

MINUTES

REGULAR MEETING OF MAY 11, 2022 Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Board Chairman Tim Callicrate on Wednesday, May 11, 2022 at 6:04 p.m. at the Boardroom, 893 Southwood Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustees Tim Callicrate, Matthew Dent, Sara Schmitz, Michaela Tonking, and Kendra Wong (joined the meeting at 7:05 p.m.)

Members of Staff present were District General Counsel Melissa Crosthwaite, Director of Finance Paul Navazio, Engineering Manager Kate Nelson, General Manager Diamond Peak Ski Resort Mike Bandelin, Director of Public Works Brad Underwood, and Director of Golf and Community Services Darren Howard. Members of the public physically present were Dave, Mark and Susan Marelich, Dave Noble, Gail Krolick, Doug Keil, Bev Keil, Diane Becker, Ray Tulloch, Hal Paris, Denise Davis, Yolanda Knaak, and others.

C. INITIAL PUBLIC COMMENTS*

Susan Marelich read from the submitted letter attached hereto.

Diane Becker said thank you for listening on this very difficult topic. She knows that it is a topic of great interest to many different consistencies within the community. She wanted to talk about 2 things; first, the boat businesses and then the motel/hotel issues. On the boat businesses, as a long time, life time actually boat owner, she is sorry and sad that the Ord 7 Committee came up with the recommendation that it did but we had to. The legal advice we got is that there can be no commercial use of the beaches and we, as a group, really tried to structure what would not be commercial use of the beaches and what would be recreational use by the property owners. We felt that it is recreational use when a person who owns a boat business uses the boat for their own purposes or their own guests where there is no business involved. We felt it was not commercial use when the boat business was storing and delivers a boat for a person who owns property and so has a right to use the water for recreational purposes. We also felt it was not a commercial use when a person who is a IVGID picture pass holder desires to rent

a boat from a boat business because it is for recreational use of the pass holder. But we were faced, at this meeting, when the issue was brought up by one member that this is a commercial use if its strangers who do not have rights to beach access are using the beaches for a commercial use. She wanted to tell you that this is where this came from, that's how we decided this recommendation. With respect to the motels and hotels, that was an issue that we looked at and it became pretty clear that when you looked at the deed itself, the deed said that it is only for purposes of recreation by and for the benefit of and then it says property owners and their tenants (specifically including occupants of motels and hotels). The way they have written specifically included occupants of hotels and motels and she will send a copy of that to anyone that doesn't have it, it is clear that they are talking about them as tenants. There is no rational reason to give more rights to hotels and motels then tenants and this goes to the issue that we want this to be equitable. We want every parcel to have the same opportunity for guests at the beaches. So, it is very difficult when faced with different interest if you start treating different interests.

Beverly Kiel said wanted to say a few words about pickleball – you probably don't realize it but we have been playing pickleball for 10 years now. 10 years ago, she and her husband Doug approached Staff and begged them to give them some space for temporary lines etc. and we introduced new people to the sport and she is certain that you have heard of our phenomenal growth and how pickleball has really added vitality to the Tennis Center which is now called the Incline Tennis and Pickleball Center. We have been attracting new players all the time and people from all age groups. This past month and a half, in between these rube winter/spring snow showers, we have had between 30 to 40 people playing out there on any dry day and this is weeks and weeks before open season. Pickleball players are addicted. As we have attracted more and more players, we have earned more and more court space and she thinks that is a perfect example of repurposing an existing amenity to address new demands. Staff has been in on that from the beginning so thank you. Our courts are in a beautiful setting and the courts look great but as we have attracted more and more players, and especially as players have gotten much more skilled at the game, we've come to realize that our courts don't meet the US Pickleball Association standards. The playing surface dimensions around the courts do not meet the minimum standards and as a result of that, our players, especially our intermediate and advanced players, are getting less than a good playing experience and we also have some potential safety issues. So a number of us have volunteered to work on a feasibility study to see how we can get the courts to meet regulations. It is a big project that is slow going and we are working with Staff, USPA experts and we are committed to see this to the end. Our proposal is likely to involve realigning the courts on the current footprint and if at all feasible, also extending that footprint a number of feet in the

north/south direction. So her point in raising this today is just to thank you for your past support and to let you know that you will be hearing from us again; thank you.

Ali Warner said my family live full time in Incline Village and we are the owners of a 38-key hotel called the Parkside Inn. The Parkside Inn is 1 of only 2 hotels in Incline Village and it is the only hotel that is not beach front property. Start by thanking the Board of Trustees for their continued commitment to the community. He would also like to take a second to recognize the IVGID Staff who provide a culture of care that we are lucky to have here in Incline. We simply love living here. We are before you today with a dream, as community members, that within this beautiful setting we can make a positive difference for one another. We have met some of the most inspiring people here and have felt supported by the care that everyone has for their neighbor. It is with this intention, we take into living here and owning a business in this area. Our objective for the hotel is to serve the community, make a positive difference, and provide the best Incline Village experience possible for our guests. We are optimistic that we can accomplish this goal in a respectful and loving manner. All that said, we have issued a letter to the Board of Trustees related to Ordinance 7. The beach deed specifically mentions the occupants of hotels and motels as beneficiaries but Ordinance 7 does not provide any language related to hotels and motels. To address this, we request the addition of the following language which is only two sentences and he will read it – “Occupants of hotels and motels are specifically named as beneficiaries by the beach deed. Hotel and motel occupants are allowed access by providing proof that they are current occupants of the hotel or motel through a mutually agreed upon verification process.” Through the inclusion of this language it is possible to respect the unique perspective of the hotel and motel business operations as intended by the framers of the beach deed. This language also allows for collaboration to ensure a mutually beneficial verification process with the highest level of transparency. He appreciates the time today to speak on behalf of this important and necessary addition to Ordinance 7. As always, he is available to answer questions and we are here for the community so if there are ever any special requests or needs, please feel free to contact him or his wife as they are 6 minutes away from the hotel so they can help.

Carole Black read from the submitted statement attached hereto

Cliff Dobler read from the submitted statement attached hereto.

Ray Tulloch said he is a candidate for IVGID trustee and Audit Committee Chairman and that he is reading the written statement by Ms. Becker that she didn't get to complete:

The Beach deed says at page 1 line 28 – page 2 line 7: "It is hereby covenanted and agreed that the real property above described shall be held, maintained and used by grantee only for purposes of recreation by and for the benefit of, property owners and their tenants (specifically including occupants of motels and hotels). Mr. Tulloch said he will let District General Counsel argue what the tenant definition is. To him, if it is a tenant of a property owner it is not just a transient resident but that's just his simple legal interpretation. Within the Incline Village General Improvement District as now constituted, and, as the Board of Trustees of said District may determine, the guests of such property owners makes "occupants of motels/hotels" a subset of tenants and gives motels/hotels no greater or different rights then it gives to property owners or to tenants. The Trustees should keep in mind that the Beach Deed gives the District the authority to make reasonable rules when it states: "...provided, that said Board of Trustees shall have authority to levy assessments and charges as provided by law, and to control, regulate, maintain said property as its sole discretion. The concern that Special Counsel has advised that the Board puts reasonable limitations on how many people can access the Beach from each Parcel, and each Parcel receives the same access, this is a reasonable control by the Board of Trustees under the Beach Deed. The concerned owner purchased the motel/hotel a year ago in May, 2021, at a time when the Ordinance 7 Committee was already meeting to revise the Ordinance and the meetings were being summarized and made public on the District website, and the access rules for last summer were very close to the final rules that have been proposed. I am informed and believe that the approximate number of occupants from that hotel/motel who have visited the Beaches last year was under 100 Guests. With the ability to get up to 10 cards, of which 8 can be picture cards, which can be used to bring guests, to the beach when accompanied by the picture pass holder, this should more than accommodate or 10 punch cards would accommodate all or most of the desired beach access. I urge that the Trustees consider the motel/hotel Parcel that pays one recreation/beach fee should not get more or different access to the beaches than a home with full-time residents. I hope that the Trustees will conclude that the hotel/motel parcel will be treated the same as other parcels paying the same fees to keep the procedures equal. Thank you in advance for your consideration of these thoughts.

Mr. Tulloch concluded by stating that he felt it was important to complete that statement from Ms. Becker – thank you.

Yolanda Knaak said she is a 2022 candidate for IVGID Trustee and that she agrees with one of the previous callers about selling water as she has been down to the beaches and the water levels are quite low.

Steve Dolan said regarding water pumped from the lake and mentioning the vodka, he spoke with the manufacturers of that vodka, it is pumped out of Reno and it is called Tahoe because it comes from Truckee which comes from Tahoe. If Ms. Berkbigler is successful in getting a permit to pump and take water from that line to be a commercial entity, he will be next in line for that permit and he thinks there will be a lot more people behind him. The last thing, on a positive note, is that he just learned, from the United States Forest Service, that our beautiful 3rd Creek is the only creek on Lake Tahoe that is registered as a Lahontan Cutthroat Trout habitat and that comes from records of Washoe tribe in the 1800's. So we have already known that creek is special and the Corp of Engineers has spent \$12 million renovating it to help the fisheries. One of the things that he learned recently from Dr. Laney Galiant who just got her PhD in her study was on the 63 streams around Lake Tahoe. She has determined, and got her doctorate based on this paper reviewed by everybody, that Incline's 2 streams, Incline Creek and 3rd Creek, and the 2 most genetically important creeks on this lake. So we have got these things to consider when we are permitting things around the creek, when we are building different things that may add to poisonous or noxious things going into the creek. We really, as a community, need to remember these things. He thinks we really need to halt all of that as there is nothing that we can do about what we have done really but we need to keep an eye on that in the future and train all of our people about that. So far, this year, the study that he has been a part of, for the past 7 years, harvested 40,000 eggs this year and 48,000 eggs last year. A lot of those go back into the fisheries and they go all over the state because this study has proven the wild Lake Tahoe Rainbow Trout that spawns in 3rd Creek is the healthiest rainbow trout west of the Rockies. So we are in the middle of this gem of a lake and 2 streams that are extremely important so he would ask to you to please take care of them. Thank you.

D. APPROVAL OF AGENDA (for possible action)

Board Chairman Callicrate asked for any changes to the agenda; Trustee Schmitz said she would like to consider moving General Business Item H.3. up to the beginning in an effort to be respectful to the Audit Committee's candidate's time. Trustee Tonking said she is concerned about moving it before Ordinance 7 which she would like to move to General Business H.1. and then the candidate interviews could be H.2 and then the scope of work is H.3. Trustee Schmitz concurred with those changes as did Board Chairman Callicrate. Hearing no further changes, Board Chairman Callicrate approved the agenda as revised.

E. REPORTS TO THE BOARD* - Reports are intended to inform the Board and/or the public.

E.1. VERBAL UPDATE AND CLARIFICATION REGARDING REACTIVATING THE CRYSTAL BAY WATER PUMP STATION

Presenter: Marsha Berkbigler (Requesting Trustee: Board Chairman Tim Callicrate)

Ms. Berkbigler said she is not the proposing project and that the project is not coming before this Board for approval tonight and that it may not come before this Board at all. Rather, she is here to correct the record from the previous presentation. At that meeting, a negative comment was made such that the proposed project would be the commercialization of Lake Tahoe water and its sale outside the Tahoe basin which is apparently an issue of concern. The upshot of that comment was that the water in Lake Tahoe is only sold for use within the basin and that is simply not true. To correct the record, Lake Tahoe water is sold for commercial purposes all around the lake and all around the State of Nevada, State of California as well as many other states and this has been going on for decades. Alibi Works, which is in the Incline Village area, who purchases its water from IVGID and it states, on their website, that Lake Tahoe is the source of their brewing water. Tahoe Vodka, although they may pull their water from the Truckee River, states on their website that their water comes from Lake Tahoe. IVGID does sell gray water outside the basin and even outside of the county and it sells it to a ranch and a golf course which is on Highway 50 and she believes is Douglas County. Their point is that simply businesses throughout the Lake Tahoe basin have been and continue to use water from Lake Tahoe for commercial purposes and their proposed project wouldn't have changed anything on it. One of the other things that was said was that the way the word "commercialization" was used in a manner that somehow conveys harm to the lake. Nothing could be further from the truth and no one can seem to articulate for her exactly what that harm would be so they had some concerns about that and we wanted to correct the record for that purpose. Aside from the fact that we have proposed only an insignificant amount of water, it still evaporates and moves down the river and doesn't stay within the lake. Our water is totally renewable and self-sustaining resource and yes, we are in the middle of a drought and you can prove that by the fires that have already started in New Mexico and in Arizona which are burning at ridiculous amounts largely because of the drought and lack of water. The other last comment at the meeting that gave us some concern is that there is not enough Staff time to work on this project and that we were worried

about the lack of water in the event of a major emergency. That is extremely troubling to us as that the Board would not think that the additional water would be necessary. We were offering to assist in the reopening of the Crystal Bay water plant and we have been told by a former IVGID Director of Public Works that the Crystal Bay water plant is completely functional but nobody really knows that. It is more likely that there are some minimal changes that need to be made but there are some functioning costs associated with that and that is why we were proposing it the way we were proposing it. The most important point here she thinks is that the Crystal Bay water plant being reopened by IVGID, it is already connected to your municipal system, so it would instantly double your access to water for firefighting purposes. It was said that we were scaring the residents of Incline Village and that is not true and what happened is that we scared ourselves. Ms. Berkbigler then referenced a handout that she has provided and went over the specifics. She felt it was extremely important to bring to your attention things that needed to be done and work together to solve the problem. Thank you for your time and letting her correct the record and the need for this project. District General Counsel Nelson said for the public, we have the handout available for the public. Mr. Dolan asked to make public comments on Ms. Berkbigler's comments; Board Chairman Callicrate denied that request. Trustee Tonking asked if can we just open the Crystal Bay pump station as a District? Board Chairman Callicrate said yes and he has asked that question and asked about the costs; the commercial operation is dead and Ms. Berkbigler is fully aware of that. We, as a District, would be remiss if we couldn't tap into that pump, and let's find out now the feasibility of that action and the Director of Public Works is working on this action. District General Manager Winqwest said yes, this is something we can explore and Staff is not going to spend any more time on this effort until we have that formal direction from the Board. Board Chairman Callicrate said and that would have to be agendized by the Board. Trustee Schmitz said she would like to hear from the NLTFPD as we need to hear from them to know if it would be of value and haven't heard from them.

- E.2. FISCAL YEAR 2021/2022 THIRD QUARTER BUDGET UPDATE: DISTRICT FINANCIAL RESULTS THROUGH MARCH 31, 2022 (Requesting Staff Member: Director of Finance Paul Navazio)**

- E.3. FISCAL YEAR 2021/2022 THIRD QUARTER BUDGET UPDATE: POPULAR CAPITAL IMPROVEMENT PROGRAM STATUS REPORT THROUGH MARCH 31, 2022 (Requesting Staff Member: Director of Finance Paul Navazio)**

Director of Finance Navazio went over the submitted materials. Trustee Schmitz said on page 54, it also has 12/31/2021; Director of Finance Navazio said yes, it is through March 31, 2022. Trustee Schmitz said, as it relates to the Community Services, Staff didn't carry over the asset for Diamond Peak when we had an asset on order as well as for the lobbies and that she don't want to miss them the next time. Director of Finance Navazio said it is still unclear if we need the augmentation; the first one is lack of communication, assumption by our Staff, ordered and there was an assumption that it would be automatically carried over and that is something we are going to be correcting. As we move to the next financial system, we will be showing them as encumbered and there will be more visibility. The issue with the lobby restrooms is that a budget augmentation hadn't been put into the 2021 budget and Staff missed the budget augmentation that the Board did at a late April meeting. Trustee Schmitz asked if the Tyler upgrade will help with this? Director of Finance Navazio said we are discussing this with Staff. As to the question about augmentation, we are being careful with this issue and we only had a couple this report so we are getting better. Trustee Schmitz asked about the reallocation for the paving maintenance – capital or expense item? Director of Finance Navazio said it will be an expense item because of the reallocation.

E.4. SEASON ENDING REPORT – DIAMOND PEAK SKI RESORT
(Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin)

General Manager Diamond Peak Ski Resort Mike Bandelin went over the submitted materials. Trustee Tonking said thank you for an amazing season and to your staff and for everything you have done for Diamond Peak. On page 63, first visitation chart, it looks low therefore she is wondering if it is related to passes and with it being so much lower than we usually we are, could it be that they are just not getting scanned? General Manager Diamond Peak Ski Resort Bandelin said that the variance is due to the storms as we were closed one day during that time. He mentions that because he doesn't have a clear answer. During the holidays, our penetration in rentals is high and he is making some assumptions. Trustee Schmitz said thank you for their excellent work at the mountain as the community and visitors appreciate how well the mountain is run. On page 61, rental units, they are on a downward trend which conflict with other things and can you clarify that – seeing a downward trend in rentals? General Manager Diamond Peak Ski Resort Bandelin said in 15/16 is when we implemented the RTP system and that Staff is going to try and go back and do some cleanup. To start, skier visits were so much higher. Trustee

Schmitz said so the bottom chart is a clearer representation; General Manager Diamond Peak Ski Resort Bandelin said yes. Board Chairman Callicrate said you are to be commended and everyone he spoke with everyone had a great time and there was a family he spoke with that comes back year after year since 1986.

E.5. DISTRICT GENERAL MANAGER REPORT*

District General Manager Winquest gave an overview of the submitted report. The Burnt Cedar pool is on pace to have the grand reopening mid-June. The concrete pour that was scheduled for this week was delayed but the contractor built a little additional time into the schedule. On the golf carts, yes, we are not receiving before the season and it is a supply chain issue as well as a delay in making the decision so we aren't going to get them until Fall. We are going to repair the existing carts on an as needed basis. Fleet is evaluating the condition of the current carts and we will do only what we need to do and there are no safety issues.

F. REVIEW OF THE LONG RANGE CALENDAR (for possible action)

District General Manager Winquest went over the submitted long range calendar. Trustee Tonking asked for one addition – on May 26, can we add appointing Trustees to the Audit Committee? District General Manager Winquest said yes. Trustee Tonking said that she probably won't be at the July 13 meeting. Trustee Schmitz said there was a deliverable to have a more detailed discussion on bonding and that was supposed to happen at the end of May and in your report, it is on page 134, that you will be bringing something back in June. District General Manager Winquest said that Staff is working through that item and we will get it added to the long range calendar.

G. CONSENT CALENDAR (for possible action)

G.1. SUBJECT: Approve the District's General Manager to execute a contract with KPS3 to redesign and redevelop the District's online content management system platform and the DiamondPeak.com website (CIP Project # 4999OE1399), for a one-time cost of \$79,990. (Requesting Staff Member: Marketing Manager Paul Raymore)

Trustee Tonking made a motion to approve the Consent Calendar.
Trustee Wong seconded the motion.

Trustee Schmitz asked District General Counsel Nelson to make a statement regarding the contract. District General Counsel Nelson said that there is not a contract included because we are using our template, Staff is using the scope of work that is included but not the additional scope that is \$23,000.

Hearing no further comments, Board Chairman Callicrate called the question and the motion was passed unanimously.

H. GENERAL BUSINESS (for possible action)

H.1. SUBJECT: Review, discuss and provide direction related to potential edits to Ordinance 7, An Ordinance Establishing Rates, Rules and Regulations for IVGID Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District and review, discuss, consider and potentially approve a business impact statement for the potential edits to Ordinance 7 (Requesting Staff Member: District General Manager Indra Winquest) (*was General Business Item H.2.*)

District General Manager Winquest went over the submitted materials and thanked the General Manager's Committee on Ordinance 7 as well as the Board for their careful consideration and discussion.

UNBUILDABLE LOTS

No revisions by the Board.

PARCEL SALE DURING THE YEAR

Trustee Tonking asked how frequently does this occurs? District General Manager Winquest said very few take out 5 punch cards and how often does this happen, not common. We haven't seen a tremendous amount of property turnover during the past 2 years and there hasn't been any abuse. Board Chairman Callicrate said monitoring would be worthwhile and to leave it as is. After monitoring, let's look at this item then and see how this ordinance is working. He is comfortable leaving like it is and monitoring. Trustee Tonking asked how easy is it to monitor? District General Manager Winquest said it is something that the Staff can focus on and it won't be perfect but it can be monitored. Trustee Tonking said it is worth tracking as it could become an issue in the future. Trustee Wong said she agrees with monitoring.

NUMBER OF ADDITIONAL PASSES THAT CAN BE PURCHASED

Board Chairman Callicrate said he would like punch cards limited to 3. Trustee Dent said, with reference to the survey spoken about at the last meeting, narrowing it down to 3 - he would be in favor of that. Trustee Schmitz said she is fine with 3 as long as the 3 picture passes do not allow guests to the beaches. Board Chairman Callicrate said so the total is 8. Trustee Tonking said she can be on board with it if the rest of the Board is a go. Trustee Wong said she agrees with Trustee Tonking. Board Chairman Callicrate said in talking to people in the community, they want more control and this will address this. For right now, it gives the flexibility and does put a restriction on from unlimited. District General Manager Winquest said there has been some information circulating within the community that we are allowing more people, it is currently unlimited, so please remember that and what we are doing is putting a cap on and limiting the unlimited access. Staff will monitor this and we will hear from people if it isn't enough access. Trustee Wong said isn't there some language about obtaining extra passes? District General Manager Winquest said he doesn't think there is anything in there however the committee did discuss large families and it helps that. District Clerk Herron read paragraph 69 from the current ordinance. District General Manager Winquest recommends that we would request a request be made or within family. Trustee Schmitz said the Board of Trustees administers the rules and we need to be careful how this rule is written. It becomes a bit challenging if you start talking about their children and who has all the other passes and another family member on the family tree therefore it gets dicey when you bring this up. Trustee Tonking said she thinks it is easy to put it into the language and it is a quick fix but that she does understand the concern. Trustee Wong said she agrees with the language that the District General Manager has put in. Board Chairman Callicrate said he would like to punt this back to the District General Manager as he doesn't want to have a slew of unintended consequences. We must be compliant with the beach deed and making sense when doing it. District General Manager Winquest said the Trustees are in agreement with issuing a picture pass to a child and we could state that the child has to live in the home. There is not a lot of them and it can be prescriptive such that the District General Manager or his designee has the authority to make that decision and dependent is a better term. We need to allow the authority of Staff to make the decision and not have them come before this Board to make that request; he will work with Special Counsel on this language. Trustee Schmitz said so this is a maximum of 8 cards and they can be any combination of picture passes or punch cards and any picture pass over 5 would be stamped no guest access to the beaches – is that correct? District General Manager Winquest said it is 8 picture passes and 3 punch cards.

Trustee Tonking said you should still have access to punch cards. Trustee Schmitz said that the maximum is 10. Trustee Wong said the limit is 3 picture passes and 2 punch cards with a maximum of 3 punch cards and 3 picture passes and can't exceed 10 in total. The additional 3 will be with no guest access. Trustee Schmitz said we have to look at the administrative practicality. District General Manager Winqest said we pull their file each time we issue passes. Trustee Dent asked what number are we up to? District General Manager Winqest said 10 total. Board Chairman Callicrate said we will get into writing and that all of us are in general agreement and when we see it written out, we can clarify.

LIMITING THE AMOUNT OF GUESTS YOU CAN BRING IN

Board Chairman Callicrate said it needs to be per parcel. Trustee Schmitz asked about the group picnic areas – what do they accommodate? District General Manager Winqest said 100-150 and those are the big ones of which there are 2 on Incline Beach and 2 on Burnt Cedar Beach and we are looking at adding more. Then there are first come, first serve areas which have a capacity of 20-25 people. His recommendation would be 25-30 people. He understands that this will add to the controls but he doesn't want it to infringe on people's rights. Trustee Schmitz said maybe we can make that space specific such that it has a table and grill and look at it that way. Trustee Tonking said groups do come and just hang out with 20 or so of their friends so she is open to that idea. Board Chairman Callicrate said there are impromptu scenarios and that wouldn't be a group use. District General Manager Winqest said he isn't talking about teenagers that want to hang out rather he is talking about groups like family reunions, etc. Trustee Tonking said we are talking about when people are bringing in guests. Trustee Schmitz said we have these group reservations and we need to be able to make parking recommendations and perhaps we have group reserved parking area because parking is the other huge issue. District General Manager Winqest said we can educate people and we will ask them about how they are getting there. He doesn't want to create processes that are so nitpicky, we also have to do our jobs, and that we do our best to monitor as does security. Trustee Schmitz said so we haven't identified a number yet? District General Manager Winqest said no, you haven't done that and maybe an option is to do a group threshold and it will be a change for our staff. Board Chairman Callicrate suggested 25 as a threshold and monitor per parcel. Trustee Dent said, regarding limiting the amount of guests per picture pass holder, he is not sure and he is not opposed to the 25 per parcel. Trustee Wong said she is ok. Trustee Tonking said she is ok. Board Chairman Callicrate said 25 per group and do it per parcel.

HOTELS/MOTELS (OCCUPANTS)

Board Chairman Callicrate said something needs to be added into Ordinance 7 and this is a legal issue. Trustee Tonking said she agrees and we need to find a manageable and workable solution for all of us. Trustee Dent said he agrees and the question is how quickly can we get Special Counsel to weigh in on this? District General Manager Winquest said he believes we can set up meetings with the attorneys by the end of the week. District General Counsel Nelson said we have already reached out to Special Counsel and we can stay on that timeline.

PARKING

Trustee Schmitz said as it relates to parking at the beaches, how often do people come in and say the three cars behind me are all with me? That is not in the ordinance and so does someone in each vehicle have to have a pass? District General Manager Winquest said for the preferred parking, every vehicle has to have a picture pass holder in the vehicle and Staff is considering limiting parking on peak days to picture pass holders at Incline Beach. At Burnt Cedar, Staff is looking at the east part of the parking lot being opened to picture pass holders. The Sheriff has written parking tickets and Staff monitors it. Trustee Schmitz said on the flip side, we want people who have picture passes or punch cards to be able to park. District General Manager Winquest said he didn't know if it was necessary during shoulder season and he would like to allow Staff to dictate and will report to the Board as we are looking at overhauling. Trustee Tonking said she agrees with the preferred parking. District General Manager Winquest said it is not a wide spread issue. Trustee Schmitz said, referencing page 201, #3, in the middle, that this concept was not preferred and it should read was preferred.

BUSINESS IMPACT STATEMENT

District General Counsel Nelson introduced the business impact statement item and stated that the District has received oral comment and written comments and that Staff's recommendation is to approve it. Trustee Schmitz said, on page 289, strike the word "local" because perhaps they are not. Board Chairman Callicrate said he doesn't want to have the businesses impacted that are doing a valuable service with launching boats and noted that it is a fine line that we have to walk. District General Manager Winquest said it is a tough situation and that the language that is in there, the committee passed it on to special counsel to craft language, thus we relied on counsel to write this. The District has had nothing but great experiences working with the local residents, we do understand the impact, the committee made the recommendation in good faith and have two different

types of business, both provide service and they are different. There were a few boat rental companies that didn't live here and those have gone away. Trustee Schmitz said her perspective is, as a Trustee, our duty is to uphold that beach deed and can't overrule the recommendation from our counsel. Board Chairman Callicrate said Mr. Balkenbush was intimately involved and it is a tough situation but we can't breach the beach deed. Trustee Dent said he agrees with Trustee Schmitz as it is hard to go against what legal counsel is telling us to do. Trustee Wong said we are stuck between a rock and hard place on this one. Trustee Tonking said it is a really tough spot and violating the beach deed doesn't sound great.

Trustee Schmitz made a motion to approve the business impact statement with the modification of removing the word local on page 2 of that document. Trustee Tonking seconded the motion.

Board Chairman Callicrate said we are legally committed to follow the beach deed and that he hopes there is some way to work around this. We have to move forward and this is a tough, tough decision.

Hearing no further comments, Board Chairman Callicrate called the question and the motion was passed unanimously.

Board Chairman Callicrate said that he hopes we can work with the businesses and this is a hard decision. He is sorry that this is the case and hopefully there will be an opportunity for some additional business activity to help defray. District General Manager Winquest said it will go into effect on June 1. District General Counsel Nelson said this is just the business impact statement and the changes on Ordinance 7 will be on May 26. The Board will work through the process and what you will be seeing is both a redline and final version and that is what the Board will be voting on. There will also be a little bit of clean up that is non-substantive.

Board Chairman Callicrate called for a break at 8:52 p.m., reconvened at 9:05 p.m.

H.2. SUBJECT: Conduct interview(s) with applicants Vito Brandle, Mick Homan, and Raymond Tulloch and review, discuss and possibly make appointments to the Audit Committee in accordance with Policy 15.1.0 with terms commencing on beginning July 1, 2022 (Requesting Staff Member: Board Chairman Tim Callicrate) *(was General Business Item H.3.)*

The Board of Trustees conducted interviews with applicants Vito Brandle, Mick Homan, and Raymond Tulloch. Following are the questions and answers from these interviews:

Vito Brandle made a very brief opening statement.

Trustee Wong

What do you believe is the role of the Audit Committee? If appointed, what would be your number one item to accomplish?

Mr. Brandle

Follow the charter. Traditionally, it is to be a level set and partner that can help guide controls and guide overall group. Don't see them being a roadblock but rather help progress the overall charter of the Audit Committee. Most important thing to tackle – what are the objectives of the community and the Board, where can we help, and be part of the progress versus a roadblock.

Trustee Dent

Where do you see the biggest issue with IVGID and how you could impact the District moving forward?

Mr. Brandle

May not have the most storied experience so he would probably bring his past experience from different experiences and different locals and different communities and bring that to the table to progress things forward. Have to do a little more research and due diligence on what the problem is.

Trustee Schmitz

Have you viewed any of the livestreams of our Audit Committee meetings?

Mr. Brandle

Have done a couple of Board meetings, not seen any of the Audit Committee.

Trustee Schmitz

What is your time availability and schedule?

Mr. Brandle

Work for home and can be flexible; would have multiple hours per week and scale up or down depending on scenario.

Trustee Tonking

What are some of the things that are successes for Audit Committees and what are failures?

Mr. Brandle

More corporate world versus IVGID; frequently a roadblock is when the Audit Committee shoots down the progress rather than be a part of the

change. Audit Committee provides advice and provides controls where necessary and utilizing the funds and progressing as we should. The desire of the Audit Committee should be driving that forward than being on the no side. Used to being the person on saying no as CFO so this would be cooperative interaction, more motivated toward change and driving towards that end result.

Board Chairman Callicrate

How would you deal with a disagreement between Board and Staff? Say a major disagreement - how would you move forward.

Mr. Brandle

Serve at the pleasure of the Board, cohesive or not cohesive and the elements of the arguments. When there are multiple different ideas on the solutions, find out different perspective and find a middle way to cooperatively move forward. Try to find some middle ground to find some way forward and understand some scenarios where that can't be the case.

Mick Homan gave a short opening statement.

Trustee Dent

What is your time commitment and do you have any restrictions associated with that?

Mr. Homan

As of July, free and clear and living here full time.

Trustee Dent

What do you think is your greatest asset and being able to contribute and moving forward?

Mr. Homan

Experiences and skills he has as he has spent 11 or 12 years with one of the larger big firms' in private industry and was COO for a large company, direct relevant experience within the space itself.

Trustee Wong

What do you believe is the role of the Audit Committee? If appointed, what would be your number one item to accomplish?

Mr. Homan

Role is spelled out in the charter and being around to assist and counsel them and bringing to your attention those issues that he says. Came in with an open mind and haven't been here long enough to know what works and doesn't, and oversight and counsel to the Trustees.

Trustee Schmitz

Have you had the opportunity to view any of the Audit Committee meetings?

Mr. Homan

I have not.

Trustee Schmitz

What are the challenges that the Audit Committee faces?

Mr. Homan

No perception on the challenges faced here. A good Audit Committee follows its charter and has the expertise to do so and is smart enough to recognize when they don't need to bring in help.

Trustee Tonking

What is your experience with working with governmental agencies?

Mr. Homan

Going back to the 80's and 90's had a couple of quasi clients, not working with the Audit Committee at that time, experiences with systems, etc. Most of his career has been spent on the for profit side.

Board Chairman Callicrate

How would you deal with a disagreement between Board and Staff? Say a major disagreement - how would you move forward.

Mr. Homan

The Board is the decision makers, Audit Committee is to serve and provide oversight, Audit Committee has to stand up and let the Management and the Trustees know when there isn't a proper level of controls, etc. The Audit Committee job is to make sure you can rely on the information and make sure the numbers are transparent.

Board Chairman Callicrate

Impasse for whatever reason, can't seem to find a way to move forward, how would you get it to the next step?

Mr. Homan

Invite them into that conversation because not a decision maker. If he is providing counsel, disagreeing with his judgment, that's different from we have a decision we have to make and decide which is best. Former career, he has a line he won't cross, go past and he won't go any further. He will share that line and outside, he will disagree and disassociate. Optimal solution – there is no right or wrong answer, pros and cons of the various issues, his responsibility is to make sure those are surfaced and to try and guide you and not overlook things. His responsibility is to make sure you get it straight and not colored.

Trustee Tonking

What about a disagreement between Audit Committee member and the auditor?

Mr. Homan

His experience is that the auditors work for the Audit Committee and if there is a disagreement, that is not good. Can't imagine that there would be a real disagreement unless there is a lack of understanding on what's being done. Both parties work with the same ethics/code. Extremely rare to have a disagreement between auditor and Management if working with a full set of circumstances. Understand the boundaries.

Ray Tulloch gave a brief opening statement.

Trustee Dent

Where can we do better and what do you believe was our greatest success?

Mr. Tulloch

Do better - not involved in the audit process enough, final audit report was presented to us and the Board same evening, that is not helpful. Slightly remiss in not being more hands on and getting more reports. Have helped improve the transparency and starting to get on the right track on capitalization. Helped to move things in the right direction. He has a 47-year career and his company does management audits which are more intrusive. Recent management audit managed to save \$102 million in Hawaii for the ratepayers, report is online.

Trustee Wong had no questions for Mr. Tulloch.

Trustee Schmitz said she had no questions because she has worked side by side with Mr. Tulloch and thinks he has done a very good job as the Chair during a challenging year and that progress was made.

Trustee Schmitz

If you are planning to continue on and thinking about the challenges we have had, what would be your vision on how the Audit Committee is going to operate?

Mr. Tulloch

Tried to stop from moving off topic, work more closely with Accounting Staff, and the District has a new auditor. His view is that it is tri-party operation. Not happy about standoffs between Staff and the Audit Committee and Auditor and Audit Committee. There are learned lessons there and the Audit Committee is trying to cover various things. Board of Trustees sees the Audit Committee as a roadblock, seen us put forward appropriate controls and providing guidance. Board of Trustees can

accept or reject at their own peril. Corporate situations, where rejecting, there would be very strong shareholder pressure to find out why.

Trustee Tonking

Noticed over the last year, that you have frustration with Staff and the Board - what is motivating you and how do we mend that relationship?

Mr. Tulloch

He doesn't need to do this job as he runs his own company, is a full time race coach, and he has retired 6 times but he keeps being drawn back into business so that may be weakness. Do believe in trying to fix things and he has a strong skill set for sorting out business units that aren't working and get them on the straight line. Making difficult decisions, one doesn't make an omelet without breaking eggs. Something is either right or wrong; if something is wrong, you can't negotiate out of that as accounting standards work the same way.

Board Chairman Callicrate

There are situations where the Audit Committee is finding its way and during a difficult time but clearly they are perimeters, there are right and wrong.

Mr. Tulloch

Ethics and basic rules and one of his weakness is that his ethical standards become much stronger.

Board Chairman Callicrate

Philosophical difference, this is the way it is done and another person say this is the way, if there are a couple of ways to arrive at something and both are within the legal confines etc. how do you get past that impasse?

Mr. Tulloch

Capitalization policy - where there are different interruptions, when auditor is doing an audit, compiled with GAAP and GASB and not specifying what should be capitalized and what shouldn't. We need to be consistent with Board policy and previous reporting. Otherwise it is impossible with reporting. His own expertise with capitalization, as he has 40 years' experience, he is happy to put his own skill set against that. Tried to pass on that judgment, make it consistent, and it is hard to see what your financial performance is. The most important thing for residents is that they want to know where the District spends their money. Audit Committee has done and you have proclaimed how well the financials have been turned around over the past 2 years.

Board Chairman Callicrate

Stand by that comment, I still believe in the committee and was not willing to take anyone off the committee.

Mr. Tulloch

Would be a mistake, Audit Committee charter is set up in a particular way, charter has no provision for removal and he thinks that is very important. Independence is critical.

Trustee Tonking

Slight concern - great work and great ideas – however sometimes there is some disrespect towards Staff or even at our Board members.

Mr. Tulloch

He makes no apologies for that and he hasn't been disrespectful with Staff as he has pulled back.

Trustee Tonking

Do you think we can work through it and the animosity?

Mr. Tulloch

He is very direct, tells you what he thinks, and doesn't waste time. He has a much longer business experience and found that is the best way to do it. From the client, tell us what we need to hear and not what we want to hear.

Board Chairman Callicrate said thank you to all the members of the Audit Committee and that we have had some interesting conversations. We all live in a small community and if we disagree, we can disagree but let's not be disagreeable. Your directness may be perceived as animosity and that he is taking Mr. Tulloch at his word and he can't speak to the excitement at the meetings. He does know that you have become very agitated and have had to apologize. Mr. Tulloch said passion is an important part of it as they don't believe in what they are doing. Board Chairman Callicrate said he would like to see the Audit Committee continue in a robust fashion and with a fresh set of eyes. We have talked about that for the last several years not only at the Board level but with the Audit Committee so he wants to bring in that experience. Trustee Schmitz thanked Mr. Tulloch for the past year and in his acting in the role as Chair and acting as the liaison with the auditor; he has put time and talent into it. Mr. Tulloch said thank you and that this goes to the Audit Committee and there is a huge amount of research that Mr. Dobler has done.

Trustee Dent said that he wanted to let his fellow colleagues know that he reached out to District General Counsel about the terms and that given that we have a seat vacate for the last 10 months, is it truly a one-year appointment or appointing to fill Mr. Aaron's term and that District General Counsel agreed with that logic. We can appoint someone immediately so that the Audit Committee is not be a member short. District General Counsel Nelson said one exception would be Mr. Tulloch and he explained why.

Trustee Tonking said so that appointment would be one year and a month if we are filling Mr. Aaron's slot? District General Counsel Nelson further explained and noted that the Policy 15.1.0 doesn't allow the removal however Policy 3.1.0 provides that all advisory committees serve at the pleasure of the Board and therefore they can remove members.

Trustee Wong made a motion to appoint Mr. Brandle and Mr. Homan as our two (2) two year appointees. Trustee Tonking seconded the motion. Board Chairman Callicrate called the question and the motion passed with Trustees Callicrate, Tonking and Wong voted yes and Trustees Dent and Schmitz voting no.

Trustee Dent made a motion to appoint Mr. Tulloch to begin serving on July 1 as a one-year appointee. Trustee Schmitz seconded the motion. Board Chairman Callicrate called the question and the motion passed with Trustees Callicrate, Tonking, Dent and Schmitz voted yes and Trustee Wong voted no.

H.3. SUBJECT: Review, discuss and possibly consider supplementing FY2021/22 Independent Audit to Include Additional Agreed-Upon Procedures Related to 1) Capitalization of Assets and 2) Purchasing/Contracts; Authorize the Audit Committee Chair to Execute Individual Engagement Letters Covering Supplemental Audit Services, and Authorize Additional Task Orders to the District's Existing Contract with DavisFarr, LLP, in a Cumulative Amount Not-to-Exceed \$20,000 (Requesting Trustee: Sara Schmitz and Director of Finance Paul Navazio) *(was General Business Item H.1.)*

Director of Finance Navazio gave an overview of the submitted materials. Trustee Schmitz said we worked together, have some fine tuning to do and the Audit Committee reviewed this and voted to be supportive of it as well. Trustee Wong said our annual fee is \$49,000 and the additional fees are almost half of our annual fees. Director of Finance Navazio said the auditor provided a range and maxed out at \$10,000 per and up to \$20,000. Trustee Wong said it is almost half of our full annual audit. Director of Finance Navazio said that is correct. Trustee Wong said this is ridiculous and she can think of a dozen community programs that we can provide that is not an additional waste and when we haven't received anything that is wrong; she is flabbergasting by this proposal and she is absolutely not going to support this action. Trustee Tonking said we are constantly doing consultants, she is with Trustee Wong, we do have a fiduciary duty and for this scope, it is a

lot of money; we should do a bigger project and don't think we should do this. Trustee Dent said he appreciates Trustee Schmitz and Director of Finance Navazio working to improve our overall finances and willingness to work alongside the Audit Committee. In an effort to move things forward, and he thinks we are almost there, he is in favor of this action. Trustee Schmitz said one of the things addressed in here is the opportunity to do a contract sampling. There is value in this such that we have financial reports that don't have material weaknesses and deficiencies. The Board of Trustees asked the Audit Committee to do this, this is the result, we put a lot of effort into this and we worked with Ms. Farr. This is an opportunity to get us on a more solid ground from last year's audit.

Trustee Schmitz made a motion to

- 1) Authorize the Audit Committee Chair to execute supplemental Engagement Letters, with the District's Independent Auditor, DavisFarr, LLP for additional audit services related to capitalization of assets and purchasing/contracts, to be performed in conjunction with the firm's audit of the District's FY2021/22 financial statements;
- 2) Authorize additional contract authority for the recommended supplemental audit services, in an amount not-to-exceed a cumulative cost of \$20,000;
- 3) Authorize associated Task Orders (#3 and #4) under the District's existing multi-year professional services contract with DavisFarr, LLP covering specified supplemental audit services

Trustee Dent seconded the motion. Board Chairman Callicrate asked for comments, receiving none, he called the question – the motion passed with Trustees Callicrate, Dent and Schmitz voting in the favor of the motion and Trustees Tonking and Wong voting opposed.

H.4. SUBJECT: Review, discuss and possibly provide input to the FY2022/23 Budget: Update/Summary of Revisions to Tentative Budget to be included in Final Budget subject to Board approval on May 26, 2022 (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio gave an overview of the submitted materials. Trustee Dent asked if Staff could elaborate a little further on their discussion with the Department of Taxation related to transferring funds from the General Fund to other funds and why the dog park can't have that transfer but it is okay to put it into the General Fund and doing something like that

with the Utility Fund since we have an abundance of funds in the General Fund? Director of Finance Navazio said Staff had contemplated transferring to the Parks Fund \$100,000 for a dog park and contemplated transferring money to the Utility Fund to shore up/help fund balance and reserves. The State has clarified that we are precluded from transferring any monies to any enterprise fund. In the case of the dog park and the preliminary work, Staff is setting up a project and charging it to the General Fund as a special project and there is no preclusion about that. There isn't really an analogous situation with the Utility Fund. Theoretically, could we budget a Utility project to General Fund – it is more likely to set it up as a loan. Trustee Dent asked if you could come up with a couple of projects for the General Fund and could we plan for that now and create a project within the General Fund? Director of Finance Navazio said we could look at that. One of the things we have done is we have allocated some Engineering time to the General Fund and we need to be very thoughtful and careful about whatever we do. Trustee Schmitz said in lieu of transferring funds, would it be possible to give the Utility Fund a Central Services Cost Allocation holiday from the General Fund to the Utility Fund? Director of Finance Navazio said he is not aware of anything from the Board to give that direction rather it is inconsistent with full cost recovery. He isn't aware of anyone doing that and number is \$400,000 to \$500,000. Board Chairman Callicrate said we can't comingle funds and this is a fine line we would be walking. Director of Finance Navazio said it is a policy call and he stands by the call that the General Fund is discretionary. Had the District retained them as special revenue funds, it wouldn't have been a problem like it is with proprietary funds. The real concern with the Utility Fund is that they are not at the reserve that we should be and that it will be 2025/2026 when we meet all reserves so we need to keep an eye on that. Staff can look at whether we actually charge the Utility Fund however we do need that direction from the Board if your desire is to incorporate that into the final budget. Trustee Dent said we should incorporate that into the final budget. Trustee Tonking said she is a tad hesitant. Board Chairman Callicrate said we need a little more time and tread very cautiously in this area. Director of Finance Navazio said there are two issues here – what is the appropriate use for the excess use of the monies in the General Fund and how we operate the Utility Fund and be healthy. He did take note about the bond and he would like to have the discussion holistically. Trustee Schmitz said, on page 323, we take about the League of Cities, she was thinking we were going to step the increase over 2 or 3 years? Director of Finance Navazio said it provides maximum flexibility and is a placeholder. Trustee Schmitz said as it relates to Community Services, really hope that we can do a better job of what we are going to need, this year was spending down the fund balance, instead we

are increasing our fund balance. Something that we need to get better at is not over budgeting and not building fund balance. Trustee Tonking said it is on the Board, we have been a little bit slow and also on us to bear that burden. Trustee Schmitz said Staff is being a little more realistic and how much can Staff get done. Trustee Tonking said we delay and we, as a Board, aren't very good at passing projects, thus it's on us too. Director of Finance Navazio said there are significant funds that get carried over, ordered a lot of equipment and it is delayed. We made the commitments, and he knows that the Staff is very attuned to capacity for Staff and then projects come up like the Recreation Center expansion. It is about timing of contracts and purchases. Trustee Schmitz said when we are doing the final budget and submission to the State, are we going to be moving into the Facility Fees to non-operating revenue? Director of Finance Navazio said we will be presenting it both ways as it is a revenue source in our financial statement. The State has rendered their opinion and the Facility Fee is appropriately represented on their forms and he will follow up on that point.

I. MEETING MINUTES (for possible action)

I.1. Meeting of April 13, 2022

Board Chairman Callicrate asked for changes; none were submitted so the meeting minutes of April 13, 2022 were approved as submitted.

J. FINAL PUBLIC COMMENTS*

Yolanda Knaak said she is a candidate for IVGID and thank you for the hard work on Ordinance 7 as so many people complain about beach overcrowding. So glad we have 3 great Audit Committee members.

K. ADJOURNMENT (for possible action)

The meeting was adjourned at 10:36 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

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

Submitted by Susan Marelich – Letter dated May 9, 2022

Submitted by Ali Warner – Public comments

Submitted by Carole Black – Public Comment IVGID Meeting 5.11.2022

Submitted by Clifford F. Dobler – Board of Trustee Meeting – May 11, 2022

Submitted by John Ciacchella – Revised May 2, 2022 to the Board of Trustees

Submitted by North Shore Boat Rentals – Letter dated May 11, 2022

Submitted by Marsha Berkbigler – IVGID Water Storage Tanks drawdown calculations during a large wildfire

INCLINE BOAT STORAGE & MARINE



A Close Corporation

David P. Marelich, President
Susan G. Marelich, Secretary/Treasurer

Enclosed & Secured

May 9, 2022

Chairman	Tim Callicrate	callicrate_trustee@ivgid.org
Vice Chairman	Matthew Dent	dent_trustee@ivgid.org
Treasurer	Michaela Tonking	tonking_trustee@ivgid.org
Trustee	Sara Schmitz	schmitz_trustee@ivgid.org
Trustee	Kendra Wong	wong_trustee@ivgid.org
District Clerk	Susan Herron	sah@ivgid.org

Re: Incline Boat Storage & Marine (IBSM)

Dear IVGID Trustees:

The following Business Impact State was prepared pursuant to NRS 237.090 to address the proposed impact of changes to Ordinance 7 which may limit the use of the boat ramp located at Ski Beach by certain commercial parcel owners and their tenants.

On April 2, 2022, we provided a letter describing our concerns to potential changes to Ordinance 7 as it relates to proposed restriction to our tenants' ability to use the boat ramp. For convenience, a copy of this letter is attached to this Business Impact Statement as a part thereof.

As 44-year residents of Incline Village, we fully appreciate our community's desire to reduce overcrowding at Incline's ramp and beaches. As owners of IBSM for 33 of those years, we've had more experience and interaction with the community and IVGID than almost anyone else as related to Ski Beach ramp. We can confidently state that our contribution to congestion at the beaches and ramp is minimal, as we haven't expanded our customer volume in 17 years. Whatever scenarios in recent years has caused IVGID and the Special Committee to propose Ordinance 7 changes were not the fault of IBSM.

We have provided storage for boats in our commercially owned and permitted facility since 1989 and currently have 222 commercial tenants. Of this total number, 138 are Incline residents with beach access. The remaining 84 tenants (38% of our base) are without beach access. Thirty four of the 84 only launch once at the beginning of the season as they go on buoys or in marinas. The other 50 non-residents may launch between 1 to 8 times per season. It should be noted that very rarely do they use the beach for any purpose other than the launch and retrieval of their boats at the ramp.

If IBSM is unable to service these tenants on the ramp, it would lose the respective income from storage, mechanical work, detailing, fiberglass repair and fuel services. This loss in income would quite possibly result in IBSM being compelled to close its doors resulting in the termination of up to 15 full and part-time employees. The impact to IBSM would also result in a significant decrease in the value of its property and, of course, the business itself.

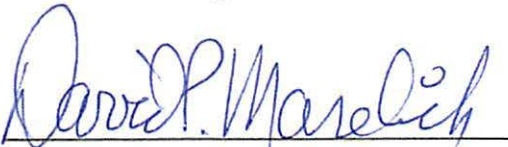
IBSM provides preventative and emergency mechanical services to dozens of additional Incline residents and visitors to our town who aren't our tenants. Our on-site fuel tank reduces congestion at Incline's gas stations. We bring dependable revenue to IVGID every summer season which not only includes boat launch fees, but also fees collected for every person on board their boat. We don't rent boats or market the use of IVGID's private facilities.

We understand that certain parties are doing business on IVGID property in a manner that may be considered inconsistent with the right permitted under the June 4, 1968 Deed. We want to reiterate that we believe that we and all other users of the affected IVGID facilities should comply with the Deed. We also strongly believe that our ownership of our commercial parcels and our business should be evaluated and considered, and distinguishes our business from other users who may otherwise appear to be seemingly similar.

In summary, we believe that the restrictions proposed would have extreme negative financial consequences to IBSM, specifically, and negative consequences to the community at-large. We are very willing to work with IVGID staff and the Board to participate in any discussions that would result in a solution to beach overcrowding. An example could be to construct some type of screening at the ramp which would prevent people from walking onto the beach.

Thank you for your time and consideration with this very important task you've been handed, and especially how it relates specifically to Incline Boat Storage & Marine.

Best personal regards,
Incline Boat Storage & Marine



David P. Marelich



Susan G. Marelich



Mark D. Marelich

Cc: General Manager

Indra Winquest

indra_winquest@ivgid.org

INCLINE
BOAT
STORAGE
& MARINE



David P. Marelich, Owner
Susan G. Marelich, Owner

Enclosed & Secured

Date: April 2, 2022

Chairman	Tim Callicrate	callicrate_trustee@ivgid.org
Vice Chairman	Matthew Dent	dent_trustee@ivgid.org
Treasurer	Michaela Tonking	tonking_trustee@ivgid.org
Trustee	Sara Schmitz	schmitz_trustee@ivgid.org
Trustee	Kendra Wong	wong_trustee@ivgid.org

893 Southwood Boulevard
Incline Village, Nevada 89451

Re: Incline Boat Storage & Marine (IBSM)

Dear IVGID Trustees:

As the owners of IBSM, we, along with our son, Mark, would like to express our gratitude for over 33 years of a great working relationship with IVGID facilities and staff. It has been a pleasure associating with General Managers as well as all the employees we interact with during the boating season.

In 1989, we purchased the commercial property at 875 Oriole and later the adjoining property at 869 Oriole Way. These parcels are located within the community's intended Industrial Zone, off any busy streets and are not situated on any scenic corridor. We are located directly behind the North Lake Tahoe Fire Department and have an approved sprinkled building ensuring a safe place for boat storage in our community. We provide a Certificate of Liability Insurance annually which names IVGID as a certificate holder.

Our business provides boat storage and maintenance to over 200 commercial tenants. All of these tenants have lease agreements with a minimum of an 8 month term with the majority of tenants storing year around. Currently, we have approximately 60 "winter" customers whom we only launch one time a season as they go on buoys or in marinas. For the balance of our annual tenants, we provide an optional launch and retrieve service. These tenants are not daily or even weekly launches, only using the ramp between five to ten times during the entire summer season. It has been our experience that our tenants spend the day on the Lake and rarely use the Incline beaches.

IBSM has never rented boats to the general public nor intends to do so in the future. We don't conduct business on IVGID property, such as orienting customers with a vessel, signing contracts at the boat ramp, or exchanging money on District property. We have consistently brought revenue to the Ski Beach ramp for more than three decades.

We have trained and respectful staff who are proficient boat launch and retrieve operators. Based on our training and experience, our staff gets in and out of the ramp faster and safer than the typical person. We are pleased to often help other users of the ramp who may need assistance with launching, thereby preventing traffic logjams and maintaining or enhancing ramp access efficiently.

As you are aware, there is a shortage of legal boat storage options in Incline Village which directly contributes to crowding of our public roadways. At no time does IBSM store boats or trailers along public roadways, and we ensure that more than 200 boats and trailers are only parked on our private property. We have a permitted fueling station at our facility to fill up our tenants' boats. This means that we do not contribute any congestion to Incline's gas stations. Our business is also entirely local, so you will not see us hauling boats back and forth on our community's highways.

In addition to helping over 200 of our own tenants, we assist many non-storage customers with mechanical services for their boats, personal watercrafts and trailers every season. Oftentimes, fellow boaters find themselves in emergency situations with trailer or vessel operation, and our certified technicians help these people as soon as possible.

We're concerned that a new limitation or regulation of our ability to serve our tenant/clients and the community could cause IBSM to shutter its doors. This would most certainly lead to more congestion in our town, more inexperienced and unsafe boat owners attempting to use the ramp and parking lots, and an eruption of uncertified, uninsured, and disreputable pop-up boat "storage companies".

We know the Special Committee is considering potential proposals at an upcoming meeting which may result in changes to our use of the boat ramp and adjacent facilities. We understand that the catalyst for these proposals may be that certain users be considered to be doing business on IVGID property in a manner that may be inconsistent with the rights permitted under the June 4, 1968 Deed (the "Deed"). We agree that all users of the affected IVGID facilities should comply with the Deed and regulations promulgated therefrom. We also believe the facts and circumstances relating to different users, even if seemingly similar, should be evaluated and considered.

It is our understanding from our reading of the Deed that parcel owner's tenants are allowed to use the deeded property. There is no distinction between residential and commercial tenants in this Deed. According to our Storage Agreement, the relationship between IBSM and its clients is that of landlord and tenant. Respectfully, we believe that the Deed applies to IBSM

and its clients and to permit the clients (as tenants) to use the deeded property. In fact, we have built our business around this premise. The Deed also has no exclusion for commercial properties or stated prohibitions restricting a commercial property owner from allowing its guests and/or tenants to access the beach/boat ramp for recreational purposes. We believe that ownership of our property in Incline Village and our relationships with our tenants distinguishes our business from others who may be using the boat ramp facilities and therefore request this distinction be appropriately considered.

In summary, as 44 year full-time residents of Incline Village, we have always supported the community through many endeavors including being a member of the Rotary, working with the preschools, elementary, middle and high schools, along with sponsoring many community events. Our sons were born and raised here and Mark has responsibly taken over the day-to-day operations of the business. We sincerely hope our business that contributes to the community will be allowed to continue without new restrictions that would hurt both us and other residents of our town.

Please hold these thoughts and facts in high consideration when reviewing any proposed changes in the way we operate our business. Especially reflect on this crucial truth: our business has not expanded its customer volume in 17 years. So whatever overcrowding, overburdening, visually disrupting, or access abusing problems forced IVGID and the Special Ordinance 7 Committee into crafting a proposal did not originate from IBSM.

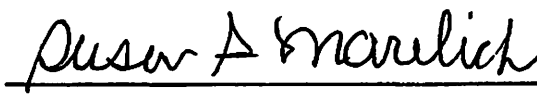
We very much appreciate your time and effort in addressing the issues that now face our community, and sincerely hope you can see the benefit in allowing us to continue doing business as we have for more than 33 years.

Thank you again for your thoughtful consideration.

Best personal regards,
Incline Boat Storage & Marine



David P. Marelich



Susan G. Marelich

Cc: General Manager Indra Winquest
Public Record Officer Susan Herron
(to be included in Public Record)

indra_winqwest@ivgid.org
sah@ivgid.org

Esteemed members of the Board of Trustees

My name is Ali Warner. My family and I live full time in Incline Village at 628 Village Blvd, and we are the owners of a 38 key hotel called the Parkside Inn. The Parkside Inn is one of only two hotels in Incline Village and the only hotel that is not on beachfront property.

I'd like to start by thanking the Board of Trustees for the continued commitment to the community. I'd also like to take a second and recognize the IVGID staff who provide a culture of care that we are lucky to have in Incline. We simply love living here.

We are before you today as fellow community members with a dream that in this beautiful setting we can make a positive difference for one another. We have met some of the most inspiring people here and have felt supported by the care everyone has for their neighbor. It is this intention we take into living here and owning a business in the area. Our objective for the hotel is to serve the community, make a positive difference, and provide the best Incline Village experience possible for our guests. We are optimistic we can accomplish this goal in a respectful and loving manner.

All that said, we have issued a letter to the Board of Trustees related to Ordinance 7. The Beach Deed specifically mentions Occupants of Hotels and Motels as beneficiaries, but Ordinance 7 does not provide any language related to Hotels or Motels. To address this, we request the addition of the following language which is only two sentences (and I'll read it):

"Occupants of Hotels and Motels are specifically named as beneficiaries by the Beach Deed. Hotel and Motel occupants are allowed access by providing proof that they are current occupants of the Hotel or Motel through a mutually agreed upon verification process."

Through the inclusion of this language, it is possible to respect the unique nature of hotel and motel business operations as intended by the framers of the beach deed. This language also allows for collaboration to ensure a mutually beneficial verification process is established with the highest level of transparency.

I appreciate the time today to speak on behalf of this important and necessary addition to Ordinance 7.

Thank you

PUBLIC COMMENT IVGID Meeting 5.11.2022

Re Item E1 VERBAL UPDATE AND CLARIFICATION REGARDING REACTIVATING THE CRYSTAL BAY WATER PUMP STATION

Submitted by Carole Black, Incline Village Resident

While I don't know what comment will be offered this evening, I have heard prior presentation regarding this item which raises significant concerns:

1. The reactivation of the pump station has been presented in another forum as part of a commercial project to harvest, bottle and sell Lake Tahoe water. This larger project is ill-advised for several reasons including:

- First, if the additional pump station would need to be reactivated for fire protection/abatement and/or water supply, officials have stated that the responsible agencies are fully prepared and resourced to perform this activity themselves – i.e. nice offer but not clear its needed especially with strings attached

- Tapping our area's precious water supply for commercial export is at best scary in the setting of severe drought**, recent poor seasonal snow pack, several years of low lake water levels and observed reservoirs drying up throughout the west. This project has been proposed to drain up to 2 million gallons/month; 24 million gallons/year of water with no guarantee of replacement rates and at a time when current Tahoe area "water storage" (snowpack plus reservoir) is reported to be about 1/3 of historic averages for May.*

- Further the proposed project is suggested to be a community plus by creating a revenue stream but at what cost: truckloads in and out of IVCB daily creating noise, VMTs, exhaust and traffic in an already very congested area plus supplies > likely countless added bottles – all anti-environmental impacts

2. While the comments this evening may focus on the provision of a "service" to IVGID, I thus fear this is a form of "Trojan horse" offer. Thus, were an offer to reactivate the pump station "for the community" to be considered, it should EXCLUDE commercialization of Tahoe water. This is a precious resource, critically needed locally. Even the current vodka production could be questioned but commercial water bottling would I believe require many factors more water. Further, it is not correct that, if the water is not removed, it will nonetheless disappear either by evaporation and/or spillover out of the lake as the proposer has stated elsewhere - some surface water will always evaporate and, when there are high lake levels, some will "spill-over". But without sufficient inflow which is not guaranteed, removal of water volume for uses elsewhere will nonetheless additionally lower the amount of reservoir/stored water over time which we likely cannot afford given our drought situation.

Thank you for not allowing this overall adverse use of our precious area natural resources.

Addendum: Sources re water supply risk:

**UCSD Scripps Institution of Oceanography report tracking water storage in reservoirs plus snowpack by month (https://cnap.ucsd.edu/storage_in_sierra_ucrb/) includes a graph showing that currently Tahoe area water storage (lake above rim plus snowpack) is at approximately 1/3 historic average (1981-2010) for the month of May*

***National Drought Monitor shows Tahoe area to be in "severe drought" (<https://droughtmonitor.unl.edu/>)*

Public Comment - Clifford F. Dobler - Board of Trustee Meeting - May 11,2022

This written statement is to be made part of this meeting minutes

I thought it would be a good time to provide some tidbits not included in the 3rd quarter Capital Improvement Program Status Report. Item E- 3 pages 53-60

All columns reporting the expenditures are not as of 12/31/21 but as of 3/31/22. A obvious error to confuse the readers.

Next. The Budget for fiscal 21/22 is \$16.7 million to be spent, however, as usual it is now estimated that \$6.3 million will NOT be spent and most but not all will be carried over to the next fiscal year. Only a 63% efficiency factor. Collect money then not spend it nor restrict it. A constant pattern of inefficiency.

Next - A classic item - In 2021, \$20,000 was budgeted for a Yamaha Rhino ATV however was not purchased. Staff forgot to carryover the budget into 2022. So no budget but the vehicle was purchased anyhow, and now Staff seems to be looking for money for something already purchased.

Next - A contract was issued to design lining for wastewater pond #2. \$463,000 has been spent and will now be abandoned since someone forgot to consider the prohibited costs of impervious coverage required by TRPA and possibly rebuilding the dam.

Next - Since fiscal 2019, Staff has created a creeping budget to improve Sewer Pump Station #1. The budget started at \$220,000 in 2019, increased to \$470,000 in 2020, increased to \$1,120,000 in 2021 carried forward into 2022 and now being carried forward again into 2023. Anything done the last four year. Apparently not.

Next \$533,360 was budgeted for new golf carts at the Championship Golf Course. Apparently the order did not get in on time and will not be delivered until fiscal 2023. Good luck with the old carts.

Next - Budgeted \$220,000 in 2020, another \$300,000 in 2021 for new paving at Diamond Peak & Ski Way which was then carried over into 2022. The Facility Fee was pocketed and now the project is postponed until 2026. No restriction will be placed on the cash.

Finally, the Utility Fund has a \$865,000 budgeted to purchase some large equipment. Nothing will be spent but the budget will be carried over into next year with no restrictions placed on the cash.

These items should be explained in the report rather than a jumbled up bunch of numbers with wrong dates. The point. There is no real effective Capital Improvement Plan or Budget.

From: John C [mailto:johnfc@gmail.com]
Sent: Wednesday, March 9, 2022 3:59 PM
To: Info IVGID <info@ivgid.org>
Subject: Public Comment - IVGID BoT Meeting on March 9th

Revised May 2, 2022

To the Board of Trustees

Back in late 2020/early 2021 Moss Adams made specific recommendations to the Audit Committee pertaining to Capitalized Assets. These recommendations were presented and accepted by the Audit Committee.

The Audit Committee then sent these recommendations to the Board of Trustees, where the Board accepted all the recommendations made by Moss Adams. IVGID Management was then instructed by the Board to adopt **all** of the recommendations made by Moss Adams.

However, it appears IVGID Management has not followed through in adopting one of the recommendations that was made by Moss Adams.

Specifically, the recommendation to expense the cost incurred in the preliminary stages of a project that are not directly connected with creating service capacity of a particular asset.

The specific recommendation made by Moss Adams which IVGID Management has not followed: **"Accepted practice includes recognition of the different stages of a project including preliminary, construction and post-construction. Preliminary stage activities include conceptual formulation and evaluation of alternatives, determination of future needs, feasibility studies, and development of financing alternatives. Costs incurred in the preliminary stages are expensed as costs in this stage are not directly connected with creating service capacity of a particular asset."**

Examples of where IVGID management has not implemented this recommendation and expensed as cost incurred and to be expensed include:

\$78,506 for the Waterline Leak
\$119,498 for the Burnt Cedar Pool
\$3,179,600 for the Effluent Pipeline Phase II

These and other specific examples where Management has failed to apply proper expensing of costs as required can be found in **Exhibit A** of the Memo dated 5/31/21 to the Audit Committee by Cliff Dobler.

Not only has IVGID Management failed to implement all the Moss Adam recommendations as instructed by the Board of Trustees, IVGID Management decided to hire, at additional cost to IVGID, an outside auditor (Davis Farr) to review and

comment on the Moss Adams recommendations and the direction it received by the Board. Note, IVGID Management was not asked to secure this second opinion and further has failed to follow all the recommendations as instructed by the Board of Trustees.

The Board needs to hold IVGID Management accountable to following through on its instruction to implement **ALL** the Moss Adams recommendations, specifically how capital projects should be expensed as incurred. Not doing so is exposing the IVGID community to downstream financial risks and is not being transparent with the community on the true financial state of IVGID. Not to mention this is also a breakdown in governance between the Board of Trustees and IVGID Management.

Action the Board of Trustees needs to take:

- Instruct IVGID Management to follow all the recommendations made by Moss Adams.
- Retain Moss Adams to review implementation progress by IVGID management and gaps that have yet to be closed regarding the recommendations they originally proposed.

Sincerely,

John Ciacchella
Retired Partner - Deloitte
999 Fairway Blvd
Incline Village, NV
(650) 814-0119

North Shore Boat Rentals



May 11, 2022

IVGID District Clerk
Susan A Herron
893 Southwood Boulevard
Incline Village, Nevada 89450

Subject: Business Impact Statement Response Ordinance 7 IVGID, North Shore Boating, LLC dba North Shore Boat Rentals, Mr. John Causey

Dear Ms. S. Herron, IVGID Trustees et al;

In response to your letter pursuant to proposed changes to NRS 237080, (last amended on March 25, 1998) North Shore Boating LLC dba North Shore Boat Rentals, Mr. John Causey; below please find our business impact statement as follows with regard to paragraph 4 items a, b; and comments (please find attached your letter) we respond as follows:

Further with regard to items (a), (b) and our comments: the IVGID boat ramp and access to Incline beaches according to existing NRS 237080 Ordinance 7, are not only critical but essential to the daily operations of North Shore Boat Rentals—as they are the only access and launch point for boats available in Incline Village to card holding members. The services provided by us to the residents of Incline Village as a critical and exclusive service to pass holders who wish to access IVGID beaches and enjoy boating and Lake Tahoe amenities as guaranteed by their card holding privileges. Access to the boat ramp is essential to our continual operations as IVGID members are our customer base and important to the survival of our business. These card holders are guaranteed access to and use of the boat ramp as outlined in NRS 237080. Nowhere are they legally required to purchase or own boats in order to enjoy their cardholding privileges. In fact such a demand of IVGID upon Incline Village cardholders and members would be extremely prohibitive and may infringe upon individual rights of these holders to lawfully enjoy their IVGID beaches and Lake Tahoe.

The services provided by North Shore Boat Rentals within Incline Village are an exclusive service to these card holders and their guests. A sole means by which they gain access to the waters of Lake Tahoe enjoying the lake and Incline beaches as they are guaranteed access to do so as card holders. In reading the proposed changes we are in full compliance with the rules as they exist currently and we are in compliance with the changes proposed. As stated above these provisions are directly inline with our business model and how we have been doing business all along for over a decade. Thank you for including us in this process.

North Shore Boating LLC,
John Causey

IVGID WATER STORAGE TANKS DRAWDOWN CALCULATIONS DURING A LARGE WILDFIRE

Water storage capacity in IVGID community tanks (max.)	6,540,000 gal.
1 st hour of wildfire; 4 Type 1 Engines (1,500 gpm each)	(360,000)
Water Plant production at capacity (5,900 gpm)	<u>+354,000</u>
Water storage available in tanks	6,534,000 gal.
2 nd hour of wildfire; 8 Type 1 Engines (1,500 gpm each)	(720,000)
Water Plant production at capacity (5,900 gpm)	<u>+354,000</u>
Water storage available in tanks	6,168,000 gal.
3 rd hour of wildfire; 17 Type 1 Engines (1,500 gpm each)	(1,530,000)
Water Plant production at capacity (5,900 gpm)	<u>+354,000</u>
Water storage available in tanks	4,992,000 gal.
4 th hour of wildfire; 34 Type 1 Engines (1,500 gpm each)	(3,060,000)
Water Plant production at capacity (5,900 gpm)	<u>+354,000</u>
Water storage available in tanks	2,286,000 gal.
4 hours & 34 min. of wildfire;	
50 Type 1 Engines (1,500 gpm each)	(2,550,000)
Water Plant production at capacity (5,900 gpm)	<u>+200,600</u>
Water storage available in tanks	<u><u>(63,400) gal.</u></u>

ASSUMPTIONS:

- (1) Water tanks storage capacity & maximum water plant production rates provided by Brad Underwood, IVGID Director of Public works.
- (2) Type 1 Fire Engine maximum pumping capacity provided by Jennifer Donohue, NLTFPD Fire Marshall.
- (3) 4 Type 1 Fire Engines in operation at full capacity in the 1st hour, 8 in the 2nd hour, 17 in the 3rd hour, 34 in the 4th hour, and 50 in the 5th hour.
- (4) NO other water consumption takes place by property owners and all water would thus be directed to firefighting efforts (a very high improbability).
- (5) The fire starts somewhere nearby, thus not allowing for the staging of a significant amount of firefighting resources from the very start; doing so would deplete the water from the storage tanks much faster.
- (6) The schedule of fire trucks was staggered to account for the fact that the NLTFPD is a small fire department with limited resources. Additionally, there is not a substantial number of fire equipment resources in the nearby area. The delay in resources implied in the schedule is that additional resources would have to first come mainly from Reno, and then can expand from areas like Carson City, to others possibly as far as Roseville, CA and beyond.

ADDITIONAL NOTES:

- (1) Based on the assumptions and resultant calculations stated herein, the water runs out during the 4th hour and 33rd minutes of pumping operations. At that point in time, the water from the IVGID water plant can only sustain 4 Type 1 Engines at full capacity.
- (2) The number of fire trucks utilized in the calculations herein are probably on the very low-end in a very large wildfire. The Caldor Fire statistics validate that. Cal Fire reported in the Caldor Fire incident report on 09/01/2021 that there were **490 Engines** assigned to the fire. That was the same day that news outlets reported that the local fire district officials stated that area (South Lake Tahoe) was experiencing a huge drawdown on the water supply due to people leaving hoses on their roofs or running their sprinklers, and was actually hampering firefighting efforts. The caption below the video stated "FIRST ALERT FIRE - FIREFIGHTERS DEALING WITH LOSS OF WATER PRESSURE AS HOMEOWNERS LEAVE SPRINKLERS ON". Based on Cal Fire incident reports, the number of fire engines seemed to peak around 523 engines on 09/02/2021 - 09/03/2021.
- (3) It is important to acknowledge that the Cal Fire incident reports for the Caldor Fire did not indicate how many of the fire engines are Type 1 Engines with a pumping capacity of 1,500 gpm, versus, for example, Type 3 Brush Engines with a pumping capacity of 500 gpm. Irrespectively, the inclusion of 50 Type 1 Engines in the calculations should be on the low-end of the range in a large sustained wildfire.