

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 Winquest/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 Winquest/Director of Finance Navazio | Will discuss during long range calendar |
| No Smoking/Vaping Policy | Completed | GM Winquest | 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.

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 will be presented 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 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 |