descriptions of the invoices are requested.	05/24/2023	Complete
05/08/2023	Katz, Aaron	I would like to examine the following IVGID records: 1. All fidelity bonds in effect for each current/immediate past IVGID trustee since July 1, 2018; 2. The precise terms and conditions of coverage under all fidelity bonds in effect for each current/immediate past IVGID trustees since July 1, 2018; 3. To the extent not included in the previously requested records above, the particulars for filing claims against all fidelity bonds in effect for each current/immediate past IVGID trustee since July 1, 2018. As well as specifically the mode of filing claims, applicable postal/e-mail addresses, and bond numbers. 4. I note that the Board Treasurer is required to post his/her fidelity bond. To the extent that these bonds differ from those for the remaining trustees, and to the extent not included in the previously requested records, evidence of: a) All fidelity bonds in effect for each current/immediate past IVGID Board treasurers since July 1, 2018; b) The precise terms and conditions of coverage under all fidelity bonds in effect for each current/immediate past IVGID Board treasurers since July 1, 2018; c) To the extent not included in the previously requested records above [items 4(a) and 4(b)], the particulars for filing claims against all fidelity	05/12/2023	Complete

		bonds in effect for each current/immediate past IVGID Board treasurers since July 1, 2018. As well as specifically the mode of filing claims, applicable postal/e-mail addresses, and bond numbers.		
05/10/2023	Gumz, Joy	Please provide by email a copy of the General Ledger for July 1, 2022 - to date. I realize the fiscal year is not complete, please provide a partial ledger for the financial transactions that have been posted to date for fiscal year 2023. Please provide all funds, all accounts.	05/30/2023	Complete
05/15/2023	Marshall, Alan	<p>1. The increases in salaries that account for \$350,000 in the new proposed budget by position.</p> <p>2. I am assuming that because I am required to play after 12pm. on Friday, Saturday, and Sunday as well as pay an 8% increase for the all you can play pass plus an additional 20% for my wife, that on those days that I will be afforded to play with the same accommodations as those who play earlier on those days. This includes full access to the practice greens, snack bar, bathrooms, and uninterrupted access to the 10th tee box and use of back tees. I should not be disrupted by non golfing activities that will inconvenience my playing experience at the expense of others. Therefore, I would like the signed consent forms from all weddings that have contracts stating that this will not happen. Otherwise, I will consider this unreasonable and excessive without proper accommodation for my needs.</p> <p>3. I would like assurance and documentation that no double bookings or squeeze times will be done at any time due to errors in reservations. By inserting additional players, this has a negative impact on all golfers playing after. Weekly reports from the director of golf will be provided showing all tee sheets and assigned times.</p> <p>4. I would like documentation that the policy for cancelation fees are being consistently enforced across the board. Including all Picture Pass Holders and Non Residents who are more than 10 minutes past their scheduled tee times and the fees that have been charged. Weekly reports will be provided by the director of golf for documentation.</p> <p>5. I would like a weekly report from the director of golf indicating the percentage of booked tees times in order to compare the proposed budget of 65% versus the actual percentage of used times that is being used to increase playing fees.</p>	<p>05/15/2023</p> <p>06/05/2023</p> <p>06/07/2023</p>	<p>Item 1. – Complete</p> <p>Items 2 – 5 - Complete</p>
05/15/2023	Fortgang, Tanner	2022 Payroll Information (Transparent Nevada)	05/15/2023	Complete
05/16/2023	Espi, Vince	Please provide the following: A list of all current employees including the following data points – First Name, Last, Position/Job Title, and Office/Work Location and Address	05/25/2023	Complete
05/16/2023	Dobler, Cliff	Please provide for my examination a listing of all charges made to IT Infrastructure #1213CO1505 from July 1, 2019 forward. The account name was changed to Sever Storage & Computing Hardware in fiscal year 2021	05/22/2023	Complete
05/16/2023	Dobler, Cliff	Please provide for my examination a listing of all charges to account # 1315CO1801 for the period beginning on July 1, 2020 forward to today	05/22/2023	Complete

05/16/2023	Dobler, Cliff	Please provide for my examination the contract with Golf Genius which is used by the Golf Clubs to set events and tee times.	05/22/2023	Complete
05/16/2023	Katz, Aaron	Wasn't Resolution 1480 the one that gave our GM the power to hire, fire, and fix compensation? Has it been repealed? If so when? If not, then why can't I find it on the web site? If you can point me in the right direction, it would be appreciated	05/17/2023	Complete
05/18/2023	Katz, Aaron	1. IVGID invoicing sent to private golf clubs since July 1, 2018 requesting reimbursement payment of NCGA fees IVGID has advanced for its members; 2. IVGID invoicing sent to individual members of private golf clubs since July 1, 2018 requesting reimbursement payment of NCGA fees IVGID has advanced for its members; 3. Evidence of payment of paragraph 1 above; 4. Evidence of payment of paragraph 2 above; 5. Documents evidencing the identity of and payment to IVGID by a non-private club member for membership in NCGA so the non-club member could participate in a tournament that IVGID subsequently paid to NCGA; 6. Evidence of payment of paragraph 5 above.	06/07/2023	Complete
05/19/2023	Macdonald, Al	This is a public records request for the same information that was provided to Frank Wright regarding payment of golf memberships. I think it was invoices.	05/19/2023	Complete
05/19/2023	Katz, Aaron	All forms filled out and transmitted to the NCGA since July 1, 2018.		
05/19/2023	Wright, Frank	Please provide under the public records act the following information for, "Incline Village GC" at 893 Southwood Blvd.: the Bylaws of the Incline Village GC; the list of officers; and records of the last 3 annual meetings		
05/22/2023	Jansen, John	Please provide documents sent to Frank Wright regards NCGA payments and payment process.	05/22/2023	Complete
05/24/2023	Gumz, Joy	Please provide the Fixed Asset List / Equipment List as of June 30, 2019 for the GOLF VENUES (champ/Mountain and Golf capital funds_ showing the Fund to which the Equipment is assigned, date of purchase, cost, current value, condition, description, Fixed Asset number, serial number.		Due date established as 6/16 – Requester notified on 5/30/2023
05/26/2023	Wright, Frank	The names of every member in every golf club that are given tee times and use of our championship course		
05/26/2023	Katz, Aaron	Information on Bob Wheeler Plaque at Burnt Cedar Beach	05/30/2023	Complete
05/26/2023	Katz, Aaron	ARPA Funding Information – Skate Park	06/07/2023	Complete
05/28/2023	Katz, Aaron	Finalized Resolution 1902	06/07/2023	Complete
05/30/2023	Miller, Judith	Salary Ranges effective 7/1/2023 in Excel		Sent requester an email that her request will be revisited in mid-July; information presently not available.
06/03/2023	Wright, Frank	Copies of all the golf clubs bylaws, a list of officers, each clubs rules and regulations for admission and the specific requirements each club has in order to be a club member. Also the number of golfers allowed in to each club	06/06/2023	Complete

Report on the amount of Staff time has spent, to date, on processing public records requests.

March 1, 2023 to May 30, 2023 (in hours):

Administration Staff	187.75
Human Resources Staff	5.00
Parks and Recreation Staff	11.00
Public Works Staff	15.00
Golf Staff	4.00
Finance Staff	28.00
Total:	250.75

Contracts List

Attached is an updated version of the Contracts List as an informational item.

2021



Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

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

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

We have audited, in accordance with the 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 ("IVGID" or "The District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Incline Village General Improvement District's basic financial statements, and have issued our report thereon dated December 3, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Incline Village General Improvement District's internal control over financial reporting (internal control) as a basis for designing 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 Incline Village General Improvement District's internal control. Accordingly, we do not express an opinion on the effectiveness of Incline Village General Improvement District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the following deficiencies in internal control to be material weaknesses:

2021-001 Material Adjusting Journal Entries

An important element of control over financial reporting is for management to identify adjustments necessary for financial statements to be fairly stated. Whenever possible, adjustments should be reflected in the accounting records prior to the start of the audit.

When this is not possible, management should identify and communicate to the auditors the potential areas of adjustment that may need to be addressed during the audit process. Auditing standards require the reporting of material adjustments identified through the audit process as weaknesses in an entity's internal control structure.

The following material adjustments detected as a result of the audit procedures:

- a) An entry to write off certain capital assets that either represented repairs and maintenance, master plans, and studies or were below the District's capitalization threshold. The effect of this entry resulted in a reduction of capital assets and associated accumulated depreciation for a net prior period adjustment of \$167,751.
- b) An entry to correct negative cash balances by recording transfers in and out between various funds totaling \$537,835.

Additionally, the underlying accounting records do not support the financial statements without significant adjustments to remove full accrual accounting transactions for the presentation of governmental fund types. We understand the District intends to modify the financial statement reporting in the future to conform to full accrual accounting.

Recommendation

We recommend that IVGID enhance its year-end closing procedures to include areas that resulted in audit adjustments.

Management's Response Regarding Corrective Action Taken or Planned

- a) Management is in the process of updating the Capitalization Policy for the District. This policy will include regular reviews of assets to ensure currently capital policies are being followed. The assets written off per auditor's recommendation were capitalized under previous capital policies and were not reviewed by staff in regards to the current capitalization policy.
- b) Management agrees to update the year-end closing procedure to include a review of the financial reports to identify and process any possible audit adjustments.

2021-002 Capital Assets

During our review of internal controls surrounding Capital Assets, as well as testing performed over the account balances of Capital Assets, we noted a number of deficiencies that resulted in the material adjustments. The underlying deficiencies are described below:

- a) All capital asset additions are run through the *Construction in Progress* accounts in the District's accounting system, regardless of whether or not the transactions represent construction activity. Capital assets acquired instead of constructed should be recorded as a capital asset at the time of the acquisition.
- b) As part of our tests over capital asset balances we reviewed a historical detailed listing of all capital assets held at year end. In reviewing this listing, we noted capital assets that did not meet minimum dollar thresholds for capitalization per the District's capitalization policy resulting in an audit adjustment.
- c) As part of our tests over capital asset balances we reviewed a historical detailed listing of all capital assets held at year end. In reviewing this listing, we noted capital assets recorded that represented repairs, maintenance, master plans or feasibility studies and should not have been capitalized per IVGID's capitalization policy resulting in an audit adjustment.

Given the combination of deficiencies noted as well as the resulting material adjusting entries recorded, we have considered this to be a material weakness in internal control over financial reporting.

Recommendation

We recommend that IVGID develop and implement procedures to ensure that *Construction in Progress* accounts are used only to record activity associated with construction projects. Best practice is to record capital asset activity in capital outlay expenditure accounts in the governmental fund financial statements and then to perform regular reviews of this activity for reclassification as either Capital Assets or repairs and maintenance expenditures. This process would reduce the risk of overstating the *Construction in Progress* accounts and capitalizing assets that do not meet the thresholds and definitions of capital assets per IVGID's capitalization policy.

Management's Response Regarding Corrective Action Taken or Planned

- a) Although our current financial systems setup requires all capital assets to run through the Construction-In-Process accounts, we have processes in place to ensure only projects in process remain in the account. As of July 1, 2022 the District is transitioning to a new financial software which will allow full GL account usage in projects, at which point projects will no longer be processed through the Construction-In-Process account.
- b) These assets below current threshold were capitalized under prior capital policies. It is not the current practice of the District to re-evaluate all assets each time the Capitalization Policy is updated.
- c) Management concurs that these items should be written off.

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. We consider the following deficiencies in internal control to be significant deficiencies:

2021-003 Vendor Contracts

During our audit, we obtained a listing of payments by vendor, made during the fiscal year under audit and judgmentally selected 7 vendor contracts to test for compliance with IVGID procurement policies. We noted two instances in which there was no documentation available to support the required competitive bidding process. We have summarized these exceptions below:

- a) *Jacobs Engineering Group, Inc. (aka CH2M)* – This vendor was contracted to perform various professional services under 4 task orders totaling \$228,000. Services included on-call technical support, engineering design and bid document preparation for aeration improvements at the Water Resources Reclamation Facility, Network Security Upgrades, and construction contract monitoring services. Expenditures incurred during the period under audit were \$132,440. No support was provided to document that competitive bids were advertised, received or evaluated by management as required by IVGID's purchasing policy for public works contracts in excess of \$100,000.
- b) *HDR Engineering, Inc.* – This vendor was contracted in January 2019, via an *Additional Services Addendum (ASA) to Short Form Agreement dated July 29, 1991* to perform project management and condition assessment data analysis on the Effluent Export Pipeline. The value of the ASA was not to exceed \$42,181, of which \$3,797 was expended during the period under audit. No support was available to document that IVGID solicited

bids from at least three properly licensed contractors, as required by IVGID's purchasing policy over public works contracts between \$25,000 and \$100,000.

Recommendation

The issues noted above are due to certain ambiguities in the purchasing policy surrounding the applicability of bidding requirements for service contracts that are associated with Public Works projects. We recommend that the District update its Purchasing Policy to clarify these ambiguities and that procedures are developed and implemented to ensure future adherence to the Purchasing Policy.

Management's Response Regarding Corrective Action Taken or Planned

Management believes current District policy and NRS 332.115 clearly state the Professional Services, such as engineering services, or data assessment analysis, do not require competitive bidding. However, the District is in the process of updating District Policies related to Capital Project planning and administration, and will incorporate clarifying language, per Board direction.

During our audit, we also became aware of the following deficiencies in internal control other than significant deficiencies or material weaknesses, and other matters that are opportunities for strengthening internal controls and operating efficiency:

2021-004 Update Bank Signature Cards

During our review of internal controls over cash disbursements, we noted that checks are printed with two signatures in accordance with the District's policies. The bank also has signature cards that, at times, contain authorized signatures of individuals that are no longer employed or associated with the District.

Recommendation

We recommend that management review and update the authorized signatories at District's banking institutions to remove employees and Board members no longer affiliated with the District at least annually, as well as anytime a signatory leaves the organization.

Management's Response Regarding Corrective Action Taken or Planned

Management concurs that bank records should be reviewed regularly to ensure proper authorization for all banking transactions. Management has reviewed all banking accounts and can assure that no unauthorized personnel are on any of the bank signature cards.

2021-005 Temporary Meter Deposits

During our review of internal controls surrounding utility billing procedures, we noted that temporary meter deposits received from utility customers are held, and not deposited, until the temporary meter is done being used. While these deposits are tracked using an excel spreadsheet, they should be deposited into the bank like all other cash receipts.

Recommendation

We recommend that temporary meter deposits received from customers be deposited into the District's bank account upon receipt and that the cash be offset by deposits payable in the financial accounting system until the funds are returned through the normal cash disbursements process.

Management's Response Regarding Corrective Action Taken or Planned

Management will review the recommendation provided by the auditors. Prior analysis of temporary meter deposit checks suggested that it was not cost effective to process the deposits, monthly statements and issuing refund checks for temporary meters since there was minimal risk associated with not receiving payment at the end of the rental period. The majority of the temporary meters are rented for the summer during the construction season. In addition, the District has never had a contractor not follow through with payment of the fees, even with equipment damage charges, when the meter was returned.

2021-006 Review of User Accounts

During our review of Information Systems internal controls, we noted that the District does not regularly perform a review of user accounts to sensitive systems, including access to the network (Active Directory & VPN) and financial software. The District did indicate there are informal reviews performed periodically, but it is inconsistent and does not include all sensitive systems.

Recommendation

We recommend that the District perform a periodic review of user access to sensitive systems, including active directory, financial system, and remote access. The review should be completed at a period (e.g., quarterly, semi-annually, annually) based on the risk of the system/data risk.

Management's Response Regarding Corrective Action Taken or Planned

District staff has implemented processes to address the recommendation presented in this finding. Per the disclosure provided to the auditors, employee hire and termination processes have been in place and are enacted for Active Directory and Remote Access via VPN with 2FA enabled. These are being performed periodically across all systems. Staff will continue to address this finding through proper account control processes including formally documenting the periodic review of accounts across all District critical systems.

2021-007 Environmental Controls at the Administrative Facility Data Center

During our review of Information Systems internal controls, we noted that the District could improve environmental controls in the Administrative facility data center (i.e., the server room). Specifically, we noted there is no automated fire suppression system to detect or prevent damage.

Recommendation

We recommend that the District perform a risk assessment and feasibility analysis to determine what environmental control improvements can be implemented in the server room, including a fire suppression system.

Management's Response Regarding Corrective Action Taken or Planned

Management understands the concerns brought forth in this finding; however, the Server Room or Datacenter in question is in a building that does not have fire suppression. Management believes implementation of an isolated suppression system for the Server Room without addressing the entire building's fire suppression would be cost-prohibitive, and in most cases, ineffective at controlling the breakout of a fire in the building. Moreover, the risk identified in this audit recommendation is largely mitigated through redundant back-up of files stored on equipment in this data center.

Compliance and Other Matters

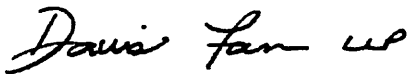
As part of obtaining reasonable assurance about whether Incline Village General Improvement District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

District's Response to Recommendations

The District's written response to the significant deficiencies and material weaknesses identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Irvine, California
December 3, 2021

December 5, 2022

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

To Management and the Board of Trustees of Incline Village General Improvement District:

In planning and performing our audit of the basic financial statements of the Incline Village General Improvement District (IVGID) as of and for the year ended June 30, 2022 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, we considered IVGID's internal control over financial reporting (internal control) as a basis for designing 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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of IVGID's internal control over financial reporting.

We have audited, in accordance with the 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 the Incline Village General Improvement District (District), as of and for the year ended June 30, 2022, 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 30, 2022.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 over financial reporting, 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 reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.

Probable. The future event or events are likely to occur.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in IVGID's internal control to be significant deficiencies:

2022-001 Journal Entries Detected During the Audit

An important element of control over financial reporting is for management to identify adjustments necessary for financial statements to be fairly stated. Whenever possible, adjustments should be reflected in the accounting records prior to the start of the audit.

When this is not possible, management should identify and communicate to the auditors the potential areas of adjustment that may need to be addressed during the audit process. Auditing standards require the reporting of material adjustments identified through the audit process as weaknesses in an entity's internal control structure.

The following material adjustments detected as a result of the audit procedures:

- (a) An entry to remove legal settlement liabilities in the General Fund in the amount of \$596,253 because long-term liabilities are not recorded in this fund type but instead included in the government-wide financial statements.
- (b) An entry to remove compensated absences from the General Fund in the amount of \$145,840 because long-term liabilities are not recorded in this fund type but instead included in the government-wide financial statements.
- (c) An entry to increase due from other governments in the General Fund in the amount of \$84,340.

In addition, we recorded an immaterial entry to record year end accruals of for unbilled receivables in the Utility Fund in the amount of \$475,546.

Recommendation

We recommend that IVGID enhance its year-end closing procedures to include areas that resulted in audit adjustments.

Management's Response Regarding Corrective Action Taken or Planned

Management agrees with the need to improve the year's end process to include the areas that resulted in audit adjustments. Management notes that these items were not flagged as issues in prior audits, and thus were recorded consistently with past practice. Management will be updating its year-end close process to address these items going forward.

2022-002 Physical Inventory Observation

The District historically performs a physical inventory observation at year end. For the fiscal year ended June 30, 2022, the District staff did not perform a physical observation and count of inventory assets held at the Pro Shop and recorded in the Community Services Enterprise Fund. Although the inventory balance is not material to the financial statements, performance of a physical observation and count of inventory assets at year end is necessary to ensure the accuracy of inventory balances reported in the financial statements.

Recommendations

We recommend that the District perform annual physical observation and counts of inventory on all assets held as inventory.

Management's Response Regarding Corrective Action Taken or Planned

Management agrees that annual inventory counts are necessary to ensure accuracy of inventory numbers. The Pro Shop was the only area where physical inventory not performed this year. This was due to lack of staff at both the Pro Shop and the Accounting Division. We would highlight the auditor's reference to the balance of inventory assets in the Pro Shop as not material to the financial statements, which is why this task was not prioritized given our vacancies in key staff positions.

2022-003 Timely Preparation of Bank Reconciliations

During our audit we noted that the District had not completed a bank reconciliation on its main operating account until October 12, 2022. Timely preparation of bank reconciliations allows for the prompt detection of errors in the accounting records and safeguarding of IVGID assets from misappropriation.

Recommendations

We recommend that bank reconciliations should be performed on all bank accounts no later than 30 days following each month end.

Management's Response Regarding Corrective Action Taken or Planned

Management agrees with the need to do timely bank account reconciliations. This year's reconciliation was began timely, but the accountant responsible for the bank reconciliation left the Accounting Division requiring this task to be re-assigned. Management would note that while we concur with this recommendation, once the reconciliation was completed, no discrepancies were noted.

The District's written response to the issued identified our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

The purpose of this communication, which is an integral part of our audit, is to describe for management and those charged with governance the scope of our testing of internal control and the results of that testing. Accordingly, this communication is not intended to be and should not be used for any other purpose.

Irvine, California
December 5, 2022

Angie Lalor

Incline Resident

Many of us have seen the 2020 letter reprimanding Cliff Dobler for inexcusable behavior leading to his 3 month suspension from IVGID rec facilities. That letter laid out incidents during which Mr. Dobler verbally berated staff, displayed inappropriate physical aggression and sexually harassed female staff. I'm horrified that 3 members of this board not only ignored the contents of the letter and appointed Dobler to the Capital Committee, but actively attempted to silence trustee Noble when he endeavored to question Mr. Dobler on how this type of behavior would impact his ability to serve with staff and peers on a committee.

Now you would assume that the 2020 reprimand and suspension would have prompted Mr. Dobler to do some self-reflection, recognize his mistakes and modify his behavior. However, I understand that multiple complaints have been made about further and very recent sexual harassment toward staff and that Mr. Dobler is once again under investigation. I have no doubt that these complaints will also be substantiated.

Trustees Dent, Schmitz and Tulloch – I hope you've never been the victim of sexual harassment. If so, count yourself lucky. Without question, it's the worst experience one can endure in a professional environment. I'm privileged to have been the Chief HR Officer for 2 Fortune 100 companies during my career and I've unfortunately seen a lot of people like Mr. Dobler. I've seen the lasting personal harm they've caused colleagues AND the liabilities, reputational damages and high-priced penalties they have burdened their companies with. Any professional entity with an ounce of wisdom and ethics would not only refuse to appoint someone like this to an important leadership position, they would fire them.

It is unfathomable to me that you would knowingly appoint a serial harasser to a committee that deals with employees, peers and the public. Why would you hold our district to a lesser standard than you or anyone in this audience would demand from their employer? It is reckless leadership on your part and puts the district in danger. And it certainly speaks volumes to your utter lack of concern for the engagement and well-being of our staff. It's not surprising that we are experiencing a significant increase in turnover and major challenges in filling key roles.

Your vote for Dobler is inexcusable. By his own actions, he showed us what kind of man he is...a misogynistic bully. Actively supporting him makes you no better. You've literally and figuratively sold yourself to support this man.

If anyone listening hasn't signed the recall and you care at all about our district operating with a basic level of decency and respect, I hope this incident will convince you to sign.

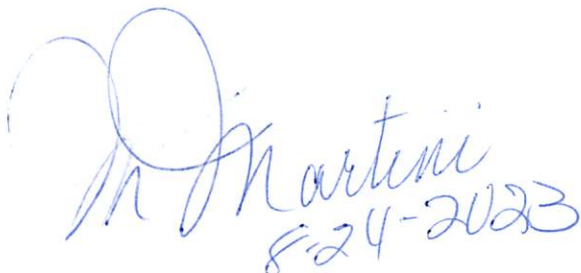
Public comment to be added to the minutes of the Meeting of 8-24-2023

Good Evening,

I would like to address Trustee Nobles comments at the meeting of 8-9-2023. His comments and reading of a correspondence that was not official, never executed and phony but was given credence by the fact that Mr. Nobel read it as a factually appropriate document when he knew, or should have known if he took the time to research the content that the correspondence was never received or acknowledged by the alleged recipient Mr. Dobler. Mr. Nobel actions were purposeful , unnecessary and a deliberate use of foul and inappropriate language to incite the public. As an attorney, Mr. Nobel should have known that before he used this correspondence against Mr. Dobler that complete and proper investigation of the receipt and opportunity for Mr. Dobler to comment on the correspondence SHOULD HAVE BEEN in order. Mr. Nobles inflammatory and positively rude reading of this unvetted correspondence is an example of his unworthiness to serve on this board as an unbiased board member. It is clear that he is being a minion to those who do not like Mr. Doblere's expertise that is needed on the committee. That is also made clear by the fact that a community member was given the correspondence to place on the public forum of Facebook...by someone who failed to verify that Mr. Dobler received the correspondence. Hmmm wonder who that was. Mr. Nelson, the board attorney agreed that the presentation of the correspondence was appropriate allowing Mr. Nobel to blather on as if the board was still under the control of former chair Tim Callicrate, just another example of ineptness of the hired attorney in not doing the research on the investigation if this correspondence was indeed a documented chain of events to all parties. No big surprise there. Another of Indra's minions acting inappropriately. The two attorneys involved, Mr. Nobel being an attorney, should have known the legal process and acted accordingly to protect this document. Mr. Nobel is a Trustee that has sunk to the lowest level of knowingly presenting a NON OFFICIAL IVGID DOCUMENT.

Sara, being the lady she is, called for a point of order in time to stop this complete debacle. Mr. Nelson, in his inept glory, did not recognize it. Thankfully Chair Dent acted appropriately and called a recess.

We have to thank the current audit committee and a few astute community members to turn the light on the current financial mess that is IVGID management and watch the cockroaches scatter. Good riddance to all those senior employees that have left like the cockroaches they are.



M. Martini
8-24-2023