



# NOTICE OF MEETING

The regular meeting of the Incline Village General Improvement District will be held starting at 6:00 p.m. on **Wednesday, June 19, 2019** in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

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

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

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

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

**-OR-**

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

- E. REPORTS TO THE BOARD OF TRUSTEES\*
  - 1. Verbal Presentation of the 2018 Community Survey by F'inn Consulting (Stephen Bonnet and/or Lou Riordan) – **pages 5 - 46**
  - 2. Verbal Presentation by Washoe County's Eric Young – Area Community Plan
- F. CONSENT CALENDAR (*for possible action*)

---

## Incline Village General Improvement District

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

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

[www.yourtahoeplace.com](http://www.yourtahoeplace.com)

# NOTICE OF MEETING

Agenda for the Board Meeting of June 19, 2019 - Page 2

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

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

1. Review, discuss and possibly approve a Sole Source Finding, **and** review discuss, and possibly authorize a Procurement Contract for a Replacement PistenBully Snow Grooming Vehicle – 2019/2020 Capital Improvement Project; Fund: Community Services; Division: Ski; Project # 3463HV1727; Vendor: Kassbohrer All Terrain Vehicles, Inc. in the amount of \$374,500 (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin) – **pages 47 - 51**
2. Review, discuss, and possibly approve a maintenance agreement with Lake Tahoe Basin Management Unit, U.S. Department of Agriculture Forest Service and the District within District Property APN: 126-010-60 (Diamond Peak) for the purpose of improvements and maintenance to the Incline Flume Trail – USFS managed trail system (Requesting Staff Member: General Manager Diamond Peak Ski Resort Mike Bandelin) – **pages 52 - 64**

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

1. Review, discuss, and possibly approve Resolution 1874 – Recognition of Service by Edwin Gene Brockman (Requesting Staff Member: District General Manager Steve Pinkerton) – **pages 65 - 66**
2. Review, discuss, and possibly approve the IVGID Tennis Center Preliminary Schematic Design (Requesting Staff Member: Director of Parks and Recreation Indra Winquest) – **pages 67 - 79**
3. Review, discuss, and possibly provide input to the preview of July 24, 2019 Community Forum – Topic is Ordinance 7 “An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District” (Requesting Staff Member: Director of Parks and Recreation Indra Winquest and District General Manager Steve Pinkerton) – **pages 80 - 91**

# NOTICE OF MEETING

Agenda for the Board Meeting of June 19, 2019 - Page 3

4. Review, discuss, and possibly authorize Staff to execute amendments to the Second Amended and Restated Franchise Agreement to Provide Solid Waste and Recyclables Collection Services; Incline Village General Improvement District and Reno Disposal Co., dba Incline Sanitation Co. based on a review by Staff and General Counsel (Requesting Staff Member: Director of Public Works Joe Pomroy) – **pages 92 - 134**
  5. Review, Discuss and Possibly Receive Input from the Board of Trustees on the 2019 Final Draft of the Community Services Master Plan (Requesting Staff Member: Director of Parks and Recreation Indra Winquest) – **pages 135 - 141**
  6. Review, discuss, and possibly provide input on a legislative wrap-up for the 2019 State of Nevada Legislative Session following a verbal presentation on legislative matters provided by Tri-Strategies representative(s) – **pages 142 - 158**
  7. Case No. CV18-01564: Mark E. Smith v. IVGID – **pages 159 - 170**
    - (1) Receive, review and discuss status report from litigation counsel, Tom Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District (“IVGID”), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.
    - (2) Review, discuss and possibly approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over current authority of the General Manager).
    - (3) Authorize litigation counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).
- H. DISTRICT STAFF UPDATE (*for possible action*)
1. General Manager Steve Pinkerton – **pages 171 - 176**
- I. APPROVAL OF MINUTES (*for possible action*)
1. Regular Meeting of May 22, 2019 – **pages 177 - 305**
- J. REPORTS TO THE IVGID BOARD OF TRUSTEES\*
1. District General Counsel Jason Guinasso

# NOTICE OF MEETING

Agenda for the Board Meeting of June 19, 2019 - Page 4

- K. BOARD OF TRUSTEES UPDATE (**NO DISCUSSION OR ACTION**) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA\*
- L. PUBLIC COMMENTS\* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see **Public Comment Advisory Statement** above.
- M. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (*for possible action*) – **pages 306 - 307**
- N. ADJOURNMENT (*for possible action*)

---

## CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, June 14, 2019 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of June 19, 2019) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

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

*/s/ Susan A. Herron, CMC*

Susan A. Herron, CMC

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

---

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

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

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

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

# Incline Village & Crystal Bay Owner and Tenant Research

Conducted for IVGID  
Dec 2018 – Jan 2019

Prepared for:  
Susan Herron

Executive Assistant/District Clerk/Public Records Officer  
Incline Village General Improvement District  
(775) 832-1207  
[Susan.Herron@ivgid.com](mailto:Susan.Herron@ivgid.com)

Prepared by:

Lou Riordan & Stephen Bohnet

F'inn  
(415) 624-7254  
[lou@finn-group.com](mailto:lou@finn-group.com)  
[www.finn-group.com](http://www.finn-group.com)



## Background & Research Objectives

The Incline Village General Improvement District is conducting research among all residents and owners of Incline Village and Crystal Bay properties, including businesses. The first round of this research was conducted in 2016, and the second round was conducted in late 2018 – early 2019.

The purposes of this research are:

- **To assess the needs and wants of the community**
  - What are their opinions of Incline’s various amenities?
  - What amenities do they use, and how often?
  - What types of improvement or additions are desired?
- **To understand how properties are used**
  - How often are people on site at their properties?
  - How many are using their properties as income/rental, and how (VRBO, AirBNB, etc.)?
- **To understand the demographic make-up of Incline Village and Crystal Bay residents and owners**



## Methodology Details

An online survey was sent via postcard to all Incline Village and Crystal Bay parcel owners and tenants

- Survey dates: Dec. 6, 2018 to Jan. 31, 2019
- Interview length: **15 minutes**
- Sample size: **839** (margin of error +/- 3%)
- Respondents were required to enter the unique ID code provided on their mailer or their street address, and all responses were subject to quality control to prevent speeders, straight-liners, and spam entries

*Note: All differences noted between 2016 and 2018-19 data are at 90% statistical significance or greater*

## Key Findings

### Major changes since 2016

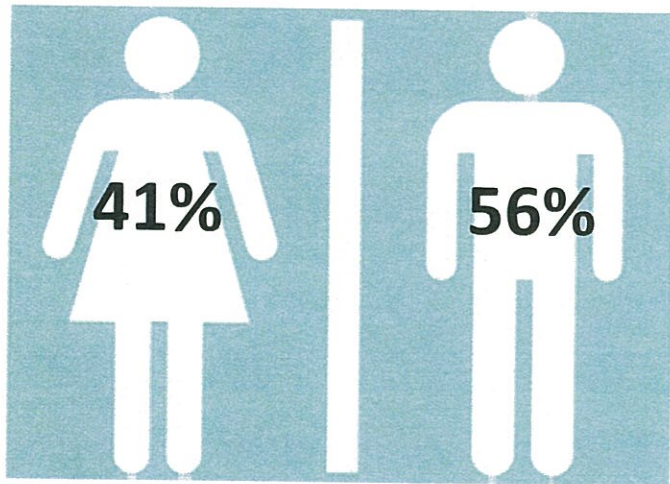
- Attitudes toward individual amenities have improved significantly
  - Average Net Promoter Score (NPS) across all amenities increased from 16 to 27
  - 14 of 18 amenities surveyed improved their NPS
  - 10 amenities had double-digit NPS improvements
  - Only 1 amenity was at or below zero NPS (6 were in 2016)
- Perception of value of recreation fee has improved
  - 58% now say very/fairly good value (compared to 53% in 2016)
- NPS for “Incline Village/Crystal Bay as a place to own property” decreased from 45 to 34 (still good overall)
- Satisfaction with “IVGID informing about governing” decreased from 41% to 36%

Both of these decreases can be at least partially explained by an increased percentage of respondents this time being full-time residents (compared to 2016). In both studies, full-time residents were more likely to be negative on these measures than part-timers or vacationers.



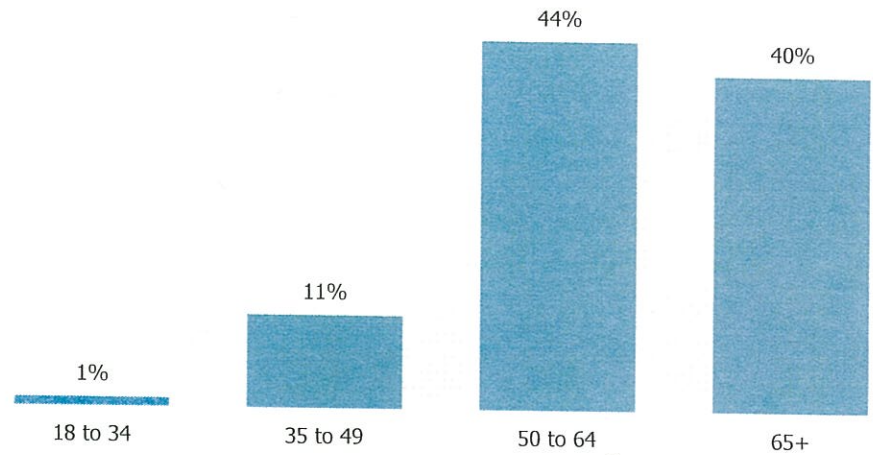
# Majority of Respondents Were Male; 40% over 65 years old

## Gender



Declined to state: 3%  
Total (N=839)

## Age



Declined to state: 3%  
Total (N=839)



What is your gender?  
Please indicate your age (ranges provided):

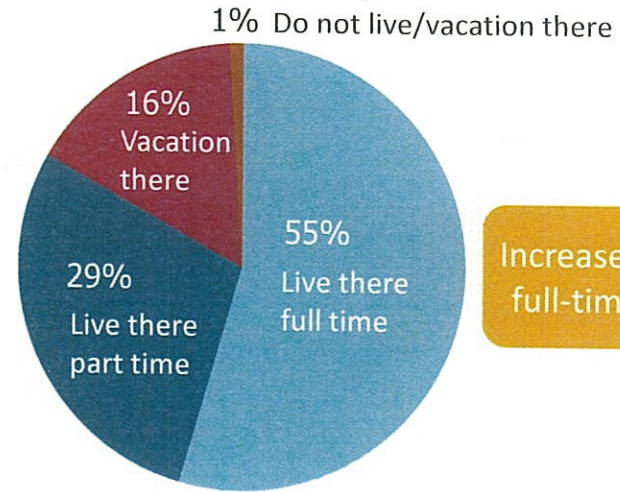
# Vast majority were from Incline Village; Over half are full-time residents

## Location of Property Ownership

**98%** Incline Village  
**2%** Crystal Bay

Property Owners (N=804)

## Residence Status



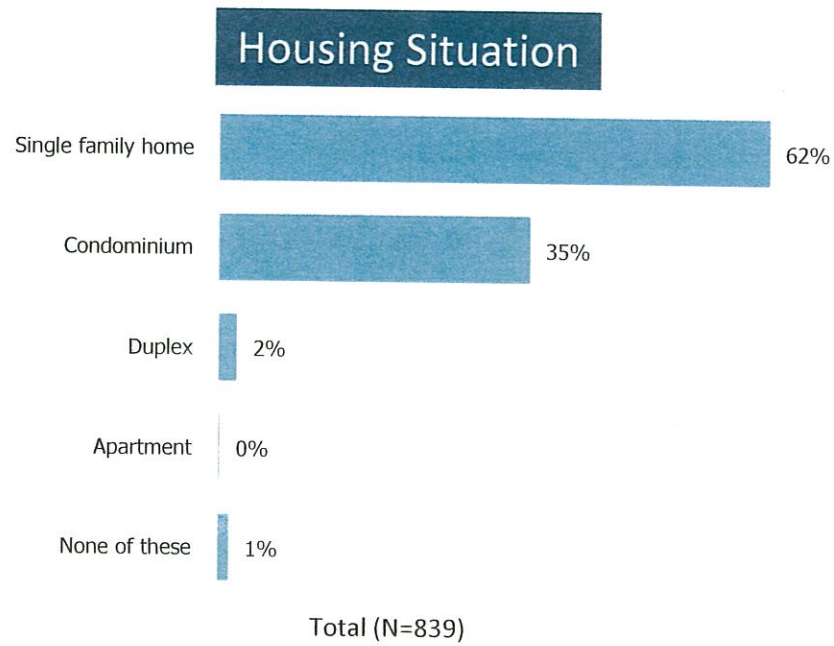
Total (N=839)

Increased from 46% full-timers in 2016



Do you own a property in Incline Village or Crystal Bay? (Select all that apply)  
Do you live in Incline Village or Crystal Bay?

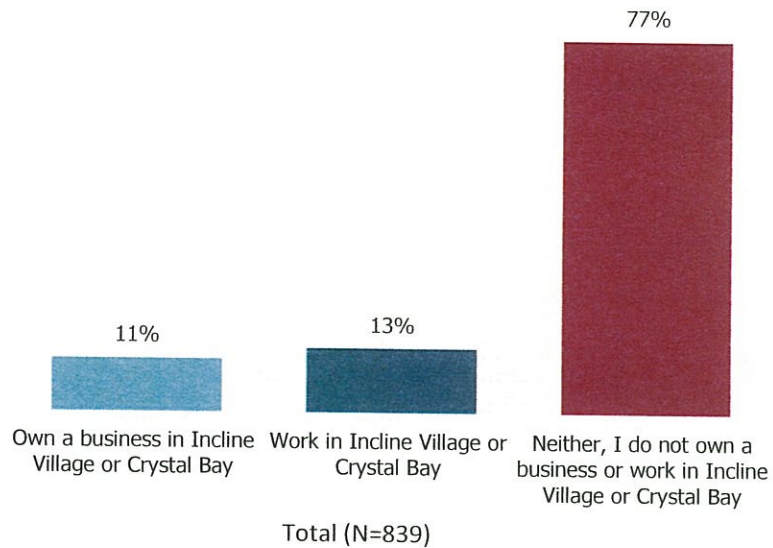
# Majority live in single family homes



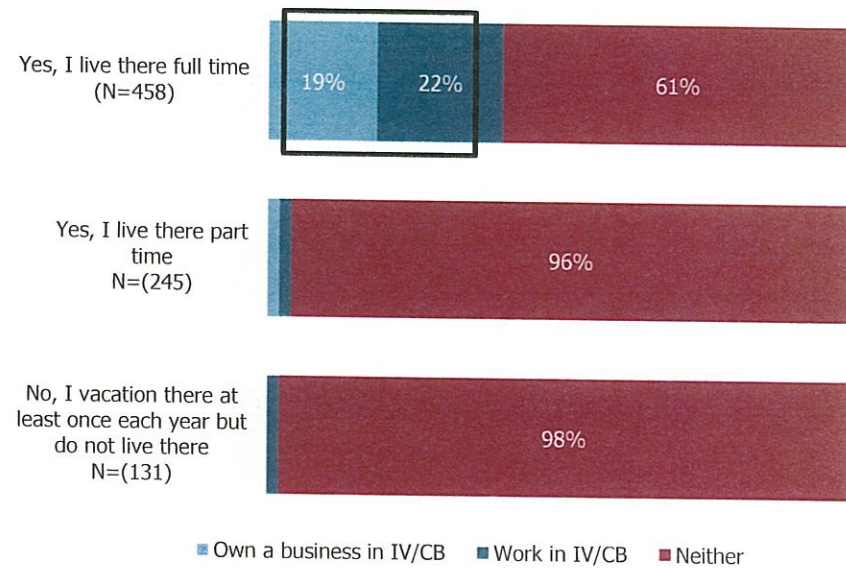
Describe your housing situation in Incline Village or Crystal Bay.

# 41% of full-timers work or own a business in Incline Village or Crystal Bay

## Working Arrangement



## Working Arrangement by Residence Status



Which of these describes your work? (Select all that apply)  
Do you live in Incline Village or Crystal Bay?

## Net Promoter Score (NPS) – A method for measuring engagement

By asking one simple question — *How likely are you to recommend Incline Village (or Crystal Bay) as a place to live full time?* — we can identify three groups and get an overall measure of performance.

Participants respond to a 0-to-10 point rating scale and are categorized as follows:



- **Promoters** (score 9-10) are loyal enthusiasts who will keep referring others
- **Passives** (score 7-8) are satisfied but unenthusiastic
- **Detractors** (score 0-6) are unhappy and can damage your reputation and impede growth through negative word-of-mouth.

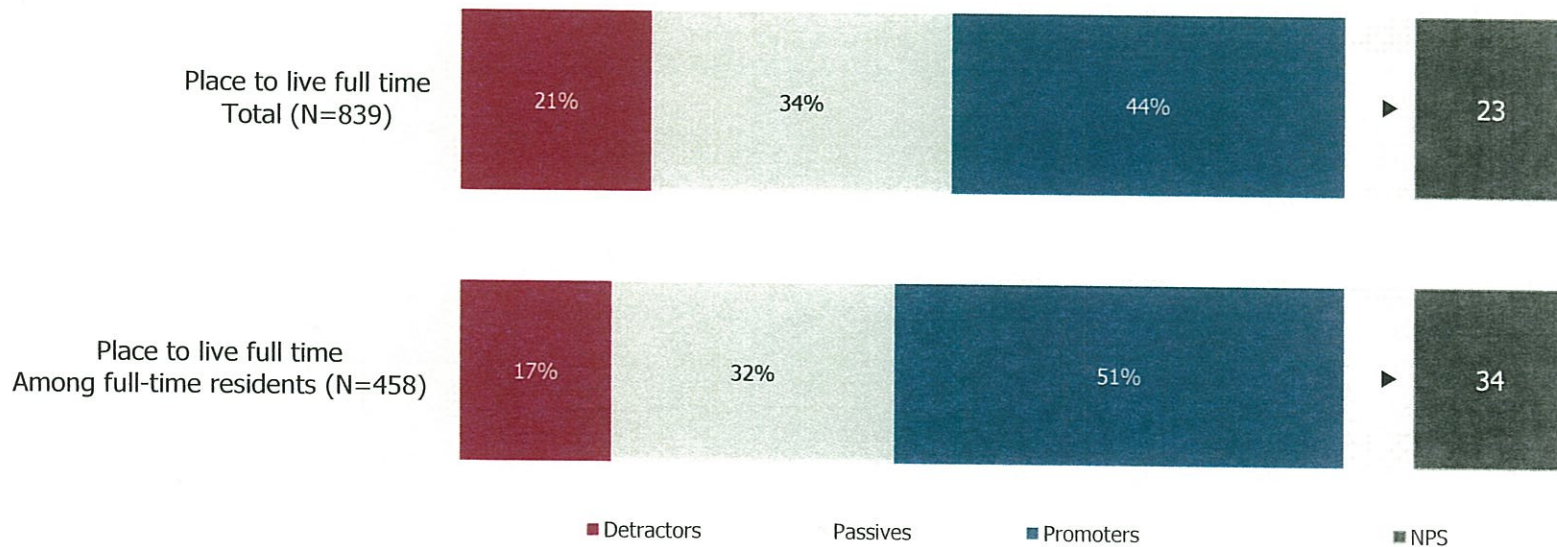
To calculate NPS, take the percentage of customers who are Promoters and subtract the percentage who are Detractors. A positive score means there are more promoters than detractors.



For more information on the methodology: <http://www.netpromoter.com/why-net-promoter/know>

Incline Village/Crystal Bay is positively perceived as a place to live full time (more so among those who live there full time) and to own property

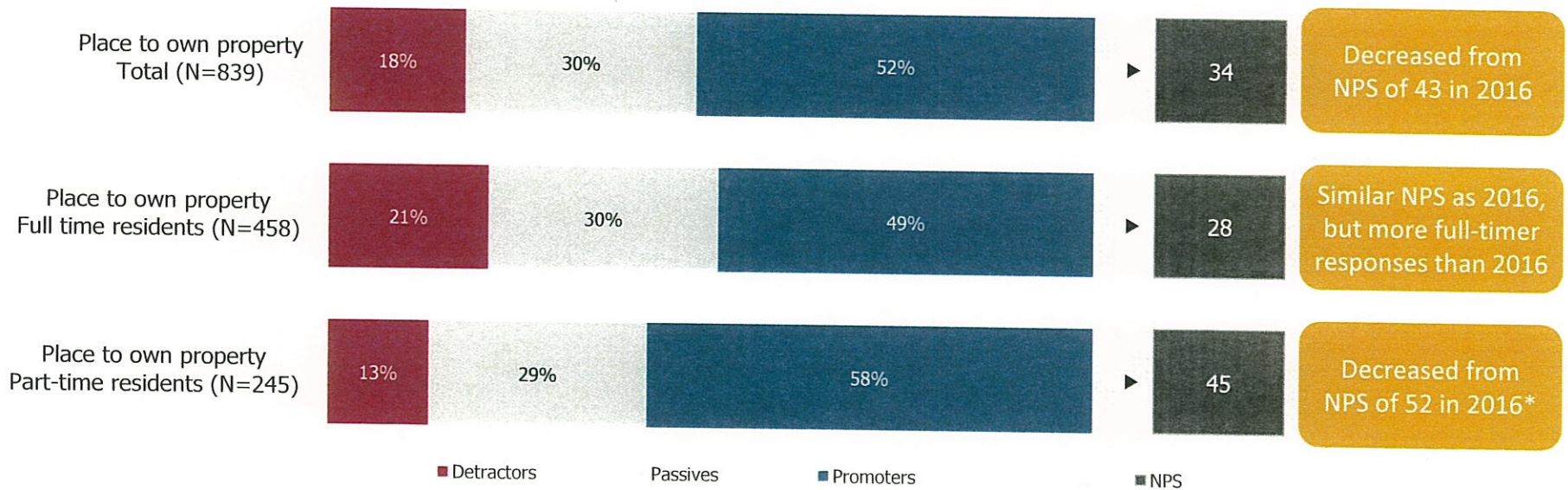
### Net Promoter Score



Recommend Incline Village or Crystal Bay as a place to live full time?

Incline Village/Crystal Bay is also perceived as a positive place to own property, more so by part-time residents than full-timers

### Net Promoter Score



Recommend Incline Village or Crystal Bay as a place to own property?  
\*Directional change – only 87% confidence level for statistical significance

## Who are Detractors and what are their perceptions?

Detractors vs. Promoters

### Who they are

More likely to live there full-time	64% vs. 52%
See recreation fee as somewhat/very poor value	47% vs. 10%
Feel like the rec fee should be lower by \$100	53% vs. 23%

### Attitudes regarding amenities

Our amenities don't influence how much time I spend at Incline Village/Crystal Bay	66% vs. 34%
IVGID should invest only to maintain existing amenities	48% vs. 22%
I would like IVGID to focus more on improving the amenities we already have	67% vs. 47%
I do not believe amenities improve my property value	39% vs 9%

### Attitudes concerning IVGID

Less satisfied with IVGID's services*	33% vs. 67%
Less satisfied with IVGID's efforts to keep them informed*	42% vs. 75%
I am somewhat/very dissatisfied with how IVGID informs me about their finances	53% vs. 32%
I am somewhat/very dissatisfied with how IVGID informs me about their operations	47% vs. 22%
I am somewhat/very dissatisfied with how IVGID informs me about their governing	57% vs. 26%
Much less satisfied with finding answers to IVGID questions*	36% vs. 63%



\* Top 2 Box

Based on detractors for question: Recommend Incline Village or Crystal Bay as a place to own property? (18% of total sample)



## What Detractors are Saying

The facilities are too crowded! Since I can't ever use them, why would I recommend adding more people?

Other than an indoor pool and maybe golf course (which I don't use) there are similar amenities in other areas around Tahoe and less expensive.

IVGID's poor focus on property owners and high focus on commercial use of amenities.

The list of amenities is impressive. I do not like the way beach access is handled during busy times.

They are nice facilities but... I don't use them enough to justify the annual payment.

The amenities are fine but there are lots of different locations around the lake that offer great amenities but with better restaurants, bars, and nightlife. Incline Village is lacking a lot in terms of things to do outside the IVGID facilities.

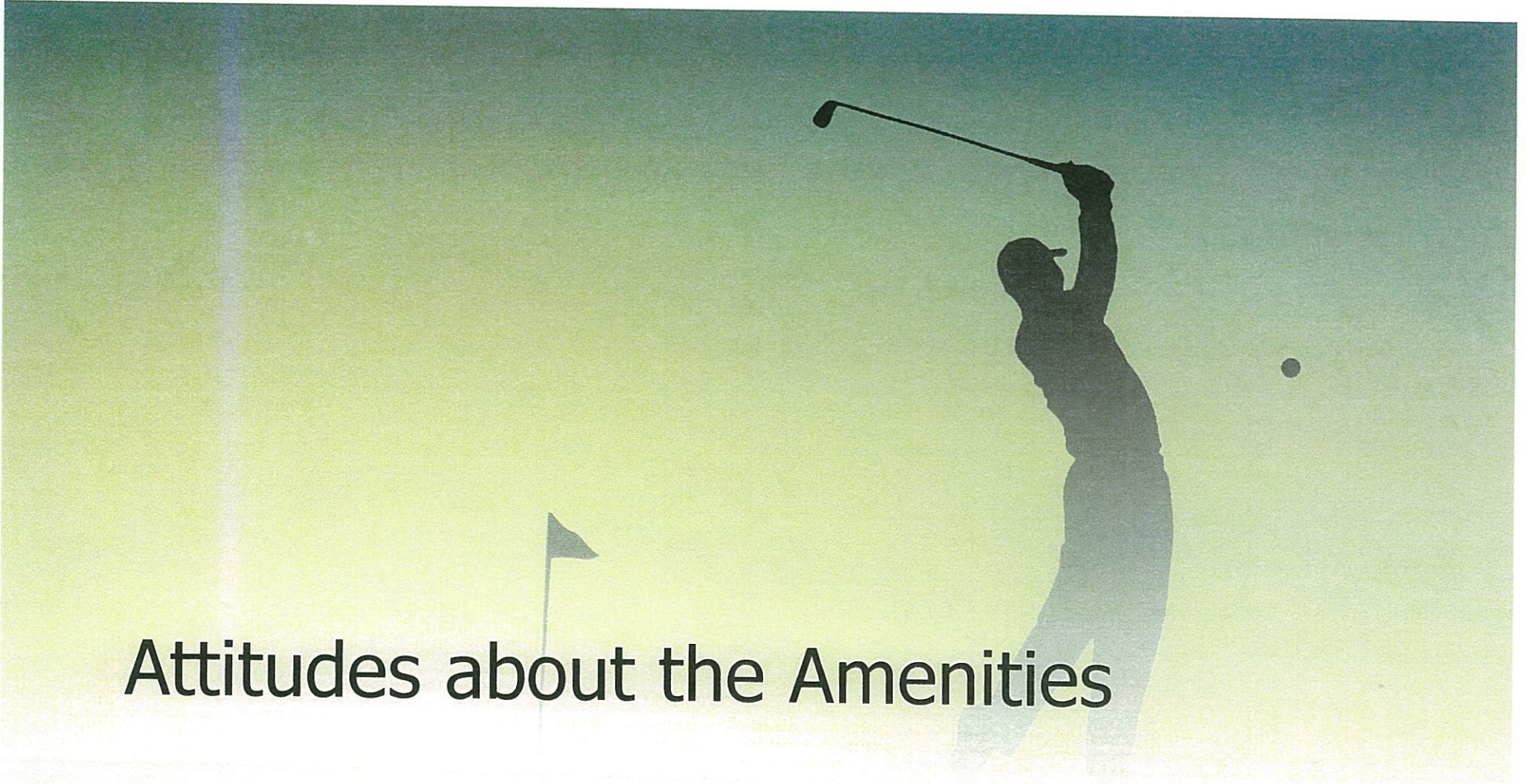
As we own and live in Crystal Bay, IVGID's managements long standing position has been to treat Crystal Bay residents as outsiders and second class citizens. IVGID has NO amenities in Crystal Bay and has successfully held off on including Crystal Bay in its activities since day one of the merger.

They are turning activities into anyone can pay and use. Way too crowded now.



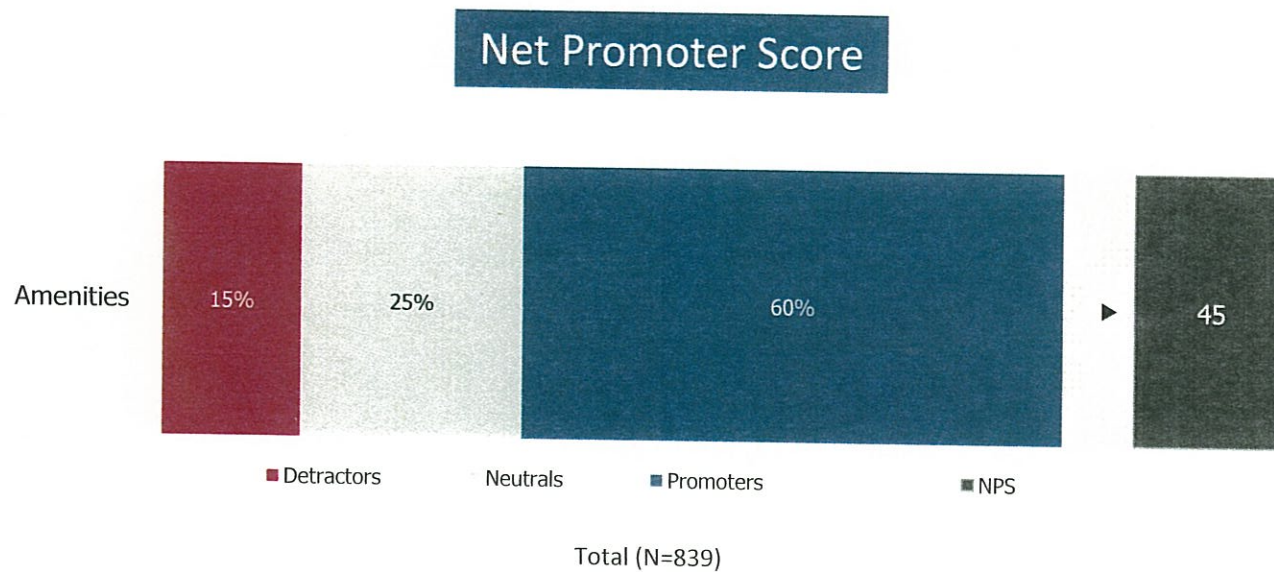
Based on detractors for question: Recommend Incline Village or Crystal Bay as a place to own property? (18% of total sample)





# Attitudes about the Amenities

Amenities overall receive a healthy NPS with a relatively small group of Detractors



Recommend IVGID for its amenities?

## Reasons for Amenities Ratings – Themes

Detractors	Neutrals	Promoters
<ul style="list-style-type: none"> <li>• Don't use the amenities enough to justify the fees</li> <li>• Overcrowding, specifically by visitors, renters, and/or the general public</li> <li>• Crystal Bay residents ineligible for amenities, including beach</li> <li>• Other better, cheaper amenities available nearby</li> <li>• Poor maintenance of facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Good but not great amenities</li> <li>• Really like the beaches, but very concerned about crowds</li> <li>• Only use a few of the amenities</li> <li>• Don't like use fees tacked on to yearly dues</li> <li>• Believe quality could be improved</li> </ul>	<ul style="list-style-type: none"> <li>• Amenities are very convenient</li> <li>• Golf, skiing, tennis, and private beaches are highlights</li> <li>• Concerned about overcrowding at beach</li> <li>• Crystal Bay residents want to use beaches and other programs</li> <li>• Well run overall; great diversity of year-round amenities</li> </ul>



What were the main reasons you rated IVGID a "'X' for its amenities?

## Reasons for Amenities Ratings – Verbatims

The beach is very nice but I am not a beachgoer so I don't care. The other amenities are of no value. They did not drive my decision to live in Incline. – 0 rating

Incline Village has everything one would want or need for a vacation home in Tahoe. – 10 rating

I don't play golf. The gym and recreation center are very nice, but not a 10. Diamond Peak is not a 10 compared to NorthStar, for example, but it is nice. – 7 rating

The amenities of skiing, beachgoing and the excellent recreation center are outstanding. So far, the taxes and fees charged for these amenities is well worth it. – 9 rating

Enjoy Mountain Golf Course and Rec Center. Have not been able to secure a kayak rack for over five years. The beaches are crowded on weekends. A dog park would be an improvement over the Village Green. – 8 rating

The skiing discount, the beach and outside bars at the beach, the parks are in amazing shape and well managed, the private beaches, gym, and walking paths. – 10 rating

We are getting too many part time and vacationers here in Incline Village to the point that we cannot even use our facilities with all the out of town and part time people. – 2 rating

Access to high quality amenities and them being private for the town mostly. Gives the town an intimate feel. – 9 rating

839 comments were provided in response to this question.  
The ratio of positive to negative comments was approximately 4 to 1.

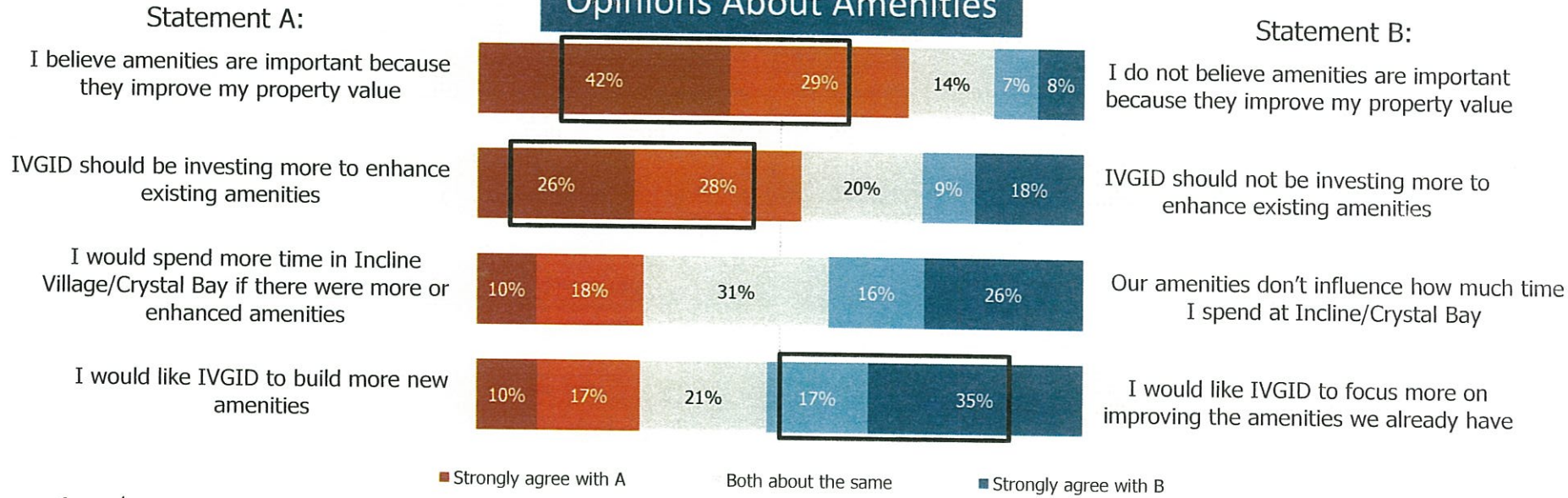


What were the main reasons you rated IVGID a "'X' for its amenities?

Residents believe amenities are important to their property value, and the focus should be on enhancing and improving existing amenities rather than building new ones.

Amenities only have some impact on time spent in Incline Village/Crystal Bay.

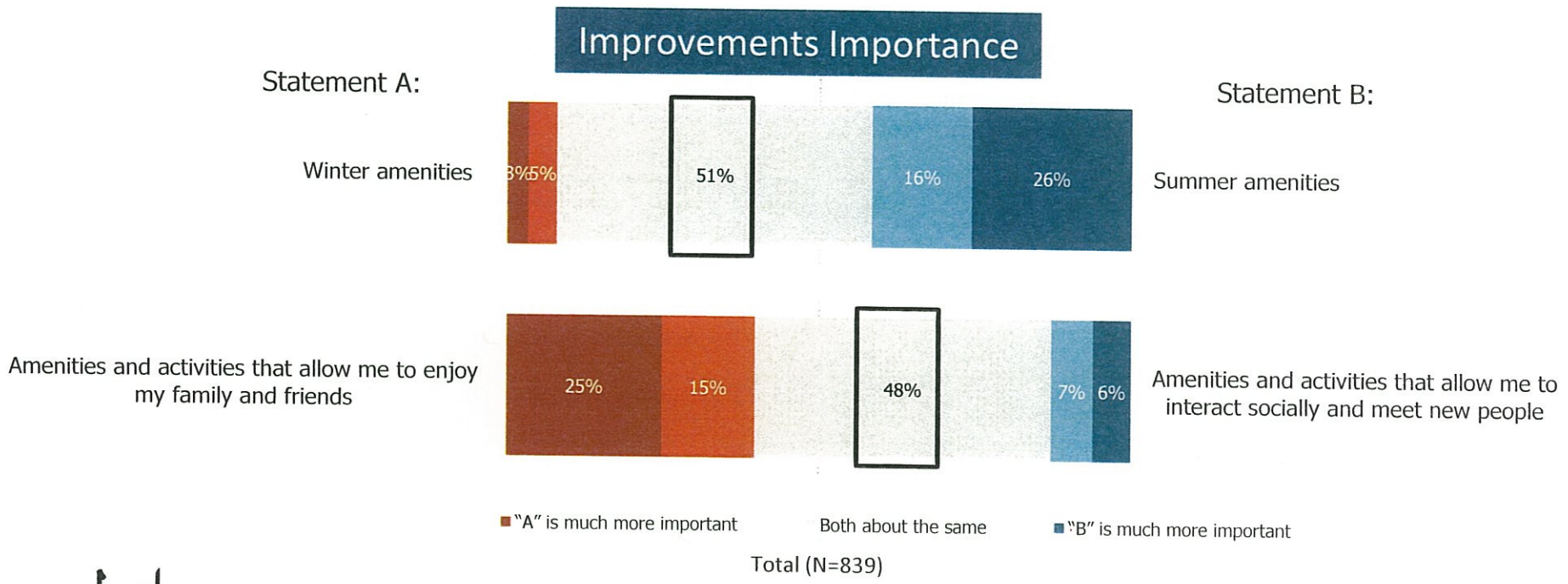
### Opinions About Amenities



N=839, except N=804 for "property value" statements, which were only shown to property owners  
 Below are pairs of statements. For each pair, please indicate how much you agree with statement A vs. statement B? (Select one per row)

# Half of residents value summer and winter amenities equally

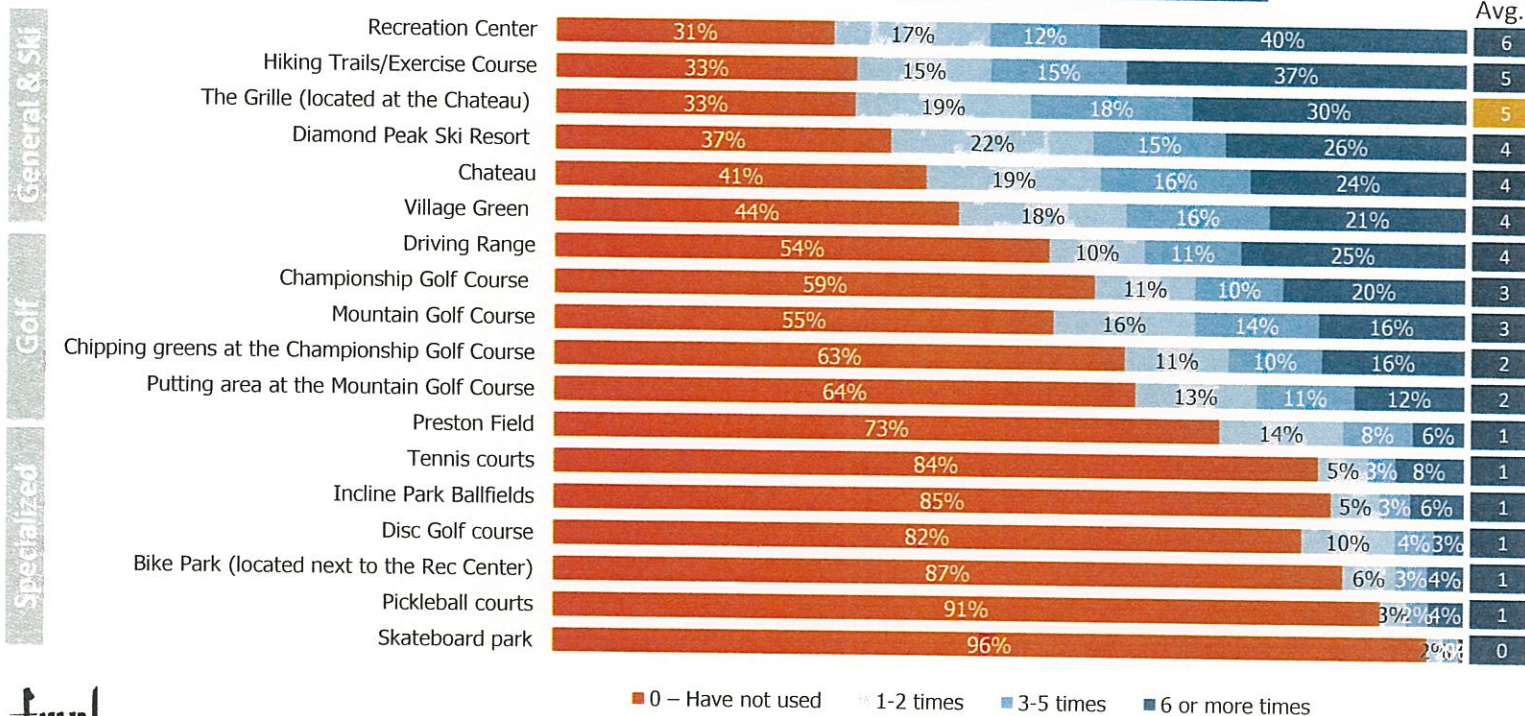
Almost half of residents also place equal importance on family and friends activities versus social activities.



When you think about improvements to amenities and classes, which is more important to you? (Select one per row)

# General amenities and skiing are most frequently used amenities

## Amenities Usage



**The Grille:**  
 avg. # of uses increased from 3 in 2016 to 5 and "have not used" dropped from 50% to 33%

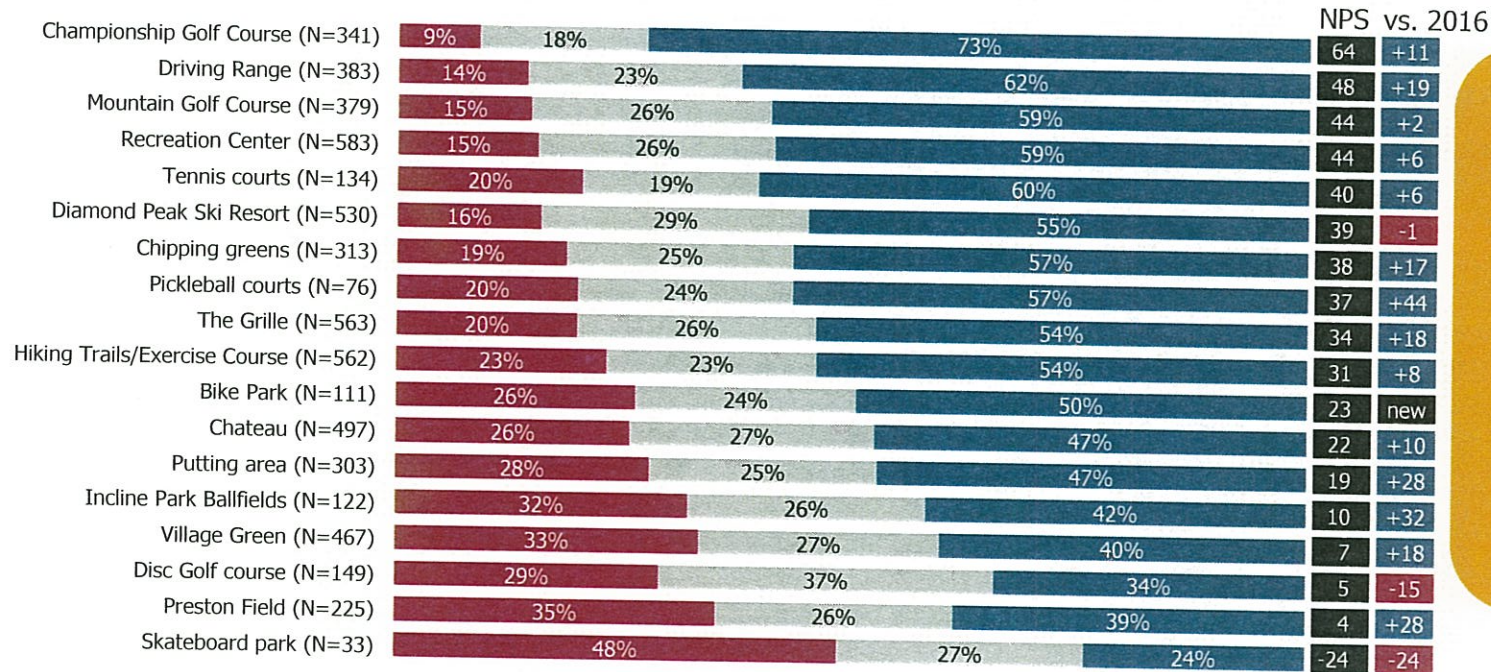


In the past 12 months, how many times have you used each of the following amenities? (Select one per row)



# NPS Scores show improvement for almost every amenity since 2016

## Likelihood to Recommend Amenities - Among Users



### Biggest Risers since 2016

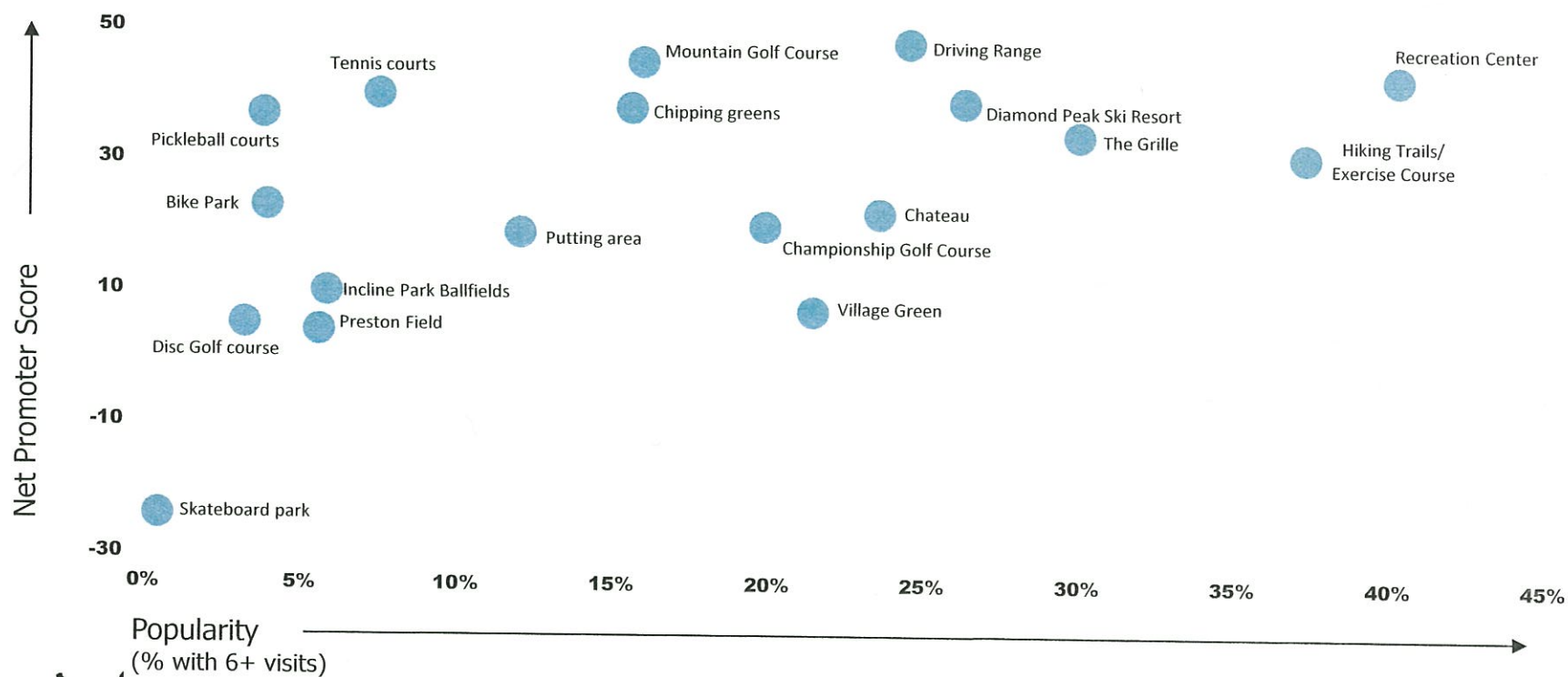
- Pickleball Courts +44
- Incline Park Ballfields +32
- Putting Area +28
- Preston Field +28
- Driving Range +19
- The Grille +18
- Village Green +18
- Chipping Greens +17
- Champ. Golf Course +11

Average NPS increased from 16 to 27



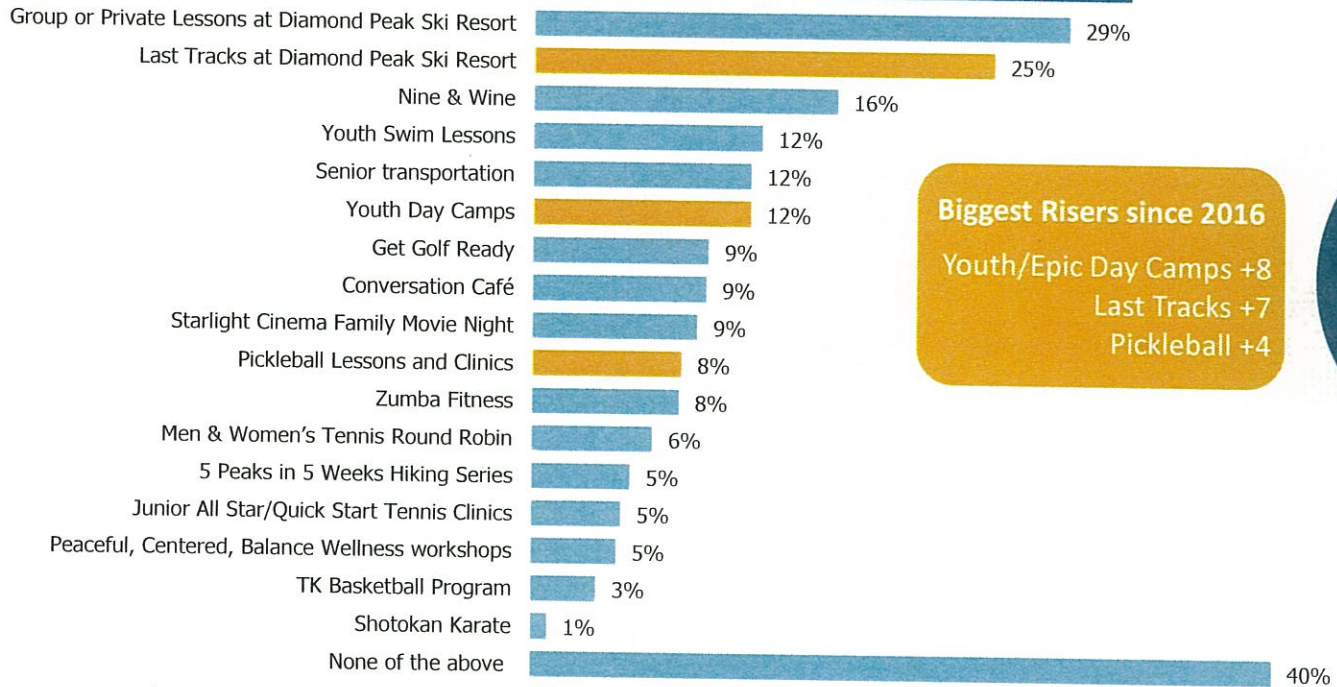
How likely is it that you would recommend each of the following amenities? (Select one per row) - Among Amenity Users

The most popular amenities have good NPS scores; potential opportunities for improvement include the Village Green, Championship Golf Course, and Chateau



Skiing is still most popular activity, with Last Tracks rising since 2016. Two out of every five residents don't participate in any activities.

### Activity Participation



**Biggest Risers since 2016**  
 Youth/Epic Day Camps +8  
 Last Tracks +7  
 Pickleball +4

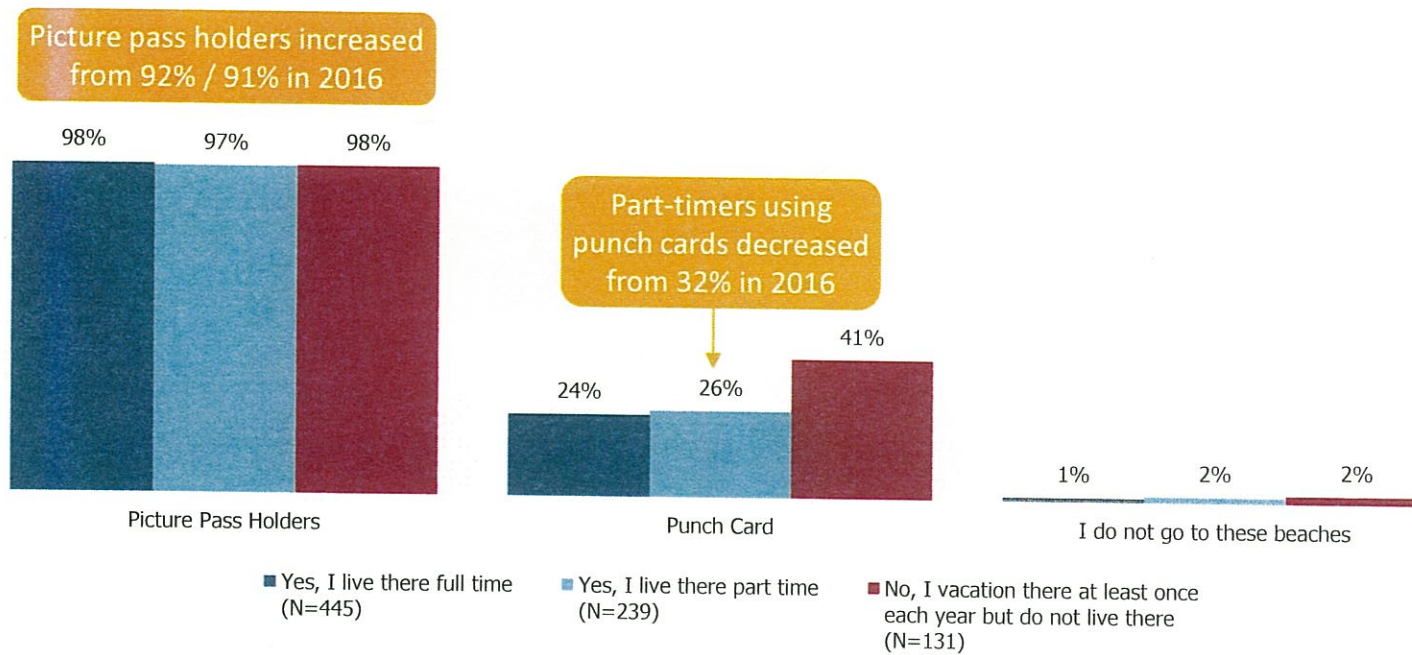
5% have participated in a Public Works hosted hike at a water and sewer infrastructure site (2x since 2016)



IVGID offers different types of programs, classes, and activities. Which, if any have you, or someone in your family, ever participated in? (Select all that apply)

Picture Pass is the by far the most common method for accessing IVGID beaches. Vacationers are more likely to use punch cards.

### IVGID Beach Access Method

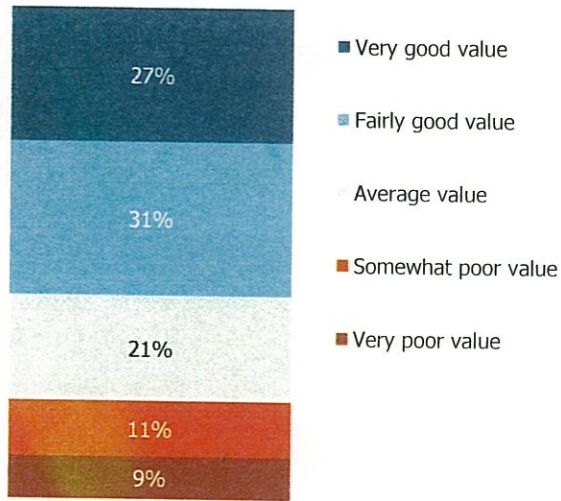


If you access IVGID beaches, what access method do you use?

Perception of Rec Fees has improved since 2016; a majority think they are "fair and reasonable" as is and fewer people think they are too high

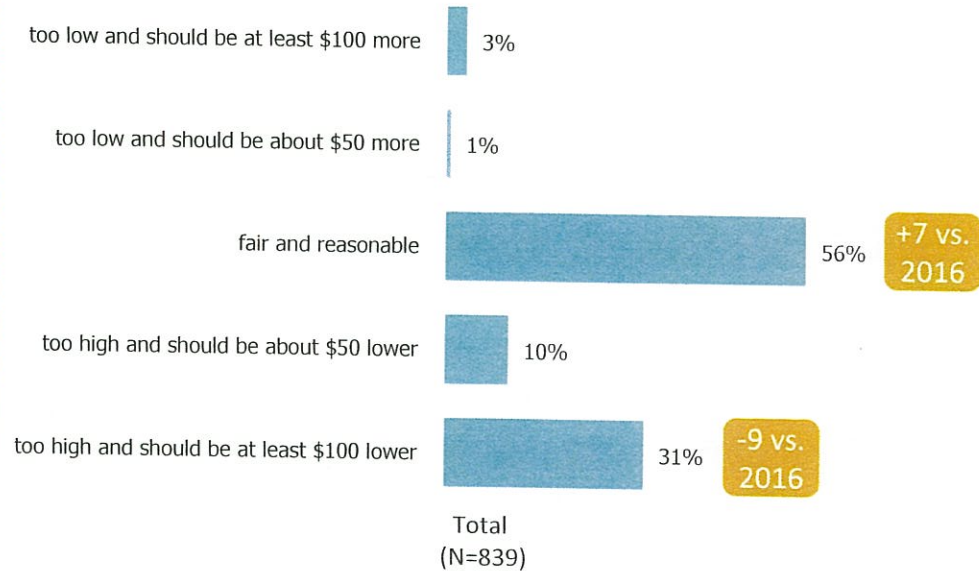
Perception of Rec Fees

"Very/fairly good value" increased from 53% in 2016 to 58%



Those that pay the fee (N=823)

Rec Fee Specifics



Total (N=839)



How do you feel about the value of the Recreation Fee (\$730) and Beach Fee (\$100) that you currently pay, which helps fund all of IVGID's amenities? For the amenities available to you at Incline Village and Crystal Bay, do you feel that the Recreation Fee (\$730) and Beach Fee (\$100) are...?

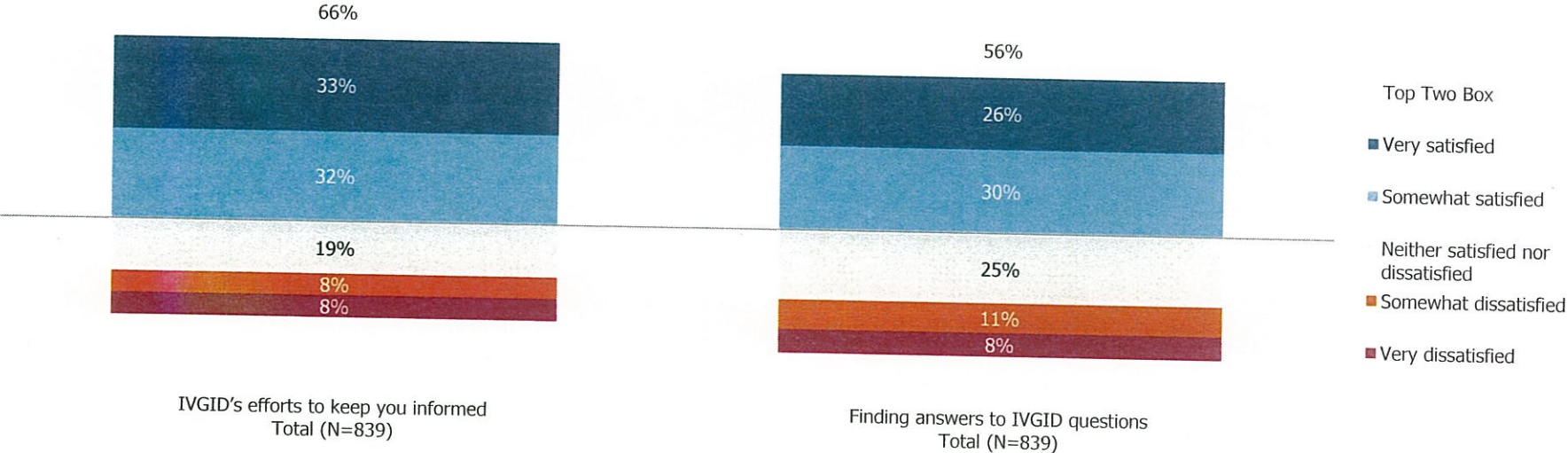


# IVGID Communication

While more than 80% are satisfied or neutral with IVGID's efforts to keep them informed, 16% are dissatisfied

16% is very close to the 18% who are considered NPS Detractors for recommending Incline Village/Crystal Bay as a place to own property.

### Communication Efforts & Information Provided

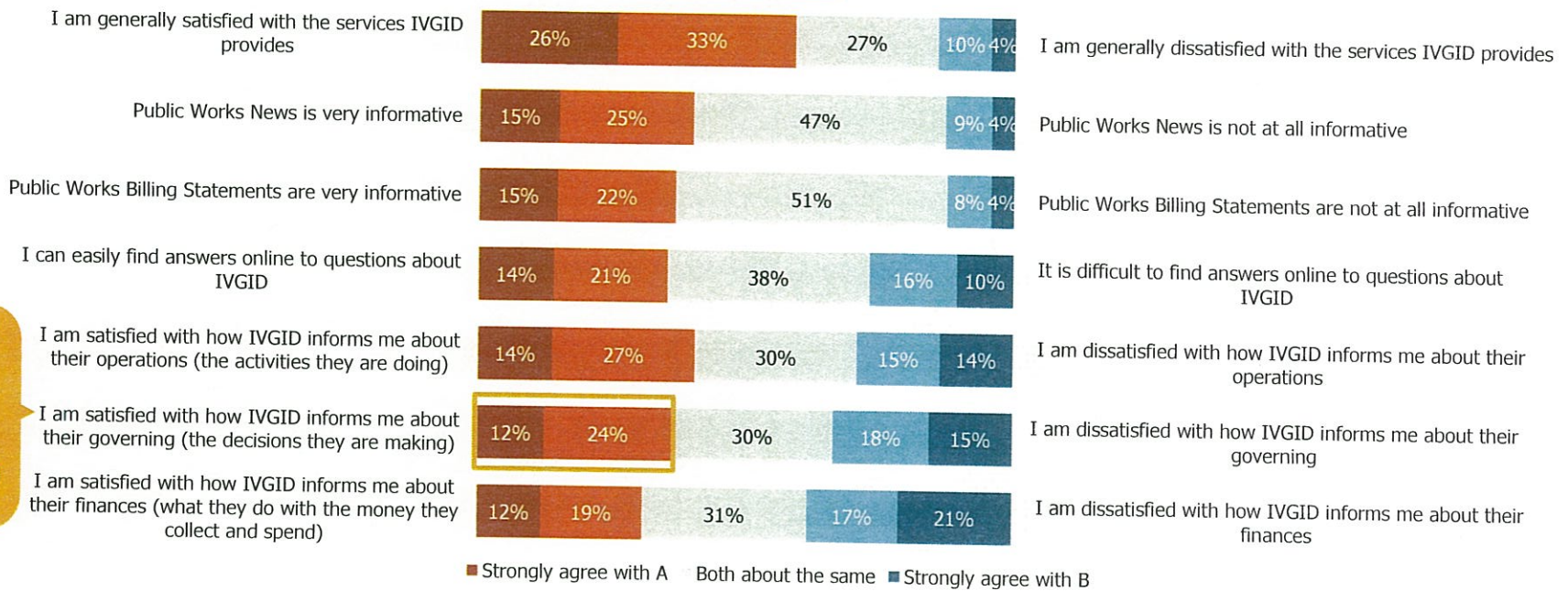


How satisfied are you with....? (Select one per row)



# Between a quarter and a third are dissatisfied about the services and/or communications IVGID provides

## Satisfaction with...



"Informs me about their governing" satisfaction dropped from 41% to 36%

Total (N=839)



Below are pairs of statements. For each pair, please indicate how much you agree with statement A vs. statement B? (Select one per row)



Those that said they are generally dissatisfied with the services IVGID provides are...

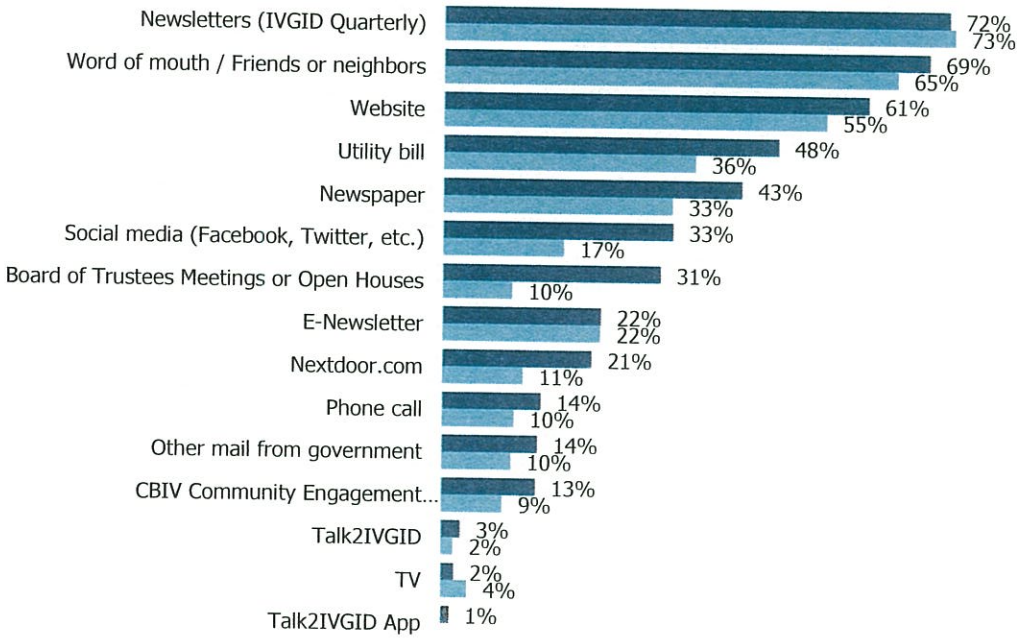
	Dissatisfied vs. Satisfied	
	(N=120)	(N=494)
More likely to:		
live there full time	77%	50%
live in a single family home	76%	58%
be Detractors across all three measures:		
–place to live full time	42%	15%
–place to own property	43%	10%
–Amenities	45%	6%
Slightly more likely to be a business owner	17%	10%
Less likely to rent their home	6%	14%



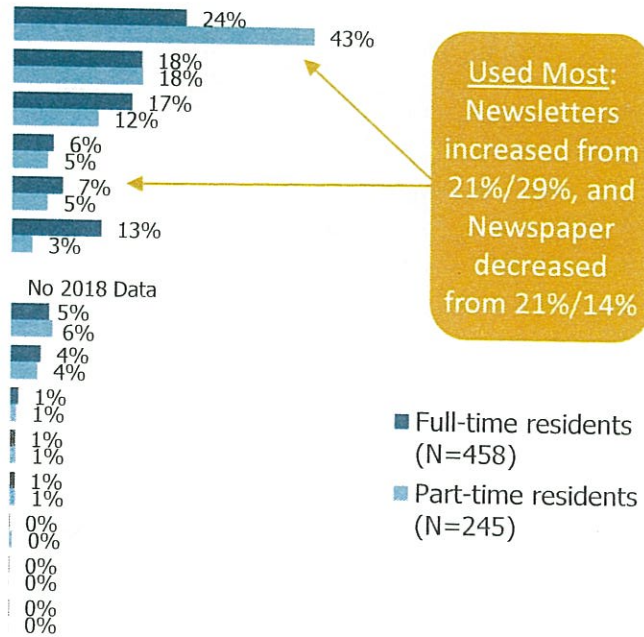
Based on who agreed with "I am generally dissatisfied with the services IVGID provides"

The newsletter and website are the main informational sources used; social media, Nextdoor.com, and Board Meetings are used more by full-timers than part-timers

### Source of Information



### Used Most Frequently



**Used Most:**  
Newsletters increased from 21%/29%, and Newspaper decreased from 21%/14%

■ Full-time residents (N=458)  
■ Part-time residents (N=245)



In the past 12 months, what sources of information have you used to stay informed about IVGID? (Select all that apply)  
And in the past 12 months, what source of information have you used most frequently to stay informed about IVGID? (Select One)

## Transparency and digital communications are major areas of focus

There is general satisfaction about what is being communicated, but a majority are looking for more, specifically around decision-making and budget/finances. Continued movement towards digital communication would be appreciated.

### Recommended Changes to IVGID Communications

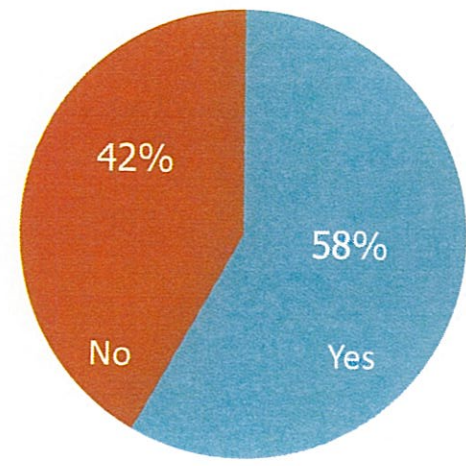
- Increased transparency and more frequent communication (monthly emails) about:
  - Board meeting minutes, preferably before the next meeting
  - Upcoming agendas
  - Upcoming events
  - Financial updates
  - How improvements are decided and funds are allocated
- Email version of IVGID Quarterly
- More opportunities to provide input on land-use decisions
- More regular web updates including posting newsletters and other content in PDF format (searchable)
- Facebook updates, or a hotline to provide status updates on activities and amenities
- Present all sides of important issues, if possible, to better inform residents
- Communicate results of this and other surveys
- More dialogue/responsiveness overall



What, if anything, would you change about how IVGID keeps you informed?

More than half are aware of portal bill pay capabilities, and awareness has increased since 2016

### Portal Bill Pay Awareness



Awareness increased from 52% in 2016

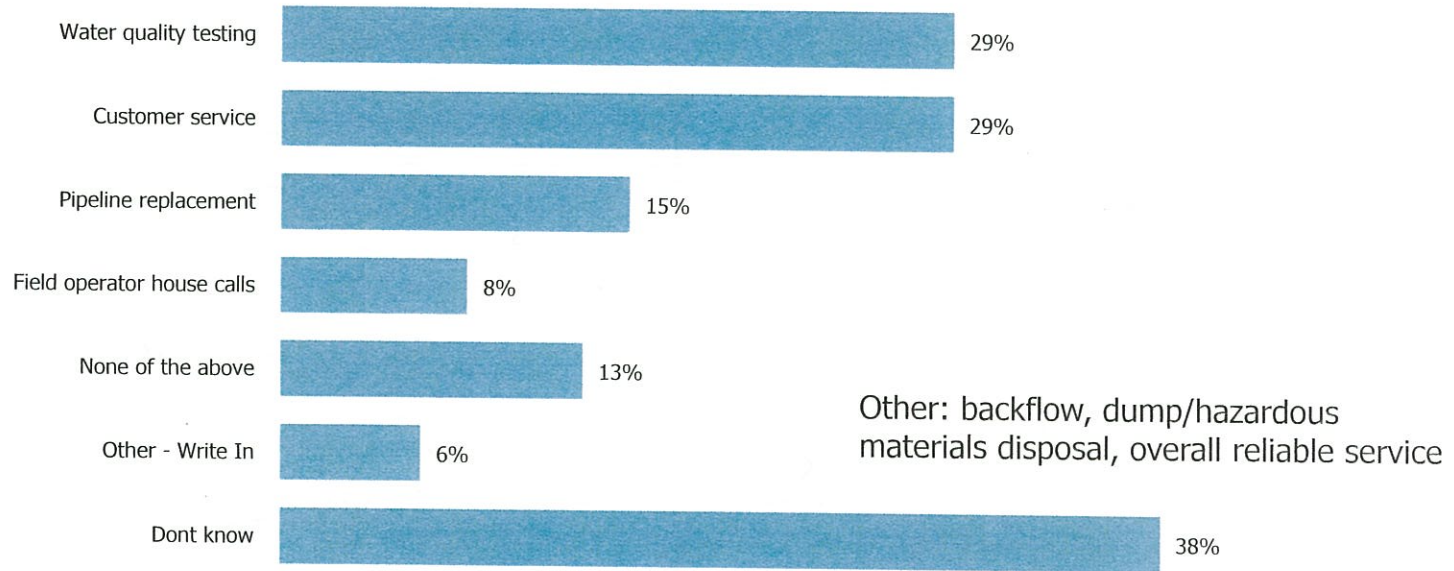
Total (N=839)



Were you aware that you could pay your Public Works bill through a secure online account access portal?

# Water quality testing and customer service are highlights of IVGID Public Works services

## Positive Aspects of IVGID



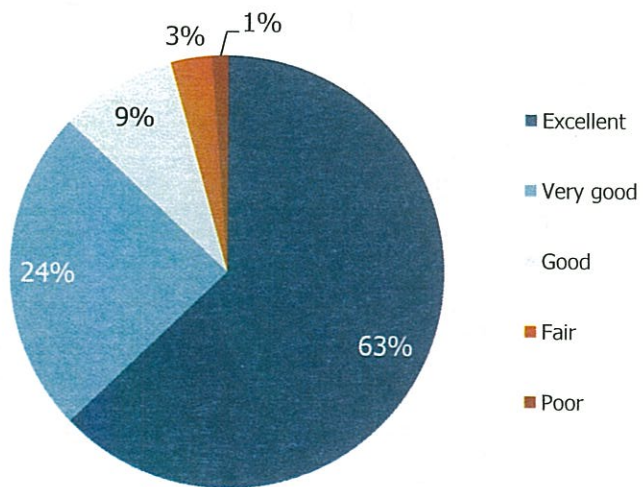
Total (N=839)



What, if anything, do you like about IVGID Public Works? (Select all that apply)

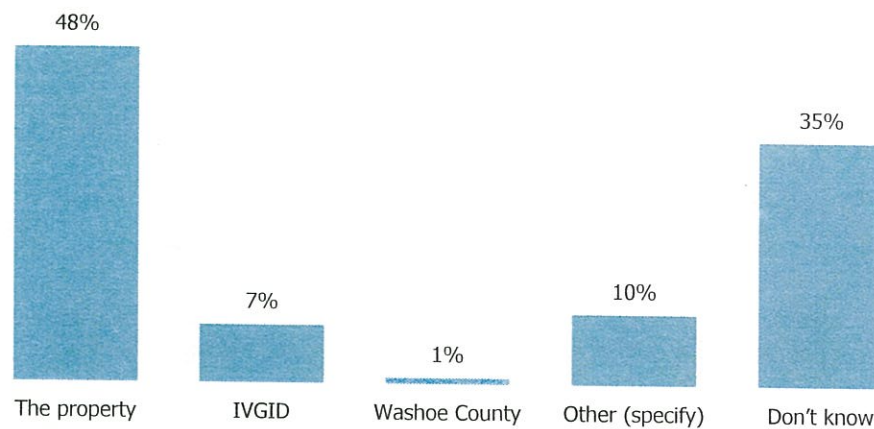
96% describe the tap water quality as good or better.  
 More than a third don't know who owns their water line.

### Tap Water Quality



Total (N=839)

### Perceived Owner of Water Line



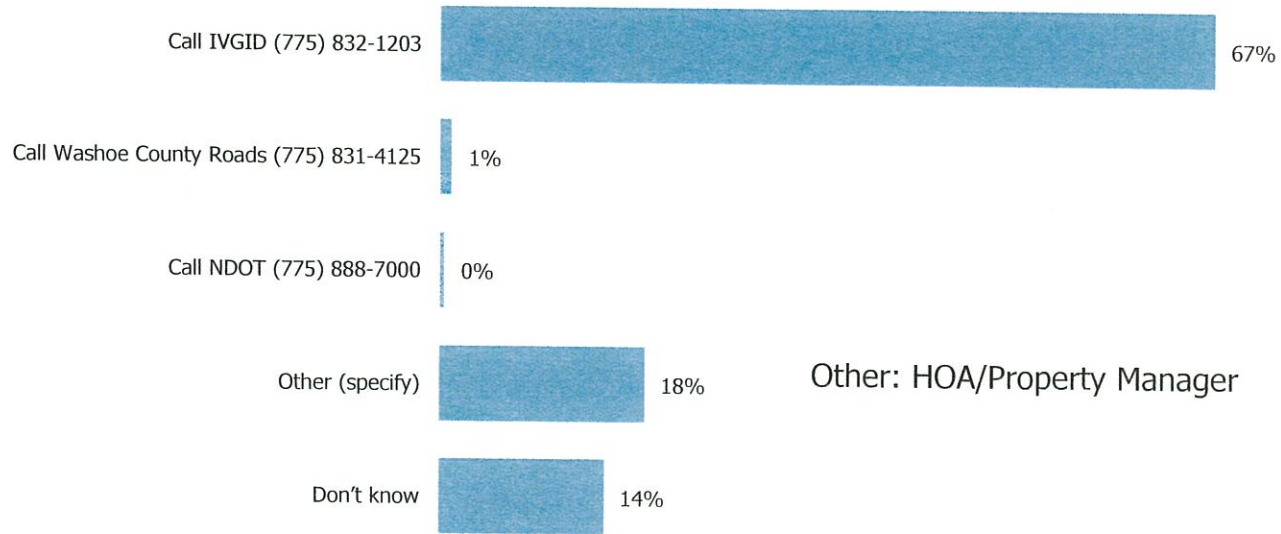
Total (N=839)



How would you rate the quality of your tap water?  
 Who owns the water line on your property after the water meter?

# In the event of a water leak, two-thirds would call IVGID

## Report Water Leak



Other: HOA/Property Manager

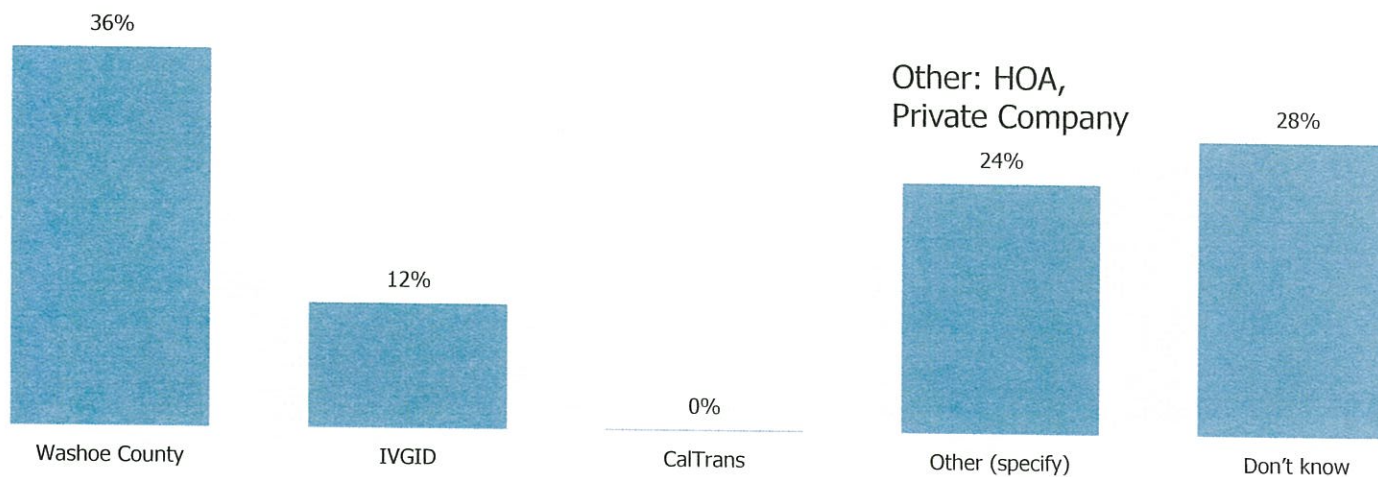
Total (N=839)



Which way would you be most likely to report a water leak?

Over a third of the snow removal is done by Washoe County; however, a little more than a quarter don't know who does the snow removal

### Snow Removal

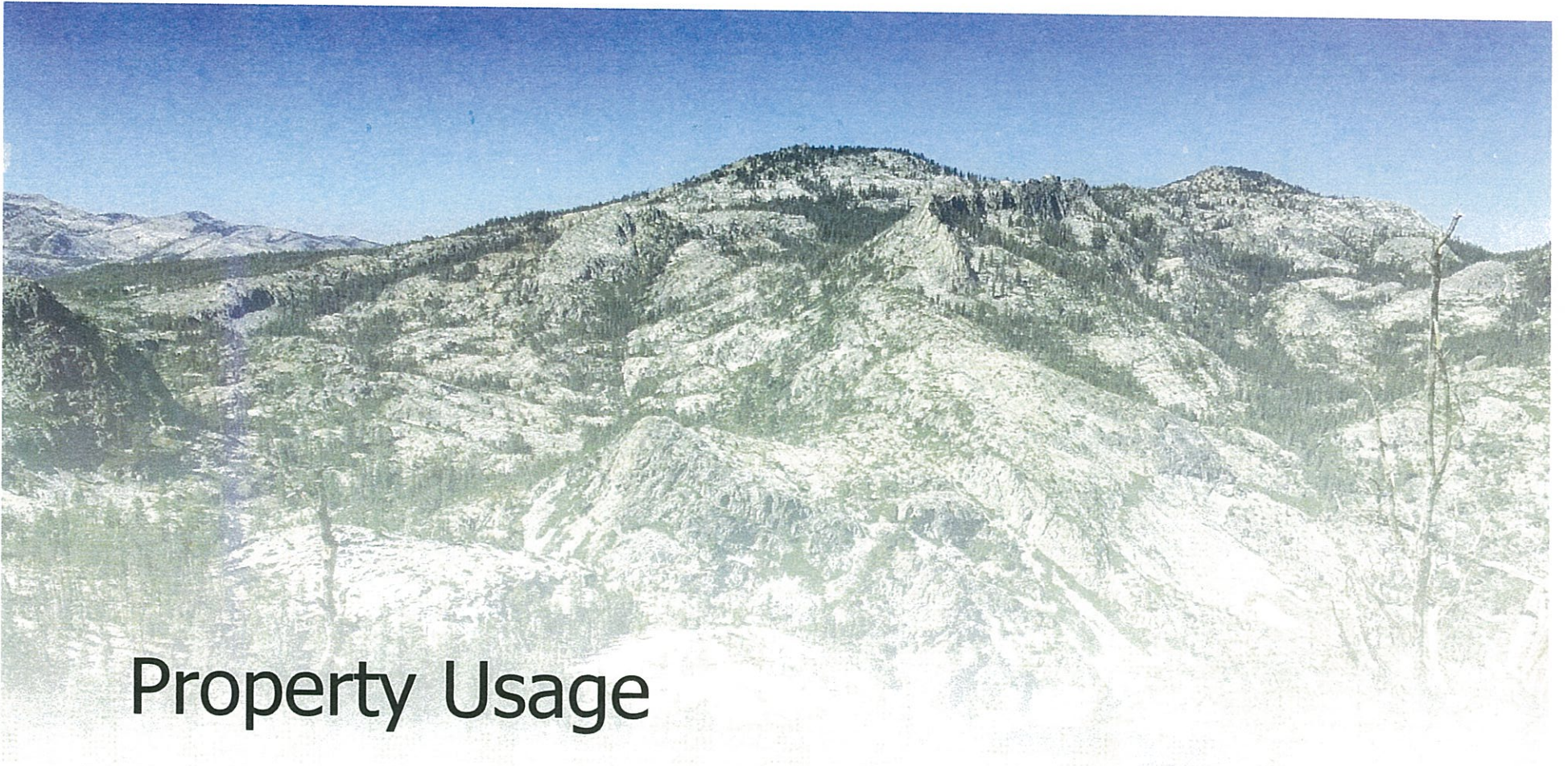


Total (N=839)



Who does snow removal on your street?

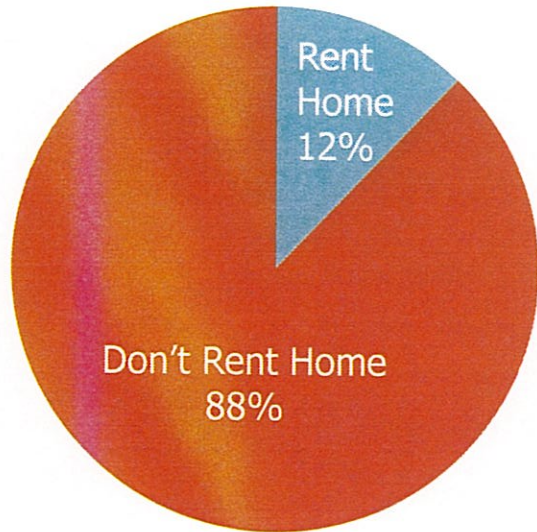




# Property Usage

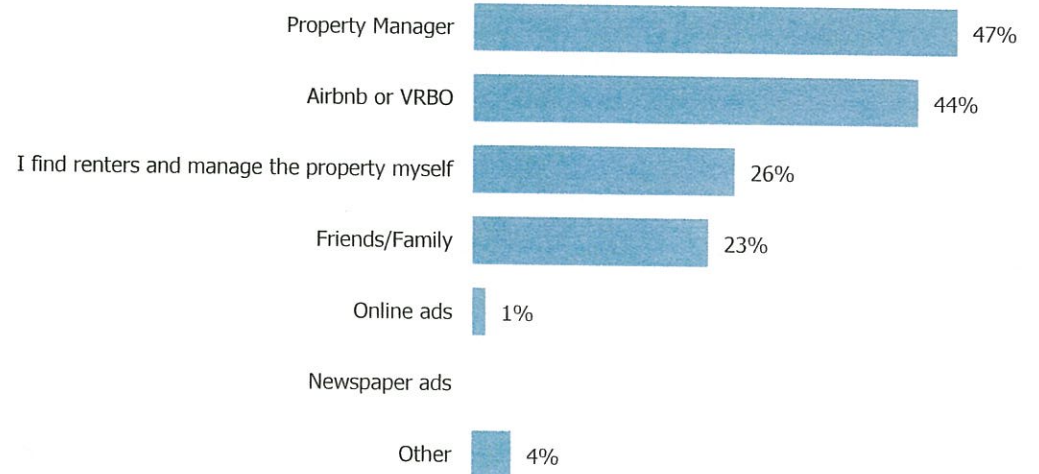
One in eight are renting their home, with a variety of methods used to find renters.

### % Who Rent Home



Property Owners (N=804)

### Rental Source



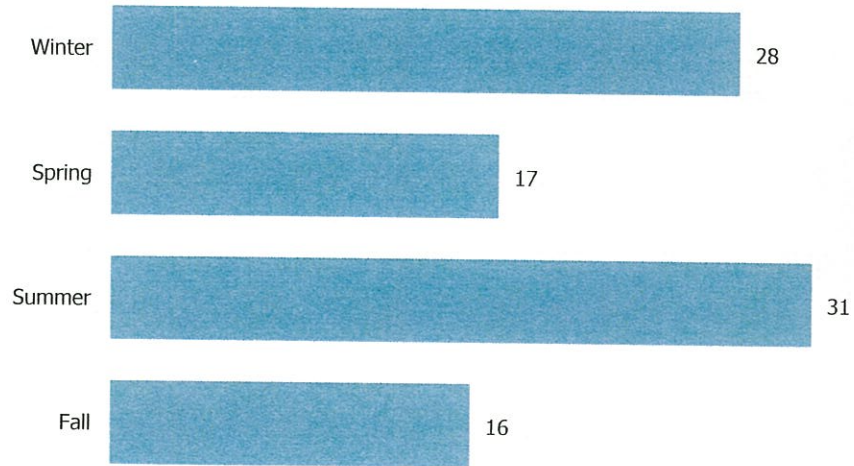
Property Owners who rent out their homes (N=78)



Do you ever rent your home at Incline Village or Crystal Bay?  
Which sources do you use to find or manage renters for your property at Incline Village or Crystal Bay? (Select all that apply)

## Summer and winter are the busiest seasons for renting

### Days property rented by Season



Average rental home is rented out for **92 days per year**

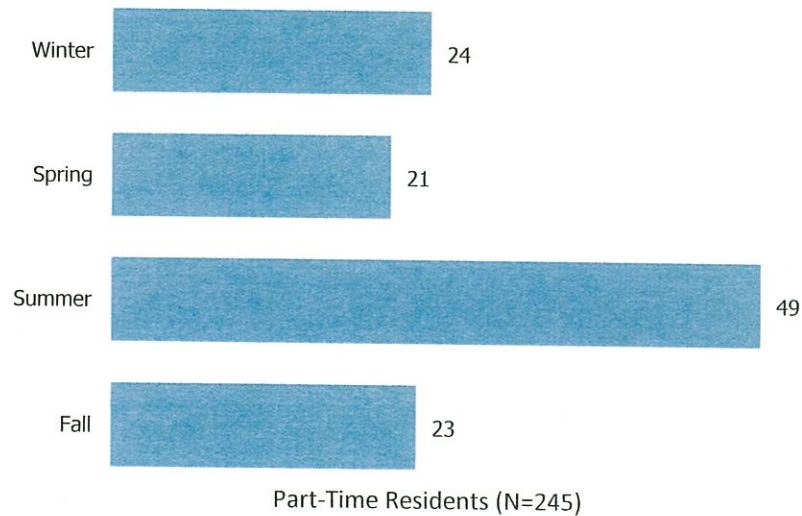
Property Owners who rent out their homes  
(N=78)



Over the past 12 months, how many days did you rent out your Incline Village or Crystal Bay home in each season?

Property owners who are part-time residents are using their properties the most in the summer (including friends and family)

### Days property used by Season among Part-Time Residents



Average home is used by part-timers for **117 days per year**

Avg. days used increased from 94 in 2016



Over the past 12 months, how many days do you estimate your Incline Village or Crystal Bay home was used by you, your immediate/extended family, and/or friends?

## Input you would like to share with IVGID management

Some common themes include:

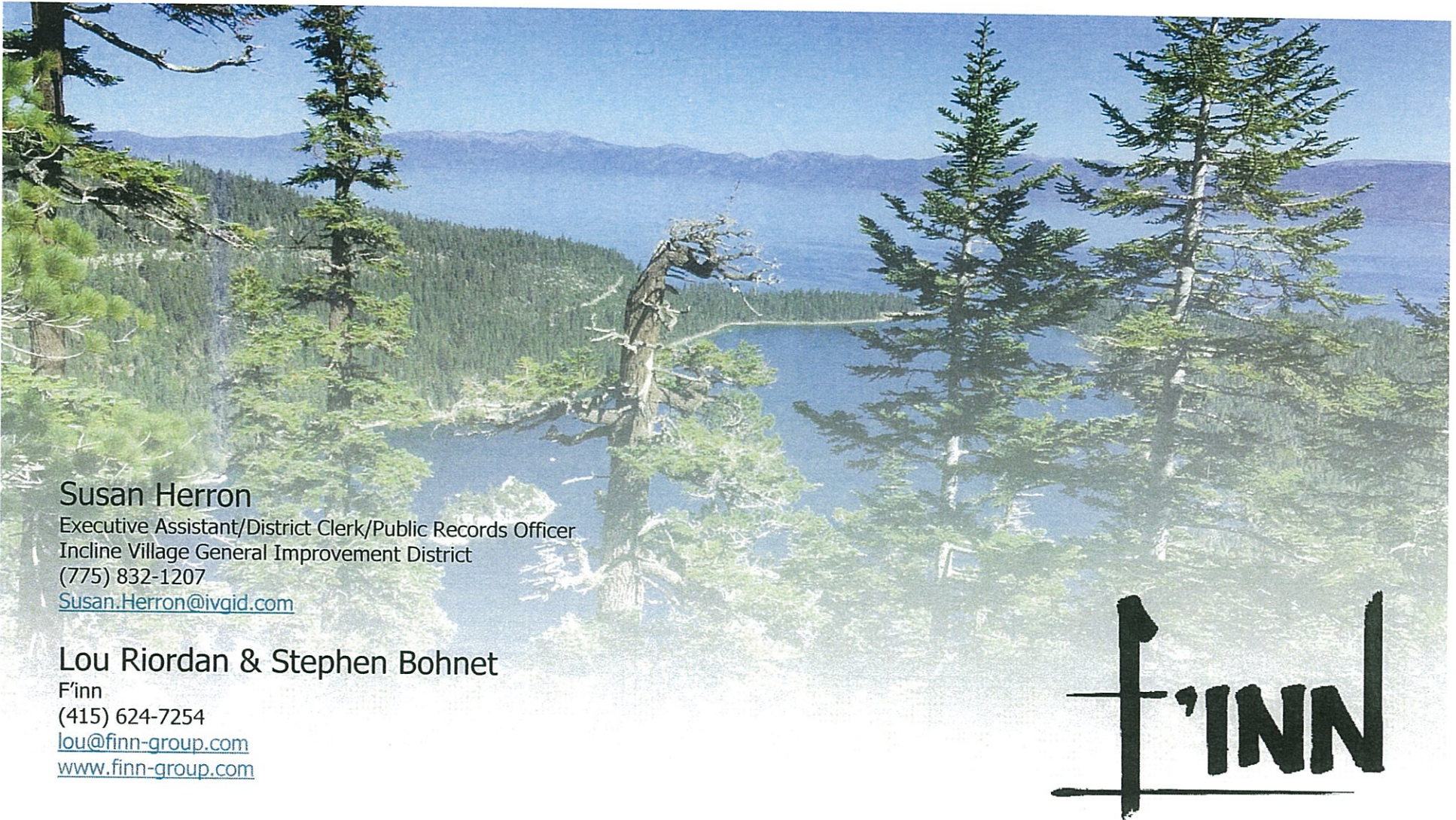
- Focus on serving residents rather than visitors
- Beaches are very crowded (especially on holidays), and parking is a major issue
- Work to address short-term rentals
- Waste management contract is a concern
- Crystal Bay residents feel like they are excluded unfairly from access to amenities
- Lack of access to kayak racks
- In summer, access to Diamond Peak and other ski areas for hiking
- In winter, cross country skiing
- Limit “unlimited access” passes that get used by visitors/renters, and limit number of punch cards that can be purchased
- Focus on maintaining and fixing up existing amenities, including beach facilities

450+ Responses were provided. Residents were very candid about their pain points, concerns, and wishes for their community. All of these comments are made available.



Is there any other input you would like to share with management at IVGID?





**Susan Herron**

Executive Assistant/District Clerk/Public Records Officer  
Incline Village General Improvement District  
(775) 832-1207

[Susan.Herron@ivgid.com](mailto:Susan.Herron@ivgid.com)

**Lou Riordan & Stephen Bohnet**

F'inn  
(415) 624-7254

[lou@finn-group.com](mailto:lou@finn-group.com)  
[www.finn-group.com](http://www.finn-group.com)



## MEMORANDUM

**TO:** Board of Trustees

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

Gerald Eick  
Director of Finance and Accounting

**FROM:** Richard Allen  
Fleet Superintendent

Mike Bandelin  
Diamond Peak Ski Resort General Manager

**SUBJECT:** Review, discuss and possibly approve a Sole Source Finding, **and** review discuss, and possibly authorize a Procurement Contract for a Replacement PistenBully Snow Grooming Vehicle – 2019/2020 Capital Improvement Project; Fund: Community Services; Division: Ski; Project # 3463HV1727; Vendor: Kassbohrer All Terrain Vehicles, Inc. in the amount of \$374,500

**STRATEGIC PLAN:** Long Range Principle #4 – Service  
Long Range Principle #5 – Assets and Infrastructure

**DATE:** May 23, 2019

---

### **I. RECOMMENDATIONS**

That the Board of Trustees moves to:

1. Make the following finding:

IVGID's purchase of a replacement PistenBully snow grooming vehicle and associated fleet management system from Kassbohrer All Terrain Vehicles, Inc. is exempt from competitive bidding for the following reasons:

- A. This purchase is for items which may only be contracted from a sole source (NRS 332.115.1.a). Kassbohrer All Terrain Vehicles is the exclusive dealer for PistenBully snow grooming equipment for Northern Nevada.

Review, discuss and possibly approve a Sole Source Finding, and review, discuss and possibly authorize a Procurement Contract for a Replacement PistenBully Snow Grooming Vehicle – 2019/2020 Capital Improvement Project; Fund: Community Services; Division: Ski; Project # 3463HV1727; Vendor: Kassbohrer All Terrain Vehicles, Inc. in the amount of \$374,500

- B. This purchase is for additions to and repairs and maintenance of equipment which may be more effectively added to, repaired or maintained by a certain person (NRS 332.115.1.C). Diamond Peak’s snow grooming fleet is exclusively PistenBully snow grooming vehicles which are sold exclusively by Kassbohrer All Terrain Vehicles.
  - C. The equipment proposed for purchase, by virtue of the training of the personnel or of any inventory of replacement parts maintained by the local government is compatible with existing equipment (NRS 332.115.1.d). Diamond Peak’s snow grooming fleet is exclusively PistenBully snow grooming vehicles.
2. Authorize a procurement contract with Kassbohrer All Terrain Vehicles, Inc. totaling \$374,500.
  3. Authorize Staff to execute all purchase documents based on a review by Legal Counsel and Staff.

## **II. DISTRICT STRATEGIC PLAN**

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

- The District will utilize best practice standards for delivery of services.

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

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

## **III. BACKGROUND**

The general purpose of this project is to maintain District operations through the necessary maintenance and replacement cycles. The contract proposed for award addresses the end of life cycle replacement of one of the Diamond Peak



Review, discuss and possibly approve a Sole Source Finding, and review, discuss and possibly authorize a Procurement Contract for a Replacement PistenBully Snow Grooming Vehicle – 2019/2020 Capital Improvement Project; Fund: Community Services; Division: Ski; Project # 3463HV1727; Vendor: Kassbohrer All Terrain Vehicles, Inc. in the amount of \$374,500

PistenBully snow grooming vehicles. Diamond Peak maintains a fleet of five PistenBully snow grooming vehicles to provide slope grooming, snow management, snowmaking support, chairlift loading and unloading area maintenance, and park features at Diamond Peak Ski Resort. A reliable and well functioning grooming fleet is a critical component to providing a great customer experience at Diamond Peak.

The equipment scheduled for replacement is a 2008 PistenBully 400 – PistenBully #628. This equipment has operated eleven seasons, has over 9,000 operating hours, and has reached the end of its cost effective service life. It is at a point where the District can expect elevated maintenance and repair costs and increased equipment down time.

Snow grooming vehicles are replaced when serviceability, reliability, performance, and economic factors dictate. The District's current program involves keeping each machine for up to ten operating seasons. The District's service records, as well as those of snowcat manufacturers, indicate that the hourly operating cost of a standard grooming snowcat increases by more than 60% after 10 years of operating. Downtime increases in direct proportion which impacts the quality of Diamond Peak's groomed product. Additionally, major component failure on a snow grooming vehicle may cost more than the actual value of one of these vehicles as its age increases. A replacement engine can cost as much as \$25,000 and a replacement drive assembly cost is \$20,000 with each vehicle having three or four drive assemblies depending on the type of equipment.

The proposed PistenBully grooming vehicle will come equipped with PistenBully's SNOWsat slope and fleet management system. SNOWsat is an integrated system for guiding and real-time monitoring of snow grooming vehicles. The system uses GPS data to produce a mapped image of the slope including all chairlift towers, grade level snowmaking valve stations, snowmaking hydrants, as well as any potential danger spots and the resort boundaries. It also provides maps of individual runs for grooming with real-time snow depth measurement. The position of the snow grooming equipment is conveyed back to Diamond Peak computers in real-time along with snow depth measurements to support and optimize snowmaking and slope maintenance operations. The SNOWsat system allows greater management and quality control of grooming and snowmaking operations, reduces grooming and snowmaking operating costs by improving operational efficiencies, and improves on-mountain safety of the grooming operations. The snow management functionality provided by SNOWsat was critical to Diamond Peak's success and length of season during the drought impacted seasons of 2014-2015 and early 2017-2018.

Review, discuss and possibly approve a Sole Source Finding, and review, discuss and possibly authorize a Procurement Contract for a Replacement PistenBully Snow Grooming Vehicle – 2019/2020 Capital Improvement Project; Fund: Community Services; Division: Ski; Project # 3463HV1727; Vendor: Kassbohrer All Terrain Vehicles, Inc. in the amount of \$374,500

If the proposed contract is awarded, the District will place its order with Kassbohrer All Terrain Vehicles immediately and will take delivery of the vehicle in the fall in order to accommodate manufacturing lead time. Payment to the vendor does not occur until vehicle delivery. This is on the Consent Calendar because it meets the criteria as set forth in Board of Trustees Policy 3.1.0.

#### **IV. BID RESULTS**

The proposed procurement contract, in compliance with NRS 332.115, is a sole source purchase from Kassbohrer All Terrain Vehicles, Inc and Staff did not seek competitive bids for the proposed vehicle. Specific equipment pricing is as listed below:

<b>Description</b>	<b>Amount</b>
PistenBully 400 Park Pro with Snowsat	\$399,500
Trade-in for PistenBully #628	(\$25,000)
Total	\$374,500

#### **V. FINANCIAL IMPACT AND BUDGET**

\$390,000 is included in the 2019/2020 Capital Improvement Program Budget for the replacement of Pisten Bully #628 under Project # 3463HV1727 (see attached data sheet). The total proposed purchase is \$15,500 under budget.

#### **VI. ALTERNATIVES**

The Board could not authorize the procurement contract and defer or eliminate replacement of the proposed snow grooming vehicle. Doing so puts the District at risk of high maintenance expenses and increased equipment down time or complete loss of equipment usage during Diamond Peak’s operating season.

#### **VII. BUSINESS IMPACT**

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



## Project Summary

<b>Project Number:</b>	3463HV1727		
<b>Title:</b>	Replace 2008 Grooming vehicle # 628		
<b>Asset Class:</b>	F - Rolling Stock		
<b>Division:</b>	64 - Mountain Operations		
<b>Budget Year:</b>	2020		
<b>Scenario Name:</b>	Main	<b>Active:</b>	Yes
<b>Budget Status:</b>	Data Entry		
<b>Locations:</b>			
<b>Project Something:</b>	HV - Heavy Duty Vehicles		

<b>Project Description</b>			
<p>This project is for the scheduled replacement of one of Diamond Peak's snow cats. This snow cat is on a 10-year replacement cycle subject to operating hours, accrued maintenance cost, oil analysis reports, visual inspection, and overall condition. Currently, Diamond Peak operates 5 snowcats on the mountain. This replacement plan calls for replacement of one cat every other year in the line grooming fleet (5 cats). Recent research by staff indicates that our local competitors are averaging 30 acres groomed per night for each cat in their fleet - Diamond Peak is currently grooming 32 acres per night for each of our 5 cats in the line grooming fleet. This snow cat will be moved back in the CIP replacement program if indicators reveal no increased equipment down time or elevated maintenance cost will result by deferring the replacement date. Replacement procurement is budgeted assuming a total purchase price of \$390,000 utilizing a 7-year municipal lease with the District assuming ownership and the end of the lease term.</p>			
<b>Project Internal Staff</b>			
Fleet Maintenance Staff will manage this project			
<b>Project Justification</b>			
<p>It is necessary to continue the routine replacement of our grooming equipment so that it is replaced prior to major component failure and to continue to stay abreast of industry changes and improvements to provide the best quality product for our skiing guests. Major component failure can cost more than the actual value of these vehicles as their age increases. These components can cost as much as \$25,000 for an engine or \$20,000 for a drive pump and motor set. There are 3-sets to each grooming vehicle. Grooming vehicles will only be replaced if serviceability, reliability, performance and economic factors dictate. Our records, as well as those of snow cat manufacturers, indicate that the hourly operating cost of a snow cat increases by more than 60% once they pass 8000 to 9000 operating hours. Additionally, downtime increases in direct proportion, diminishing the quality of our grooming product.</p>			
<b>Forecast</b>			
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>
2020			
Replace Grooming Vehicle	390,000	0	390,000
Year Total	390,000	0	390,000
	390,000	0	390,000
<b>Year Identified</b>	<b>Start Date</b>	<b>Project Partner</b>	<b>Manager</b>
2012			Fleet Superintendent
			<b>Est. Completion Date</b>

**MEMORANDUM**

**TO:** Board of Trustees

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

**FROM:** Mike Bandelin  
Diamond Peak Ski Resort Manager

**SUBJECT:** Review, discuss, and possibly approve a maintenance agreement with Lake Tahoe Basin Management Unit, U.S. Department of Agriculture Forest Service and the District within District Property APN: 126-010-60 (Diamond Peak) for the purpose of improvements and maintenance to the Incline Flume Trail – USFS managed trail system

**DISTRICT STRATEGIC PLAN:** Long Range Principle #5 Assets and Infrastructure

**DATE:** June 11, 2019

---

**I. RECOMMENDATION**

Staff recommends that the Board of Trustees:

1. Approve a Maintenance Agreement to Lake Tahoe Basin Management Unit - U.S. Department of Agriculture Forest Service within District Property APN: 126-010-60 (Diamond Peak) for the purpose of improvements and maintenance to the Incline Flume Trail – USFS managed trail system.
2. Authorize Staff to execute the maintenance agreement documents upon review by District Counsel.

**II. DISTRICT STRATEGIC PLAN**

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

### **III. BACKGROUND**

The US Forest Service Lake Tahoe Basin Management Unit (LTBMU) is requesting the District enter into a maintenance agreement for the purpose of providing maintenance and improvements to the Incline Flume Trail within the Diamond Peak Ski Resort. The Incline Flume Trail is at an approximate elevation of 7,600 ft. and is accessed from the Mount Rose Highway and continues to Tunnel Creek Road. The trail passes through the Diamond Peak Ski resort crossing the five upper mountain ski trails.

The purpose of the agreement is to set forth the general terms and conditions, acceptable to both parties for the cooperative planning, survey, design, construction, improvement, and maintenance of National Forest System Trails as described in the attached agreement. Maintenance and improvements on the Incline Flume Trail through Diamond Peak shall be the responsibility of the LTBMU. Maintenance work which may affect the operation of Diamond Peak managed roads and ski trails must be planned, designed and conducted in coordination with the Districts designated representative.

The Incline Flume Trail Project is a true community project of the Incline Village area, with broad support from the entire Tahoe Regional Community.

A small group of Incline residents began to meet in 2012 and later formed Friends of Incline Trails (FIT). They explored options and feasibility to authorize, rehabilitate and maintain a generally existing and well used trail along the historic Incline North Flume. Over the years, this group coordinated with the US Forest Service, Nevada State Parks, Diamond Peak Ski Area and the Ponderosa Ranch to make the Incline Flume Trail official and enable much needed trail improvements to happen.

Two other phases have followed: In 2016, Ponderosa Ranch LLC donated 18.6 critical acres to the Nevada Land Trust (NLT) for further transfer to the USFS. This finalized the trail routing and initiated the archeological, biological and botanical studies of the project corridor and the Land Management agency's approval of class level and management standards for the Trail along with the commencement of the NEPA environmental review and public involvement processes. The project also required the reconstruction/rehabilitation of the existing unsustainable section of trail on the NLT parcel to meet USFS required standards prior to USFS takeover.

Ponderosa Ranch provided the expense of two land surveys, parcel documentation, archeological surveys and reports required for transfer,

stabilization of the critical bull wheel heritage site, and provided logistical support to study and design teams.

The Incline Tahoe Foundation, Tahoe Fund, USFS LTBMU, Nevada Department of Wildlife, Diamond Peak Ski Resort and numerous other individuals and organizations supported FIT through the NEPA (environmental and heritage studies) and the approval requirements. The Tahoe Area Mountain Bike Association (TAMBA) as well as the Tahoe Rim Trail Association (TRTA) also supported FIT with experienced volunteer crew leaders, equipment, trained volunteer crews, trail construction and specialized training to redesign, realign, and upgrade the trail in the NLT parcel and to close and restore illegal trails that damaged the environment and facilitated damage to key heritage sites.

During the public scoping phase, the project was presented to Incline Village General Improvement District Board of Trustees at the December 14, 2016 public meeting. The Board of Trustees approved the District's support of the Lake Tahoe Basin Management Units led efforts to upgrade, operate, and maintain the Incline Flume Trail.

In the spring of 2017, The Incline Flume Trail Project was awarded a \$131,000 Nevada Recreational Trails Program grant to be administered through The Tahoe Fund. This covered 2018 USFS professional crews blasting a new tread through a zone where a previous land slide had completely destroyed the old flume prism, the land transfer costs for the NLT to USFS parcel, and interpretive and directional signage. Volunteers reconstructed and upgraded the remaining miles of trail during the summers of 2017 and 2018, with documentation for 239 volunteers logging 2071 hours valued at \$48,910 (exceeding the required grant match).

In late summer of 2018 the trail work was completed giving mountain bikers and hikers improved access to the Incline Flume Trail between Mount Rose Highway and Tunnel Creek Trail.

#### **IV. FINANCIAL IMPACT AND BUDGET**

Within the agreement, section Four, the language is designed to provide a mechanism for future maintenance if both parties agree to do so at some point during the life of the agreement. The agreement does not commit or imply either party to provide funding at any point, the clause is included simply as a potential pathway for future funding exchange if both parties decide to pursue that option. The Forest Service and the District do not anticipate that either party would pursue

a future funding exchange under this agreement as there is no foreseeable need on this section of the Incline Flume Trail.

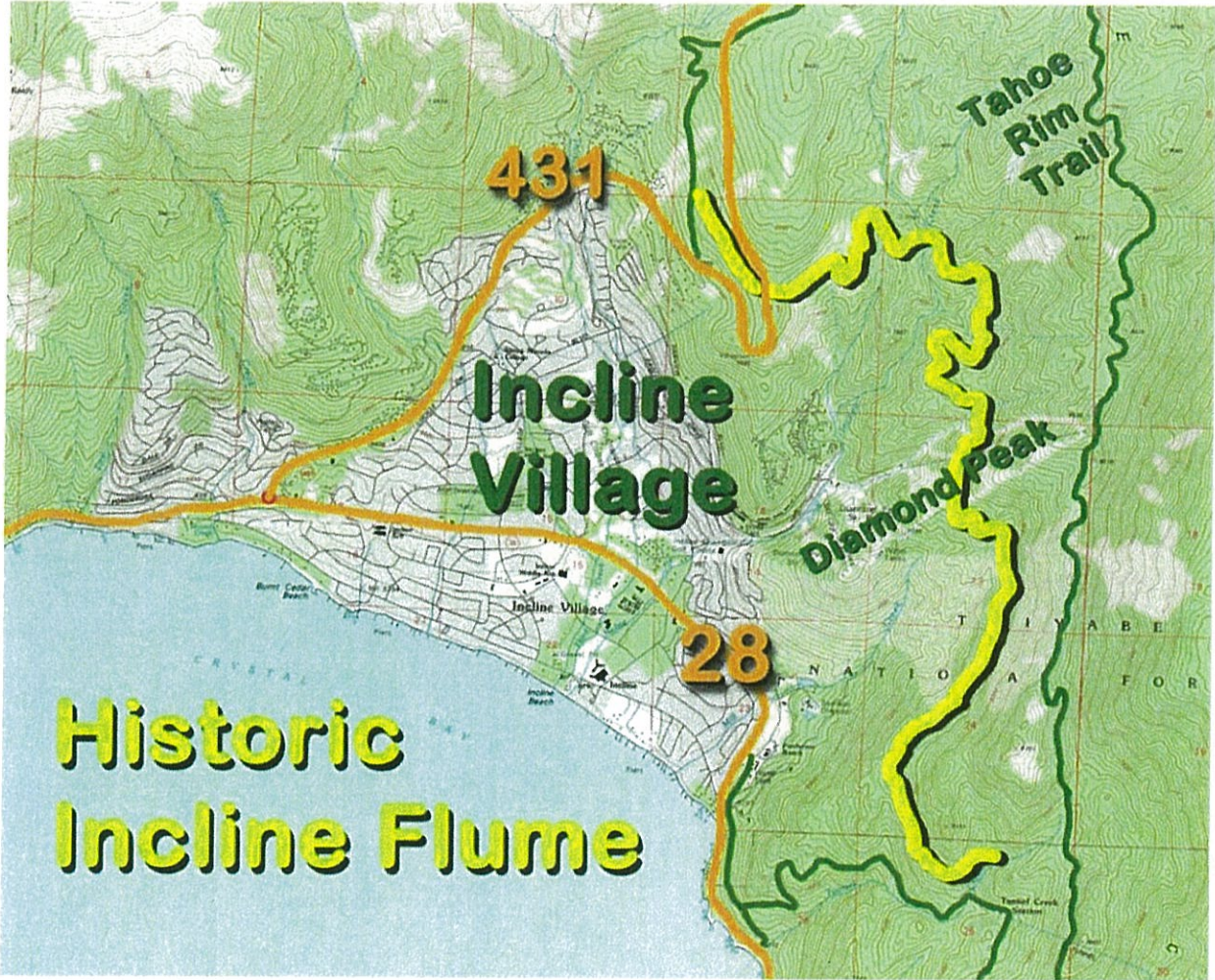
### **ALTERNATIVES**

No alternatives provided. The District works cooperatively with public agencies to facilitate providing services to the community.

### **V. COMMENTS**

The Incline Flume Trail has been repaired and upgraded to National Quality Standards and adopted into US Forest Service managed trail system, this agreement has been created to formally guide the cooperation of trail maintenance access and planning between US Forest Service and the Incline Village General Improvement District.

# Trail Location Photo



Incline Flume Map



Review, discuss, and possibly approve a maintenance agreement with Lake Tahoe Basin Management Unit, U.S. Department of Agriculture Forest Service and the District within District Property APN: 126-010-60 (Diamond Peak) for the purpose of improvements and maintenance to the Incline Flume Trail – USFS managed trail system.

# Trail Sign



December 15, 2016

United States Forest Service (USFS)  
Lake Tahoe Basin Management Unit (LTBMU)  
35 College Drive  
South Lake Tahoe, California 96150

Transmitted via e-mail  
jmquinn.fs.fed.us and  
by USPS

Attention of Jacob Quinn  
Trails Engineer

Subject: Incline Flume Trail - Letter of Support

Dear Mr. Quinn,

We have reviewed the Lake Tahoe Basin Management Unit (LTBMU) proposed action for adopting and repairing the Incline Flume Trail from Old Mount Rose Highway to Lake Tahoe Nevada State Park and concur with the proposed action.

This trail will traverse both Incline Village General Improvement District owned and United States Forest Service special use permit lands within the Diamond Peak Ski Area. In fact, we have included the proposed Incline Flume Trail in the recently approved Diamond Peak Master Plan as an integral link in our Phase 1A trail system.

The Incline Village General Improvement District supports the LTBMU led efforts to upgrade, operate, and maintain the Incline Flume Trail.

Sincerely,

*Kendra Wong*

Kendra Wong  
Chairwoman  
IVGID Board of Trustees

**LAKE TAHOE BASIN MANAGEMENT UNIT  
MAINTENANCE AGREEMENT  
BETWEEN THE  
U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
AND  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

Parties to Agreement: This agreement, made and entered into this the 19<sup>th</sup> day of June, 2019, by and between the Forest Service, and the Incline Village General Improvement District (IVGID), hereinafter called the "cooperator."

Purpose of Agreement: The purpose of this agreement is to set forth the general terms and conditions, acceptable to the parties hereto, for the cooperative planning, survey, design, construction, reconstruction, improvement, and maintenance of specific National Forest System Trails as described in this agreement.

1. Intent to Cooperate. It is the intention of the parties under this agreement to cooperate as follows:
  - a. Agree that certain roads, trails and ski runs under use by the cooperator or the Forest Service which serve the National Forest and also carry traffic which is properly the responsibility of the cooperator should be maintained and, if necessary, improved to a standard adequate to accommodate safely and economically all traffic which uses such roads, trails and ski runs.
  - b. Agree on the identification of facilities and segments which meet the criteria in item a by a listing and appropriate maps.
  - c. Provide for formal meetings and informal consultation on a regular basis to discuss and agree on action with respect to the roads/trails/ski runs identified pursuant to item b.
  - d. Provide for regular and adequate maintenance of the roads/trails/ski runs identified in item b, including the assignment of maintenance responsibilities.
  - e. Provide for entering into project agreements when improvements of a road/trail/ski runs under the jurisdiction of one party is to be financed in whole or in part from funds or resources provided by the other party.
2. Identification of Roads/Trails/Ski Runs. A list of roads/trails and segments of roads/trails/ski runs which meet the criteria set forth in item 1a is agreed upon and is marked "Schedule A" and attached as part of this agreement. Schedule A may be modified from time to time by agreement between the cooperator and Forest Service, by adding or removing roads/trails or road/trail/ski run segments, or by altering the description of a road/trail or road/trail/ski run segments, to give it proper identity. Each such modification shall be indicated by a revised Schedule A bearing the signatures of the parties or their authorized representatives and the effective date of the revision.
3. Maintenance Plans. At the annual meeting provided for in item 6, plans for maintaining the roads/trails listed in Schedule A shall be agreed upon. Such plans shall include assignment of responsibility for maintenance or particular elements of maintenance to the cooperator or Forest Service for each road/trail or segment of road/trail/ski run listed in Schedule A.

**LAKE TAHOE BASIN MANAGEMENT UNIT  
MAINTENANCE AGREEMENT  
BETWEEN THE  
U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
AND  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

To the extent practical, and subject to availability of funds, responsibility for maintenance shall be assigned in proportion to use for which each party is properly responsible.

Maintenance shall include preserving and keeping the roads/trails/ski runs, including structures and related facilities as nearly as possible in their original condition as constructed or reconstructed to provide satisfactory and safe road/trail/ski run service.

Maintenance plans shall provide for prompt changes in maintenance assignments during the period of the plan upon agreement by the parties or their designated representatives.

4. Project Agreements. When improvement of a road/trail listed in Schedule A is to be financed in whole or in part from funds or resources provided by the party not having jurisdiction, the parties shall enter into a project agreement providing for performing the improvement work and its financing. A project agreement is not required for improvement of a road/trail or a road/trail/ski run segment over which the party performing and financing such improvement has jurisdiction. Project agreements shall be supplements to this general agreement and subject to the agreements, provisions, and conditions herein contained.
- a. A project agreement shall be entered into prior to beginning of improvement or construction work for which a project agreement is required.
  - b. The project agreement shall include the following elements:
    - (1) Identification of road/trail or road/trail/ski run segment to be improved or constructed.
    - (2) Plans and specifications for the project or provision for their development and subsequent agreement thereon.
    - (3) Schedule of construction or improvement work and designation of the party or parties to perform the work.
    - (4) Estimates of cost of improvement or construction.
    - (5) Agreement as to how cost of work is to be borne including arrangements to share in the work or to deposit funds with the performing party for a share of the costs.
  - c. If funds are provided by the cooperator on an advance basis for work to be performed by the Forest Service, they shall be deposited in the Treasury of the United States to the credit of cooperative work, Forest Service. Any unused balance of cooperative funds for the purposes outlined in the project agreement shall be returned to the cooperator after completion of the work performed or upon agreement of the Forest Service. If the cooperative funds are made available on a reimbursement basis as the work progresses or upon its completion, the Forest

**LAKE TAHOE BASIN MANAGEMENT UNIT  
MAINTENANCE AGREEMENT  
BETWEEN THE  
U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
AND  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

Service shall submit to the cooperator periodic billings, but not more often than monthly, or a final billing as the case may be.

The amount of cooperative funds as set forth in the project agreement shall be the maximum commitment of the cooperator to the project unless changed by a modification of the project agreement.

- d. If funds are provided by the Forest Service for work to be performed by the cooperator the arrangements shall be set forth in the project agreement. Payments to the cooperator shall be made as provided for in the project agreement. If it appears that the project cost may exceed the estimate and additional funds may be needed, no obligation shall arise against the Federal government with respect to the increased cost except by modification of the project agreement prior to incurring any commitment.

5. General Concept for Responsibilities involving a FS managed trail and those other road/trail/ski run segments which directly affect it. This document is primarily focused on the management of the Incline Flume Trail (IFT), but shall also apply to any FS managed trail listed or added to Schedule A. The IFT is a Forest Service managed multi-user, non-motorized recreational trail, which crosses IVGID (Diamond Peak) property, including crossing five ski cleared ski runs and several ski area maintenance roads. Diamond Peak also has a recreational trails plan of its own, which includes integration and use of the IFT. Since any maintenance, construction, or other significant activities on the trails/roads/ski runs in the IFT corridor or its vicinity will likely affect all facilities, cooperation and joint planning are a necessity.

- a. In general, maintenance and improvements on the Incline Flume Trail (or other FS managed trails) through Diamond Peak shall be the responsibility of the US Forest Service Lake Tahoe Basin Management Unit (LTBMU). Any work which may affect the safety, sustainability, or operation of Diamond Peak managed roads/trails/ski runs must be planned, designed, and conducted in coordination with the cooperator's designated representative.
- b. In general, maintenance and improvements on Diamond Peak managed roads/trails/ski runs shall be the responsibility of the cooperator. Any work which may affect the safety, sustainability, or operation of the Incline Flume (or other FS managed) Trail must be planned, designed, and conducted in coordination with the LTBMU.
- c. In cases where a project or projects involve work positive to both FS and cooperator facilities, efficient cooperation is recommended. The parties to this agreement may provide formal or informal assistance as available to each other to efficiently execute the spirit of this agreement, in accordance with the parameters outlined herein.

**LAKE TAHOE BASIN MANAGEMENT UNIT  
MAINTENANCE AGREEMENT  
BETWEEN THE  
U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
AND  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

- d. The cooperator shall provide LTBMU or its partner organizations with coordinated free access through Diamond Peak areas for support of FS managed trails.
  - e. The Forest Service shall coordinate with the cooperator prior to permitting major events on FS managed trails through Diamond Peak areas.
  - f. The cooperator shall coordinate with the LTBMU prior to scheduling major non-ski season events which affect any FS managed trail.
6. Annual Meeting and Continuing Consultation. The cooperator and Forest Service, including any relevant partner organizations, shall meet at least once each year to review matters covered by this agreement and to agree on actions to implement this agreement including, but not limited to, (1) approval of changes in the listing of roads/trails/ski runs on Schedule A; (2) approval of the annual maintenance plan; (3) approval of project agreements for construction or reconstruction; and (4) approval of transfer of jurisdiction of particular roads/trails by easement conveyance. It is also the intent of the parties to arrange for continuing consultation between their representatives with the objective of reaching prompt agreement by the parties on all matters of mutual concern which are covered by this agreement. The Forest Supervisor of the Lake Tahoe Basin Management Unit for the Forest Service, and General Manager Diamond Peak Ski Resort (or designee) for the cooperator shall be responsible for making the arrangements for formal meetings and continuing consultation.
7. Modification and Termination
- a. This agreement may be modified by mutual consent.
  - b. This agreement may be terminated by either party upon at least 60 days prior written notice, except that such termination shall in no way affect or change any commitment made authorizing the use of roads/trails or rights-of-way for purposes for which Federal funds were expended, or any operation in progress at time of notice, and provided that such termination shall in no way affect the agreement of the parties hereto with respect to any obligations incurred under the agreement until a full settlement has been made.
8. Miscellaneous
- a. It is understood that any default by a permittee or other authorized road/trail/ski run user creates no liability on the part of the Forest Service.
  - b. Nothing herein contained shall be constructed to obligate the Forest Service or the cooperator beyond the extent of available funds allocated or programmed for this work, or contrary to applicable laws, rules, and regulations.

**LAKE TAHOE BASIN MANAGEMENT UNIT  
MAINTENANCE AGREEMENT  
BETWEEN THE  
U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
AND  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

- c. No Member of, or Delegate to, the Congress, or Resident Commissioner, shall be admitted to any share or part of this agreement or to any benefits that may arise therefrom, unless it is made with a corporation for its general benefit.
  
- d. Where applicable, any contract, agreement, or understanding entered into pursuant to this agreement providing for work to be performed shall include the requirements of Federal laws, Executive orders, and Regulations.

This agreement shall be effective as of the date herein written and shall supersede all prior existing agreements, if any, for the same roads.

INCLINE VILLAGE GENERAL  
IMPROVEMENT DISTRICT

FOREST SERVICE  
DEPARTMENT OF AGRICULTURE

\_\_\_\_\_  
*(Signature)*  
By: Steven J. Pinkerton  
District General Manager  
Date: June 19, 2019

\_\_\_\_\_  
By \_\_\_\_\_  
( Forest Supervisor)    Date

Mailing Address:  
Incline Village General Improvement  
District (IVGID)  
893 Southwood Blvd.  
Incline Village, NV 89451

LAKE TAHOE BASIN MANAGEMENT UNIT  
MAINTENANCE AGREEMENT  
BETWEEN THE  
U.S. DEPARTMENT OF AGRICULTURE  
FOREST SERVICE  
AND  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

SCHEDULE A  
TO LTBMU/IVGID MAINTENANCE AGREEMENT  
(Incline Flume Trail Project)  
27 August 2018

LTBMU MANAGED TRAILS

Incline Flume Trail

DIAMOND PEAK FACILITIES  
AFFECTING THE TRAIL CORRIDOR

Trail Segments

Road Segments

Crystal Ridge  
The Great Flume

Ski Run Segments

Crystal Ridge/Lakeview  
Battleborn  
Diamondback  
Lightning  
The Great Flume

Chair Lifts

Just above Ridge  
Under Crystal Express



## MEMORANDUM

**TO:** Board of Trustees

**FROM:** Steve Pinkerton  
General Manager

**SUBJECT:** Resolution 1874, A Resolution to Thank, Honor and Commend Edwin Gene Brockman

**DATE:** June 10, 2019

---

### **I. RECOMMENDATION**

Approve the attached resolution thanking, honoring, and commending Edwin Gene Brockman for his contributions to Incline Village General Improvement District.

### **II. BACKGROUND**

Gene Brockman has been an active resident of Incline Village for the past thirty one years. He has been a vibrant member of the community sharing and giving of himself to main different community entities. Fortunately, the District is one of those organizations that Mr. Brockman has given so very much. He has participated in the District via Trustee work and committee work (as cited in the attached resolution) and has been a friend and advisor to many members of the District staff. We could always count on Gene to give readily, words of advice. One of his most infamous sayings is "Words matter".

### **III. COMMENTS**

While rare, the Board of Trustees has taken similar actions over the years to recognize various community members who have contributed to Incline Village General Improvement District.



**Resolution Number 1874**  
**A Resolution Honoring and Commending**  
**Edwin Gene Brockman for His Contributions**  
**To the Incline Village General Improvement District**

**LET IT BE RESOLVED** by the Board of Trustees of the Incline Village General Improvement District as follows:

**WHEREAS**, during his residence in Incline Village, Gene Brockman served the Incline Village General Improvement District by being an active Trustee, which included Chair, and has participated on a variety of committees and

**WHEREAS**, Gene Brockman has always been an active participant at those Board meetings he has attended during his thirty one years of residency; and

**WHEREAS**, Gene Brockman has willingly given his friendship, sage advice and words of wisdom and is fondly well known around the Incline Village General Improvement District for his most famous statement “Words matter”;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Trustees of the Incline Village General Improvement District, that Edwin Gene Brockman is hereby thanked, commended, and honored for his many personal contributions to the Incline Village General Improvement District.

Dated this 19th day of June, 2019

Passed by the following vote:  
AYES, and in favor thereof, Trustees:  
NOES, Trustees:  
ABSENT, Trustees:

---

**Tim Callicrate, Secretary**

## MEMORANDUM

**TO:** Board of Trustees

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

**FROM:** Indra Winqest  
Director of Parks & Recreation

**SUBJECT:** Review, discuss, and possibly approve the IVGID Tennis Center Preliminary Schematic Design

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

**DATE:** June 6, 2019

---

### **I. RECOMMENDATION**

That the Board of Trustees makes a motion to approve the IVGID Tennis Center Preliminary Schematic Design and direct Staff to prepare final design documents.

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

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

- The District will conduct planning and design, in advance of undertaking projects or procurement to ensure new District assets meet operational requirements and enhance the customer experience.

### **III. BACKGROUND**

As a component of the District's Fiscal Year 2015/2016 Capital Improvement Budget, the Board of Trustees approved a project to complete an assessment of the existing conditions and operations at the Tennis Center, meet with Tennis Center staff and users, and develop a facility master plan to guide future capital and operational enhancements and investments. In early 2015, under District General Manager's authority, a professional services contract to complete this work was awarded to Lloyd Civil & Sports Engineering. Lloyd, who operates an

Incline Village office, is a nationally recognized full service sports consultant that specializes in the planning and design of new and renovated sports facilities.

Over the course of the summer and fall of 2015, Lloyd and District Staff conducted a comprehensive condition assessment of the Tennis Center facilities; completed regional comparisons with equivalently sized facilities; conducted user and Staff interviews; hosted two Tennis Center open houses that included open discussions and surveys to assess facility strengths and needs; and completed court usage and financial analysis.

On August 24, 2016, the Board of Trustees made a motion to approve the IVGID Tennis Center Facilities Assessment and Master Plan which was unanimously passed.

Key recommendations of the Plan included:

- 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
- Embrace and formalize Pickleball\*
  - \*Expand schedule opportunities for Pickleball
  - \*\*Establish equitable Pickleball fees to match increased court dedication/allocation
  - \*Conduct a two year test by converting one existing tennis court to dedicated full-time Pickleball
  - \*Track and monitor Pickleball utilization in upcoming seasons to determine permanent Pickleball investments
- \*Continue funding of on-going capital maintenance and repair cycles
  - \*Continue successful and timely facility and court playing surface maintenance projects
  - Begin planning for court reconstruction as courts approach end of 40-year design life (5-7 years away)
  - \*Address court drainage in concert with court reconstructions or major resurfacings

- Fine tune operations
  - Invest in automated scheduling and player match software
  - Capitalize on afternoon court availability
  - \*Simplify and clarify membership levels
- Evaluate adjustments to programs and services
  - \*Maintain Pro training and lessons
  - \*Consider part-time Pickleball Assistant Pro
  - \*Continue to build youth programs
- Restructure pro-shop retail operations
  - \*Reduce retail apparel elements
  - \*Retain racquet restringing as a valuable service to members
  - \*Experiment with product mix (food, beverage, sundries, logo apparel, balls, and rental gear) to target the retail customers:
  - \* ***Completed or In Motion***

Since the approval of the Plan, Staff has implementing many of the recommended operational improvements.

In addition, Staff hired BJK Architecture & Engineering to create a schematic design for the recommended physical improvements to the Tennis Center.

#### **IV. CURRENT SITUATION**

A final revised schematic plan is attached for your review. The facility is nearly 40 years old and in need of significant rehabilitation. The District has done an outstanding job of maintaining the tennis courts. In spring of 2018, to keep pace with growing demand, court 11 was converted into 4 true Pickleball courts. However, the building and deck infrastructure is aging and needs to be addressed.

Key improvements include updated bathrooms to meet current code requirements, as well as aesthetic and functional upgrades. A new kitchen area, new and expanded decking with shade structure, major circulation improvements throughout the Tennis Center including improved ADA access. The project scope includes 2 Bocce Ball courts to be placed where the existing hitting wall is located. Bocce Ball has been identified as an activity that is desired by many in the community throughout the community services master planning process.

The estimated cost for the update to the facility, including all contingencies and staff costs is approximately \$1.285 million.

**IV. FINANCIAL IMPACT AND BUDGET**

The recently approved 2019-20 District Capital Budget includes \$1,285,000 for the execution of the proposed project. An updated project summary is attached.

**V. ALTERNATIVES**

Reject the design. Direct Staff to adjust the scope of the proposed improvements.

**VI. BUSINESS IMPACT**

This item is not a “rule” within the meaning of NRS Chapter 237 and does not require a Business Impact Statement.



# Tennis Center Renovation Project



Indra Winquest  
Director of Parks & Recreation



One District ~ One Team



## **RECOMMENDATION**

That the Board of Trustees makes a motion to approve the IVGID Tennis Center Preliminary Schematic Design and direct Staff to solicit proposals from qualified architects to prepare final design documents.



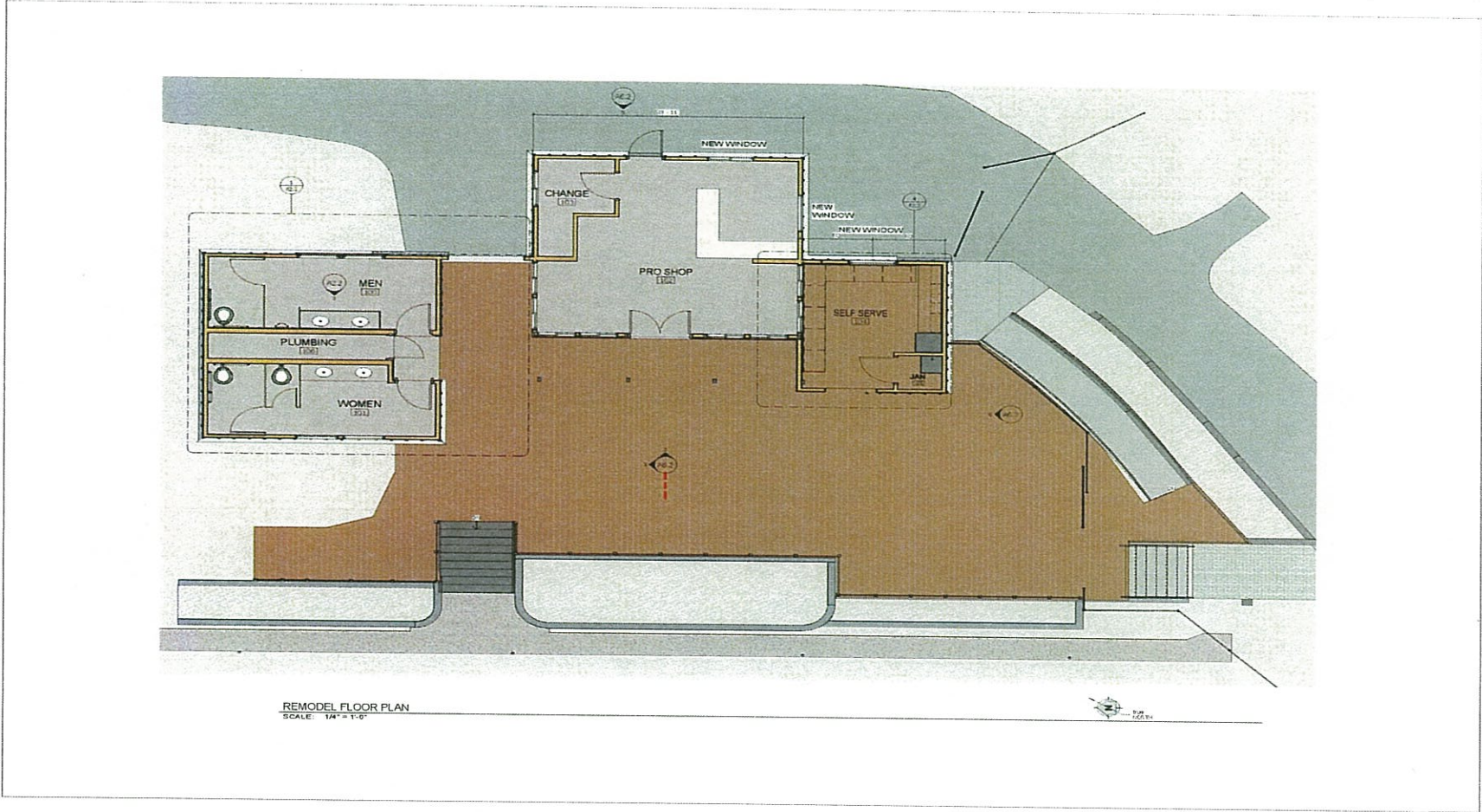


## History & Overview

- Spring 2015 – Lloyd Engineering Civil & Sports Engineering hired for Tennis Center Facilities Assessment and Feasibility study.
- August 24, 2016 BOT Approves the Tennis Center Facilities Assessment and Master Plan.



12/22/2016 4:41:10 PM C:\Users\Bjg\Documents\2016\16-157\20160814\20161229\1570814\20161229\1570814.dwg



410 S. W. 20th St.  
P.O. Box 1000  
Tomball, TX 77375  
281.291.1000

ARCHITECT  
Submittal Design

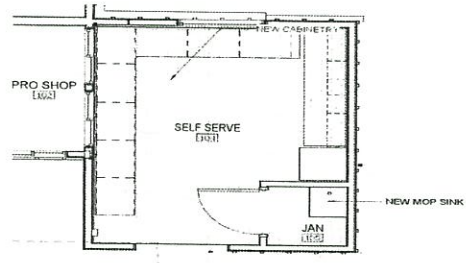
### IVGID TENNIS PRO SHOP REMODEL

564 Indus Way  
IRVING, TEXAS 75038

PROJECT INFORMATION

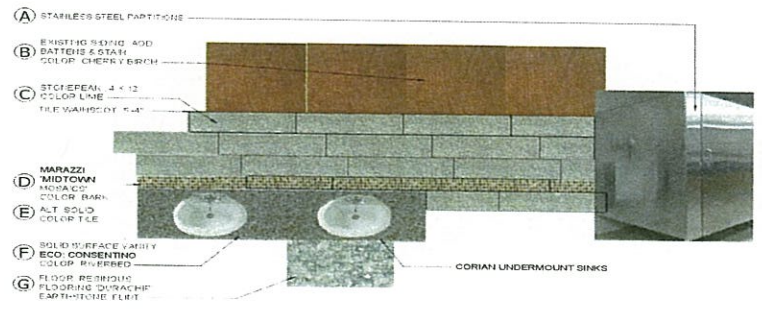
PROJECT NO.	20160814
DATE	12/22/2016

## A2.1

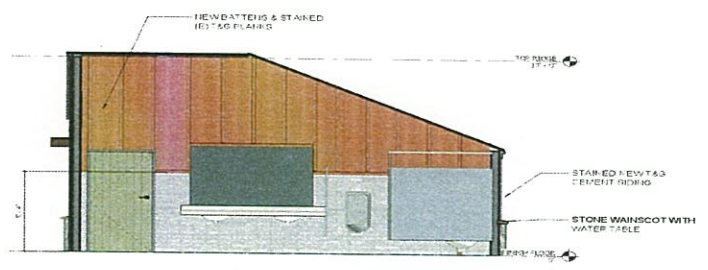


REMODEL FLOOR PLAN - Callout 1  
SCALE: 3/8" = 1'-0"

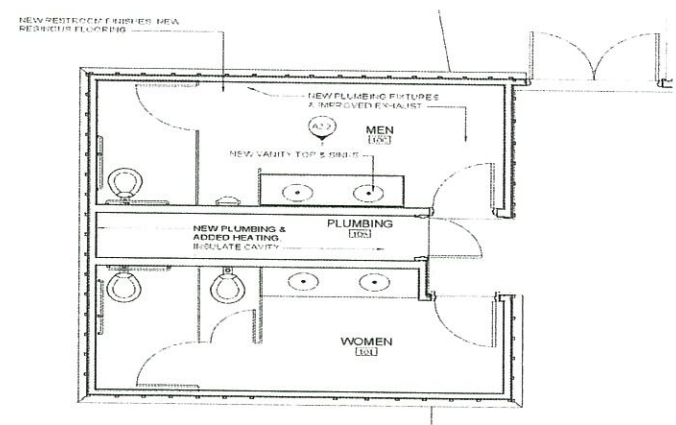
### TENNIS CENTER RESTROOM INTERIOR FINISHES



RESTROOM PROPOSED FINISHES  
1/2" = 1'-0" SCALE



MEN - WEST ELEV.  
SCALE: 3/8" = 1'-0"



REMODEL FLOOR PLAN - RESTROOMS  
SCALE: 3/8" = 1'-0"

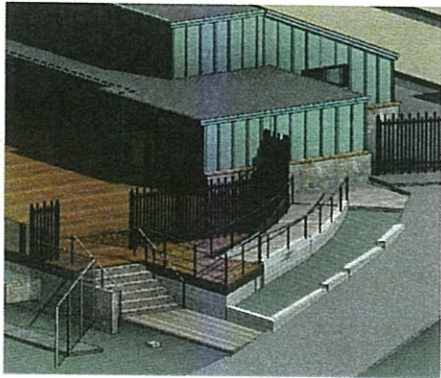


PROJECT: Schematic Design

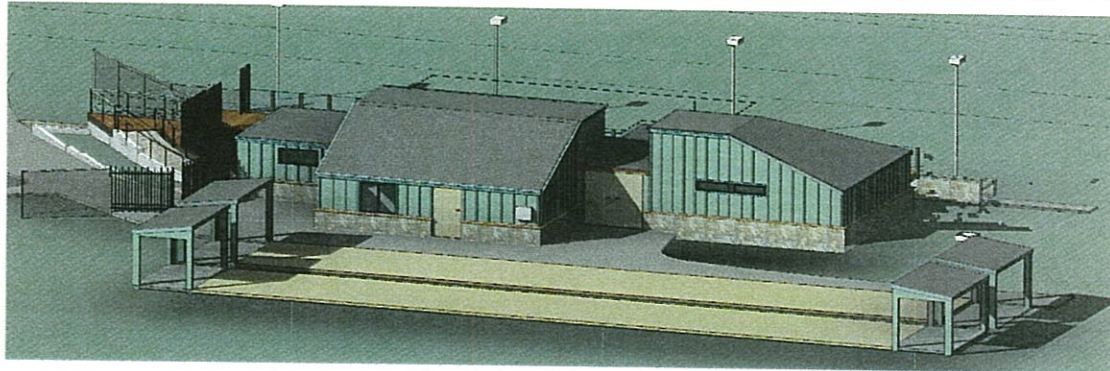
IVGID TENNIS PRO SHOP REMODEL

PROJECT INFORMATION  
PROJECT NO: 2013001  
DATE: 01/15/2013  
SCALE: 1/8" = 1'-0"

A2.2



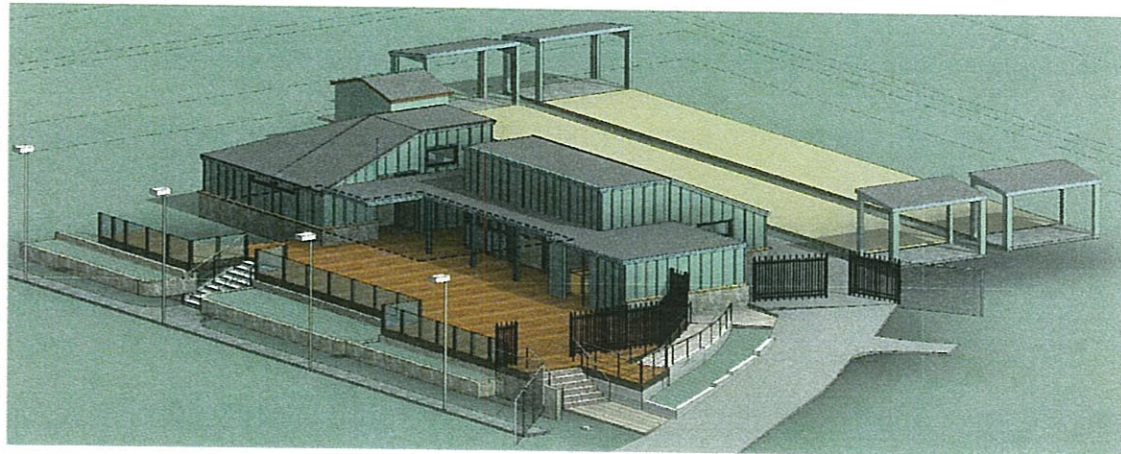
MAIN ENTRANCE STAIR & ACCESSIBLE RAMP  
NOT TO SCALE



BIRDS EYE TOWARDS BOCCIE BALLCOURTS  
NOT TO SCALE



BOCCIE BALL CANOPY SHELTER  
NOT TO SCALE



BIRDS EYE FROM PROPOSED ENTRY  
NOT TO SCALE



445 S. W. 10th St.  
Fort Lauderdale, FL 33304  
(754) 577-8100  
www.bjc.com

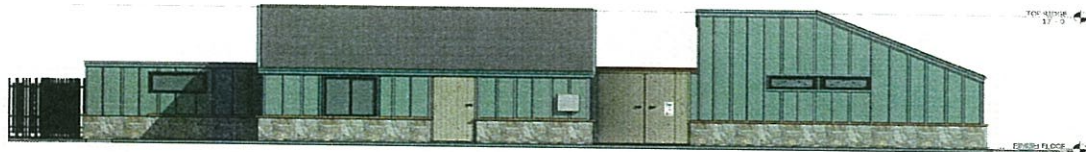
Schematic Design

IVGID TENNIS PRO SHOP REMODEL  
354 Inshore Way  
INCLINE VILLAGE, NV 89451

PROJECT INFORMATION

PROJECT NO.	2014-0010
DATE	07/24/14
PROJECT	IVGID TENNIS PRO SHOP REMODEL

A6.1



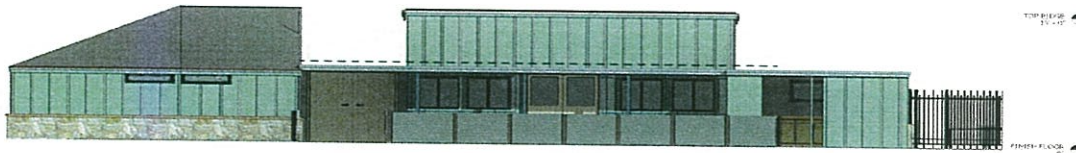
**EAST ELEVATION**  
SCALE: 1/4" = 1'-0"



**STONE WAINSCOT OVER 4" CMU**  
SCALE: 1/4" = 1'-0"



**CONCRETE BOARD & BATTEN SIDING**  
SCALE: 1/4" = 1'-0"



**WEST ELEVATION**  
SCALE: 1/4" = 1'-0"



**TUBE STEEL FENCING**  
SCALE: 1/2" = 1'-0"



**SOUTH ELEVATION @ RESTROOMS**  
SCALE: 1/4" = 1'-0"

**SOUTH ELEVATION**  
SCALE: 1/4" = 1'-0"

**NORTH ELEVATION**  
SCALE: 1/4" = 1'-0"



DESIGNED BY  
**Schmitt Design**

**VGID TENNIS PRO SHOP REMODEL**

594 Indian Way  
INCURIE VILLAGE, OH 43021

**PROJECT INFORMATION:**

PROJECT NO.	180754
DATE	07/20/18
1/2" = 1'-0"	

**A6.2**



## RECOMMENDATION

That the Board of Trustees makes a motion to approve the IVGID Tennis Center Preliminary Schematic Design and direct Staff to solicit proposals from qualified architects to prepare final design documents.

## MEMORANDUM

**TO:** Board of Trustees

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

**FROM:** Indra Winqest  
Director of Parks & Recreation

**SUBJECT:** Review, discuss, and possibly provide input to the preview of July 24, 2019 Community Forum – Topic is Ordinance 7 “An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District”

**STRATEGIC PLAN:** Long Range Principle 4 – Service  
Long Range Principal 5 – Assets and Infrastructure  
Long Range Principal 6 – Communication

**DATE:** June 10, 2019

---

### **I. RECOMMENDATIONS**

That the Board of Trustees review, discuss and approve an agenda for the Beach Ordinance Community Workshop on July 24, 2019.

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

Long Range Principle 4 – Service  
Long Range Principal 5 – Assets and Infrastructure  
Long Range Principal 6 – Communication

### **III. BACKGROUND**

At the March 28, 2019 Board of Trustees workshop, the Board of Trustees undertook a conversation about Ordinance 7. There was additional Board discussion regarding Ordinance 7 at the April 10, 2018 and May 1, 2019 Board of Trustee meetings.



Review, discuss, and possibly provide input to the preview of July 24, 2019 Community Forum – Topic is Ordinance 7 “An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District”

-2-

June 10, 2019

The Trustee’s prioritized the following issues as future discussion items for the possible modification of Ordinance 7:

- No longer combine beach policies and regulations with other recreational policies and regulations;
- Remove sections which are outdated or are purely administrative in nature;
- Review punch card policies;
- Review guest access policies and procedures;
- Review the current family tree for possible modifications.

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

This would be the second public meeting regarding the beaches in the past 12 months. A very well attended “Beaches 101” public meeting was held on July 11, 2018. A recording of the meeting along with the supporting materials is available on the District’s website.

The proposed July 24, 2019 meeting would include a review of the information provided last summer, discussion of possible next steps for modifications to the Ordinance, along with additional time set aside for public feedback which Staff anticipates to be small, break out groups.

Staff is confident that this format will provide an efficient and beneficial opportunity for members of the community to understand the past, present, and future of the beach properties through an educational and interactive process.

#### **IV. FINANCIAL IMPACT AND BUDGET**

None at this time.

#### **V. ALTERNATIVES**

Approve the structure and process for the Ordinance 7 Community Workshop with required revisions.

Review, discuss, and possibly provide input to the preview of July 24, 2019 Community Forum – Topic is Ordinance 7 “An Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District”


-3-

June 10, 2019

## **VI. COMMENTS**

Providing education and the history is crucial as we begin evaluating potential changes and updates to Ordinance 7. Additionally, community engagement and feedback will be an extremely important aspect of the community workshop. This information will aid in confirming and providing a roadmap for next steps and potential action items related to Ordinance 7 and policies and operations related to the ordinance.

Lastly, on July 17, the Board of Trustees will have its final opportunity to provide Staff with input on this community forum before it is held on July 24, 2019 at 6 p.m. at the Chateau.



# Ordinance 7 Workshop

## July 24, 2019



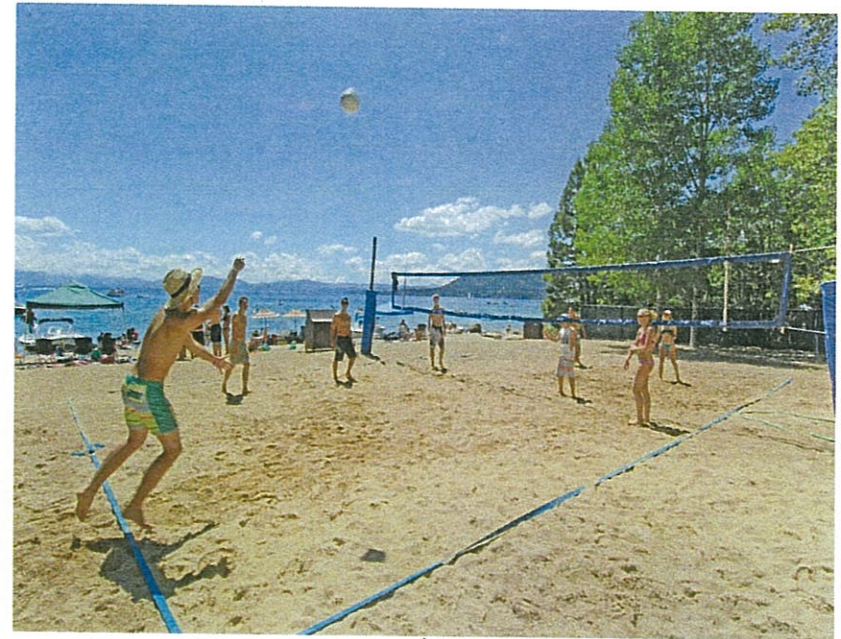
**Director of Parks & Recreation - Indra Winquest**



One District ~ One Team

## HISTORY

- June 1, 1961 – IVGID created by Washoe County
- November 15, 1965 – Washoe County's Ordinance 97 was passed to add recreation powers
- May 30, 1968 – Existing parcels annexed
- April 25, 1995 – Crystal Bay GID merger; 165 parcels; reason – Federal surface water treatment rule



One District ~ One Team



## Governance & Policies

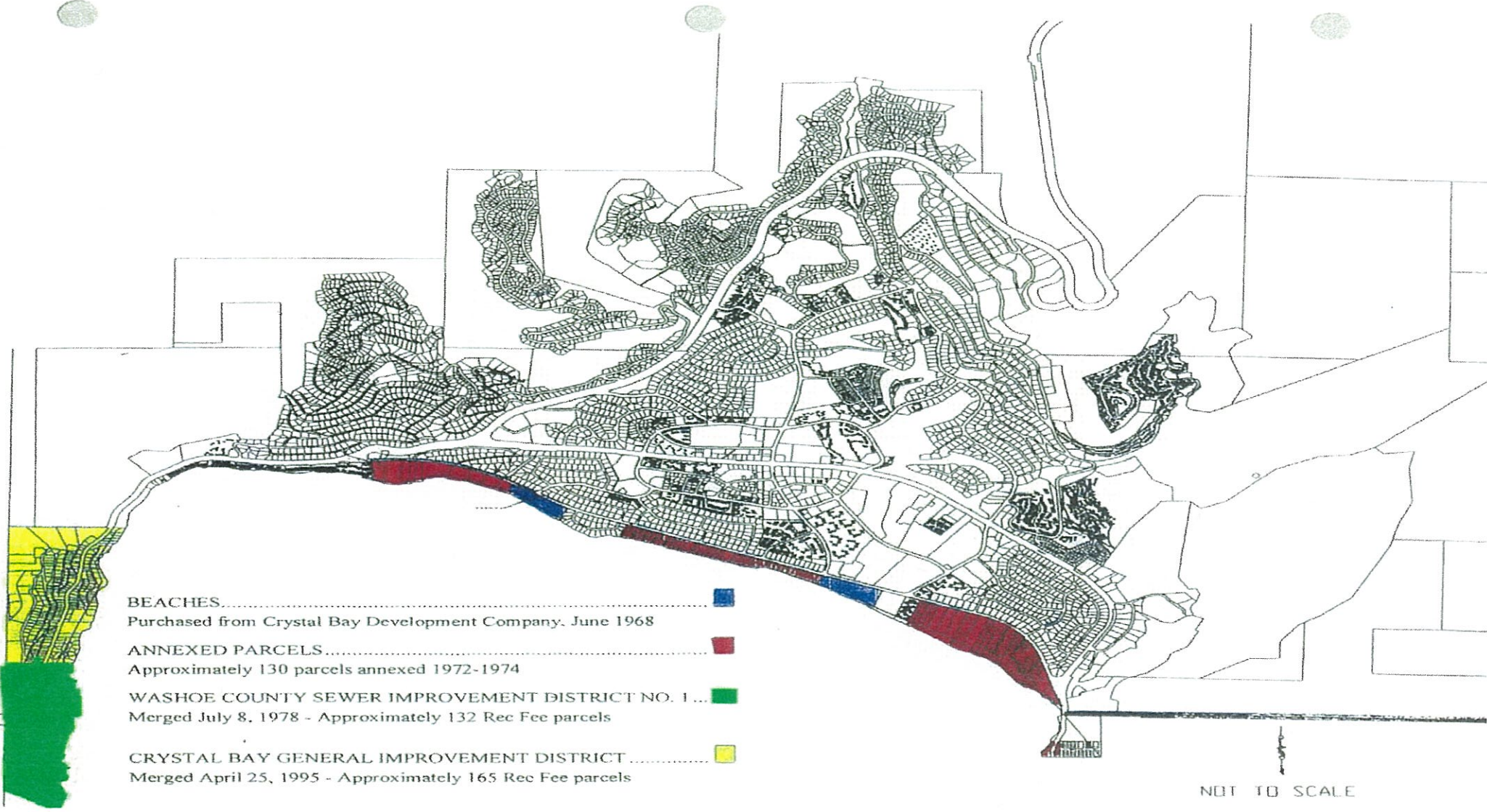
### Beach Deed

- November 15, 1965 – Washoe County Commissioners amended Ordinance 97 (the 1961 ordinance creating IVGID) adding recreation powers including regulation and policy.
- June 4, 1968 – Beach Properties Acquired
- Restrictive Covenants

*“It is hereby covenanted that the real property above described, and any and all improvements now or hereafter located thereon, shall be held, maintained, and used by grantee, its successors, only for the purposes of recreation by, and for the benefit of, property owners and their tenants (specifically including occupants of motels and hotels) within the Incline Village General Improvement District as now constituted, and, as the board of trustees said District may determine, the guests of such property owners, and for such other purposes as herein expressed authorized”.*




One District ~ One Team



- BEACHES ..... ■
- Purchased from Crystal Bay Development Company. June 1968
- ANNEXED PARCELS ..... ■
- Approximately 130 parcels annexed 1972-1974
- WASHOE COUNTY SEWER IMPROVEMENT DISTRICT NO. 1 ... ■
- Merged July 8, 1978 - Approximately 132 Rec Fee parcels
- CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT ..... ■
- Merged April 25, 1995 - Approximately 165 Rec Fee parcels

NOT TO SCALE



**IVGID Ordinance 7** - The purpose of the ordinance was to establish rates, rules, regulations, for recreation punch cards and picture passes. The Passes and Cards issued according to Ordinance 7 and assigned to parcels with those fees kept current provide bearers with access and other recreation privileges. Those parcels with annual fees not current are subject to recreation privileges being revoked.

## IVGID Ordinance 7

- November 21, 1987 – Ordinance adopted
- June 13, 1991 – Amended
- November 17, 1993 – Amended
- May 8 & June 12, 1995 – Amended
- March 25, 1998 – Amended
- 2007/2008 - Board appointed working group – *following a Board presentation on June 11, 2014, no amendment to the Ordinance was made at this time.*
- 2013/2014 - Community and IVGID Board Discussion - *no amendment to the Ordinance was made at this time.*
- 2018-19 – Board of Trustees Identifies Ordinance 7 as a key element and priority in the Board work plan.

## IVGID Governance & Policies



One District ~ One Team



## Beach Privileges/Access under IVGID Ordinance 7

- Picture Pass Holder
- Recreation Punch Card
- Daily Guest Fees
- Guest Access Ticket
- Hyatt Guests
- Timeshares
- Boat Ramp Privileges

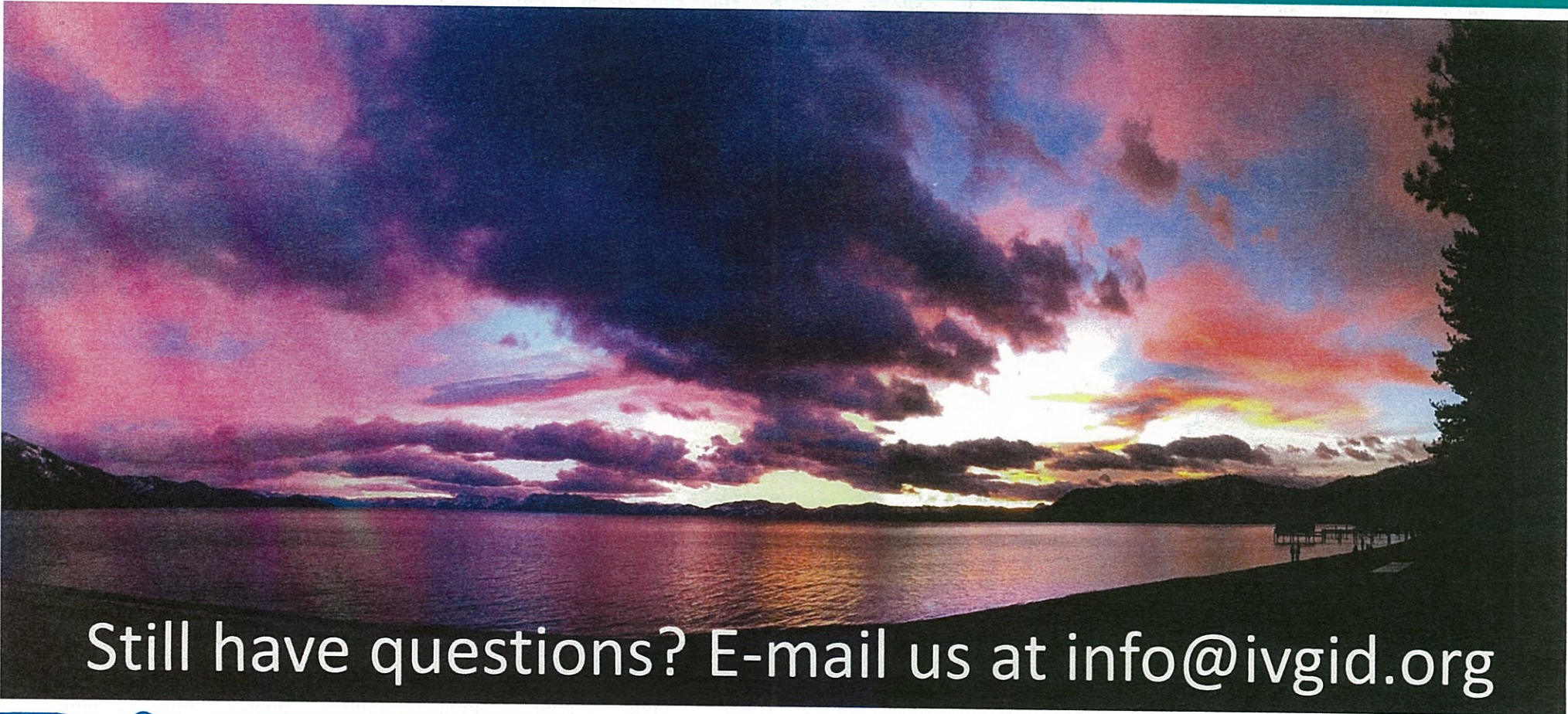


One District ~ One Team



## Recommended Next Steps

- 1) Separation of Ordinance 7 – IVGID Code *(Fall 2019)*
  - Beaches
  - Other Recreation
- 2) Administrative changes and updates *(Winter 2019-20)*
  - minimal or zero impact to Recreation Privileges
- 3) Community engagement & possible changes *(Spring/Summer 2020)*
  - Recreation Privileges
  - Beach Access
  - Recreation Punch Cards
  - Supporting Policies, Procedures, and Definitions



Still have questions? E-mail us at [info@ivgid.org](mailto:info@ivgid.org)



One District ~ One Team

## MEMORANDUM

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

**FROM:** General Manager's Subcommittee on Solid Waste Services  
Members: Board of Trustees Vice Chairman Phil Horan, IVGID Staff Members, Director of Public Works Joe Pomroy, Public Works Administrative Manager Samantha Kurashewich, and Resource Conservationist Madonna Dunbar

**SUBJECT:** Review, discuss, and possibly authorize Staff to execute amendments to the Second Amended and Restated Franchise Agreement to Provide Solid Waste and Recyclables Collection Services; Incline Village General Improvement District and Reno Disposal Co., dba Incline Sanitation Co. based on a review by Staff and General Counsel

**STRATEGIC PLAN:** Long Range Principle #1, Resources and Environment and Long Range Principle #4, Service

**DATE:** June 7, 2019

---

### **I. RECOMMENDATION**

That the Board of Trustees makes a motion to:

1. Authorize Staff to execute amendments to the Second Amended and Restated Franchise Agreement to Provide Solid Waste and Recyclables Collection Services; Incline Village General Improvement District and Reno Disposal Co., dba Incline Sanitation Co. based on a review by Staff and General Counsel to include the following items:
  - a. Enhanced Wildlife Resistant Cart shall be Kodiak brand or District approved equal beginning July 1, 2019.
  - b. Collector will commit to conversion of all chain lock style dumpsters to the locking bar mechanism by July 1, 2020.
  - c. Enhanced Wildlife Resistant bin shall be District approved 4-yard size with corresponding schedule of rates change beginning July 1, 2019.

## **II. DISTRICT STRATEGIC PLAN**

Solid Waste Services are part of Long Range Principle #1, Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy and Long Range Principle #4, Service; The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

## **III. BACKGROUND**

The General Manager's Subcommittee on Solid Waste Services has met regularly since the Board approved the new Solid Waste Franchise Agreement in 2016. The subcommittee routinely reviews service, equipment, performance and has recommended solid waste enforcement standards. Routine updates have been provided to the Board of Trustees.

The subcommittee has recently been working on equipment options to improve customer satisfaction and add community value. The primary issues have been:

- Excessive failure of residential Bear Saver wildlife resistant refuse carts.
- Difficulty using existing wildlife resistant bins.
- Low customer satisfaction with enhanced wildlife resistant (Parks Style) bins.

The subcommittee worked with Waste Management staff on these issues and a proposal was brought forth from Waste Management to resolve this. This would require an amendment to the Franchise Agreement that would be executed by Staff with Board Approval authorizing the following changes. The specific language would be finalized and completed by Staff based on the following key points:

- The Enhanced Wildlife Resistant Cart shall be District approved Kodiak Model KP65-HDRK (65 gallon) or Kodiak KP95-HDRK (95 gallon) or District approved equal.
- Collector will commit to conversion of all chain lock style dumpsters to the locking bar mechanism by July 1, 2020.
- The Enhanced Wildlife Resistant Bin shall be District approved 4-yard Enhanced Wildlife Resistant Bin that meet's District specifications and can be serviced by Collector's trucks. Rate schedule will be adjusted for the higher purchase cost and maintenance cost for these bins. The 3-yard and

6-yard Enhanced Wildlife Resistant Bin will be removed from the schedule of rates and will no longer be available. Any customers with existing bins will be serviced with their existing bin until bin failure requires changing to a service on the current Schedule of Rates.

## **V. FINANCIAL IMPACT AND BUDGET**

The 65 and 95 gallon enhanced wildlife resistant cart will have the same rates as stated in the current schedule of rates.

The 3-yard, 4-yard and 6-yard Enhanced Wildlife Resistant Bin will be removed from the schedule of rates.

An updated rate for the 4-yard Enhanced Wildlife Resistant Bin will be developed based on purchase cost and maintenance cost and added to the rate schedule. The rate is treated as a monthly add on to the standard 4-yard bin rate.

## **V. ALTERNATIVES**

Make no changes to the existing Franchise Agreement.

## **VI. COMMENTS**

None.

## **VII. BUSINESS IMPACT**

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



**GM Solid Waste Committee  
Proposed Refuse  
Service Type Changes  
June 19, 2019  
Director of Public Works  
Joe Pomroy**

# GM Solid Waste Committee

- Review of Issues with current Residential Wildlife Resistant Cart Service
- Review of Issues with current Commercial Wildlife Resistant Bin Service
- Review of Issues with current Commercial Park Style Bin Service



## Residential Wildlife Resistant Cart Service

- Bear Saver Cart experiencing high failure rate, standard cart with add-on latch
- Kodiak Cart is purpose built for wildlife resistance, 5-yr warranty, easier to use
- Wildlife Resistant carts will be swapped out from Bear Saver to Kodiak cart as equipment fails.

# Residential Wildlife Resistant Cart Service

## Previous Model



## New Model



# Commercial Wildlife Resistant Bin Service

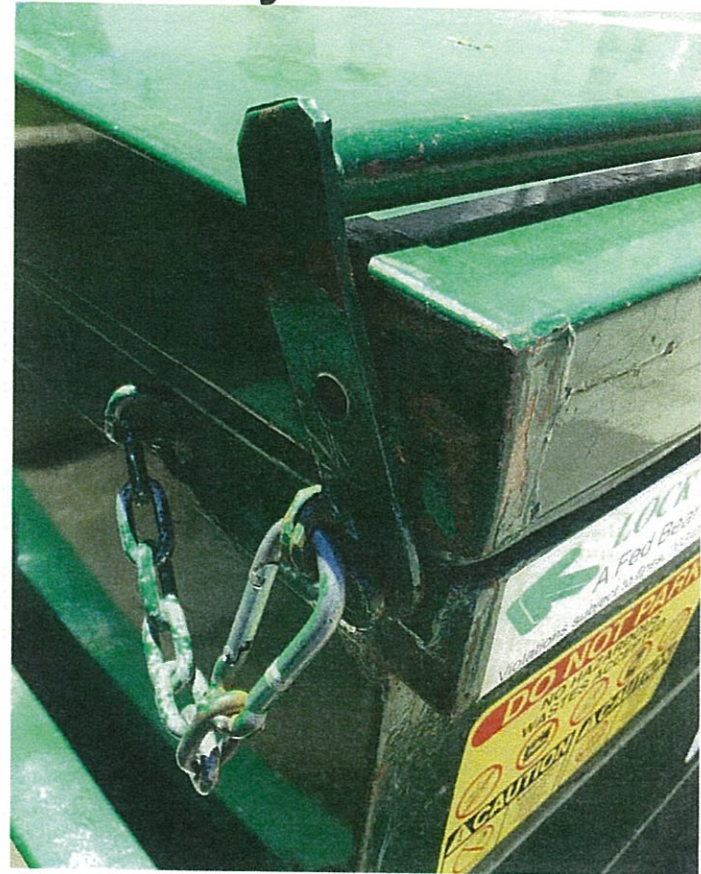
- All bins are already wildlife resistant for 3, 4 and 6 yard service
- Convert all remaining bins from a chain lock style to a locking bar style by July 1, 2020.
- Standardize with more user friendly style equipment.

# Commercial Wildlife Resistant Bin Service

## Chain Style



## Bar Style



# Commercial Park Style Bin Service

- Primarily used for Multi-Family.
- Experiencing high failure rate on product currently in use for this type of service.
- 12 to 24 month lead times for ordering.
- District to select Park Bin that is easier to use.
- Why no 6 yd – too tall, too heavy
- Why no 3 yd – Zero in service

# Commercial Park Style Bin Service

## Current Models



# Commercial Park Style Bin Service

Example of Models Under Consideration



# Summary

- In looking at the current service issues for customers and equipment failures for the collector we feel these equipment improvements will result in improved customer satisfaction and enhanced wildlife protection.
- Good for the Community!



**SECOND AMENDED AND RESTATED FRANCHISE AGREEMENT  
TO PROVIDE SOLID WASTE AND RECYCLABLES COLLECTION SERVICES  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT**

**AND**

**RENO DISPOSAL CO., dba INCLINE SANITATION CO.**

This SECOND AMENDED AND RESTATED FRANCHISE AGREEMENT ("Franchise") is made and entered into between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, a general improvement district organized and existing under and by virtue of the laws of the state of Nevada, hereinafter referred to as "District"; and, RENO DISPOSAL CO., a Nevada corporation, doing business as Incline Sanitation Co., hereinafter referred to as "Collector." The parties shall be collectively referred to herein as the "Parties" and individually as a "Party", unless specifically identified otherwise. This Franchise shall be effective upon the "Effective Date", as defined below.

**RECITALS**

**WHEREAS**, District awarded Independent Sanitation Company an exclusive franchise for the operation of a solid waste collection and disposal service for all the areas within the District, entitled "*Solid Waste and Recycling Franchise Agreement Incline Village General Improvement District and Independent Sanitation, aka Waste Management,*" dated March 29, 2007 (the "Original Franchise");

**WHEREAS**, Independent Sanitation Company was thereafter merged into Reno Disposal Co., a Nevada corporation doing business as Incline Sanitation Co., and was dissolved on December 21, 2007;

**WHEREAS**, on May 28, 2008, the District and Collector entered into the "*Amended Solid Waste and Recycling Franchise Agreement Incline Village General Improvement District and Reno Disposal Co. dba Incline Sanitation Co.*" (the "First Amended Franchise") which amended and restated the Original Franchise; and

**WHEREAS**, the Parties wish to further amend and restate the Original Franchise and First Amendment by executing this Franchise.

**NOW, THEREFORE**, for and in consideration of the covenants and agreements herein contained and for other valuable consideration, the receipt of which is hereby specifically acknowledged. The Parties hereto do hereby agree as follows:

**TERMS AND CONDITIONS**

**1. DEFINITIONS.** For the purpose of this Franchise, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

1.1. "Allowable Expenses" means those expenses incurred by the Collector in the performance of this Franchise, but only to the extent that such expenses are known and measurable, calculated according to Generally Accepted Accounting Principles on an accrual basis, and when applicable, prorated or allocated to the Collector's operations within the District, do not exceed the fair market value of comparable goods or services, and are commercially reasonable and prudently incurred by the Collector solely in the course of performing its

obligations under the Franchise. Allowable Expenses shall not include any fines or penalties imposed by any court or regulatory agency for or related to Collector's operations under this Franchise.

1.2. "Bear Shed" means any wildlife-resistant enclosure that is constructed of metal or wood, has a secure door for access, is affixed to the ground, and is resistant to wildlife, including bears.

1.3. "Bin" means a receptacle for Solid Waste or other materials provided by the Collector, having a capacity of three (3), four (4), or six (6) cubic yards and that has a tight-fitting, attached metal lid which can be locked, and is designed to be dumped mechanically into a front-loading or rear-loading collection vehicle.

1.4. "Bulky Waste" means large items of Solid Waste such as appliances, furniture, large auto parts, trees or branches (more than 2" in diameter), stumps and other oversize wastes whose large size precludes or complicates handling by normal collection, processing or disposal methods.

1.5. "Cart" means an industry standard, wheeled Container of approximate thirty-two (32), sixty-four (64), or ninety-six (96) gallon capacity provided by Collector to Customers for Collection of Solid Waste or Recyclables.

1.6. "C&D Waste" means the waste building materials, packaging, and rubble resulting from construction, remodeling, repair, and demolition operations on pavements, houses, commercial buildings, and other structures. Such wastes include, but are not limited to, bricks, concrete, other masonry materials, soil, rock, lumber, road spoils, rebar, paving materials, and tree stumps.

1.7. "Collector" means the Reno Disposal Co., doing business as Incline Sanitation Co., and its successors and assigns.

1.8. "Commercial" means all non-Residential facilities, businesses, institutions, governmental agencies, and similar facilities, including, but not limited to, offices, factories, retail or wholesale stores, warehouses, industrial facilities, schools, hotels, motels, and public accommodation facilities.

1.9. "Compactor," means any Bin or other Container incorporating a built-in mechanism to reduce waste volume by crushing action or other compacting method.

1.10. "Container" or "Containers" means Carts, Bins, Compactors, and Drop Boxes or other containers provided by Collector for use to provide the Services.

1.11. "Customers" means Residential or Commercial Customers receiving Services within the Franchise Area.

1.12. "District" means the Incline Village General Improvement District, its Board of Trustees, officials, commissions, agents, and employees unless otherwise specifically designated.

1.13. "Drop Box" means an industry standard receptacle for Solid Waste or other material provided by the Collector, generally having a capacity equal to or greater than fourteen (14) cubic yards.

1.14. "Enhanced Wildlife Resistant Cart" means a wheeled Container of approximate sixty-four (64), or ninety-six (96) gallon capacity that has been reinforced with steel and equipped with a locking mechanism that prevent access to the Containers by wildlife.

1.15. "Enhanced Wildlife Resistant Bin" means that the various types of Bins have been reinforced with higher grade steel, self-closing lids and locking mechanisms that prevent access to the Containers by wildlife.

1.16. "Effective Date" is defined in Section 3 below.

1.17. "Excluded Solid Waste" means the following materials, provided, however, that the District and the Collector may in the future agree in writing to include any of the following materials as Solid Wastes subject to this Franchise:

- Hazardous Waste, as defined herein;
- C&D Waste, as defined herein;
- Bulky Waste;
- Animal manures, dead animals, and animal remains, including remains from slaughterhouses or butcher shops;
- Grease waste or used cooking oil;
- Sewage sludge, septic tank and cesspool pumpings, or other sludge;
- Biohazardous waste as defined in the Washoe County Board of Health Regulation § 010.068, except for Home-Generated Sharps Waste as defined herein and which are included as Solid Waste within the Franchise;
- Industrial process wastes and industrial wastewater sludge;
- Treated/de-characterized wastes;
- Antifreeze;
- Asbestos and asbestos-containing waste;
- Light ballasts;
- Petroleum contaminated soils;
- Universal wastes as defined in 40 CFR § 273.9, including batteries, pesticides, mercury-containing equipment, and universal waste lamps as defined therein;
- Other wastes which require specialized disposal or treatment under state or federal law;
- Other wastes that the Parties agree to in writing to be excluded from this Franchise.

1.18. "Franchise Area" means: (i) the entire territory included within the Incline Village General Improvement District limits as of the Effective Date; and (ii) such additional area as

may thereafter become included within the District limits from time to time due to annexation, incorporation, or other means.

1.19. "Gross Receipts" means all revenues received, including all money, cash, receipts, property or other thing of value collected by Collector from Customers, for the Services described on Exhibit A. "Gross Receipts" shall not include revenues generated from the sale of Recyclables or any rebates for Recyclables received from any source.

1.20. "Hazardous Waste" means wastes that are defined as hazardous wastes or any other radioactive, volatile, corrosive, flammable, explosive, biohazardous, or toxic waste, substance or material, as defined by or listed or characterized under applicable federal, state, or local laws or regulations, including, but not limited to the Washoe County Board of Health Regulations § 010.324; NRS 459.400 to 459.600, inclusive; the federal Resource Conservation & Recovery Act, 42 U.S.C. §§ 6901 *et seq.*, the Toxic Substances Control Act, 15 U.S.C. §§ 2601 *et seq.*; and the Hazardous Materials Transportation Act, 49 U.S.C. §§ 6901 *et seq.*

1.21. "Home-Generated Sharps Waste" means Sharps, as defined in Washoe County Board of Health Regulation § 010.652, which are generated from private residences and handled in accordance with applicable law.

1.22. "Multi-Family Residential" means all multiple dwelling buildings including, but not limited to, duplexes, apartments, condominiums, cooperatives, mobile homes and trailer parks, and any other buildings or business containing multiple dwelling units, which building is not a Single Family Residential dwelling.

1.23. "Net Income" is defined as Gross Receipts minus Allowable Expenses (including taxes).

1.24. "Recyclables" means those recyclable materials that are specifically listed in Exhibit C attached hereto. Upon agreement of the Parties, the District may update or modify the list of Recyclables if viable markets are available for recycling and selling the material. Moreover, District may direct Collector to add items to the list of Recyclables to comply with applicable law.

1.25. "Residential" means the regular residential dwelling units of individuals and/or families, whether owned, rented, or leased, including, but not limited to single-family homes, multiple-family dwellings, mobile homes, apartment complexes, condominiums, or similar dwelling places, but excluding hotels, motels, campgrounds, and similar temporary premises.

1.26. "Return on Revenue" means the ratio of Net Income to Gross Receipts. For purposes of this Franchise, the "Rate of Return" is nine percent (9%).

1.27. "Single-Family Residential" means a Residential dwelling unit consisting of a single-family home.

1.28. "Solid Waste" means solid waste as defined in NRS 444.490. Notwithstanding the definition of "solid waste" in NRS 444.490, the definition of Solid Waste for purposes of this Franchise does not include those materials specifically identified herein as "Excluded Solid Waste", unless the Parties subsequently agree in writing to include such materials within the definition of Solid Waste for purposes of this Franchise. In addition, Solid Waste does not include Recyclables.

1.29. "Source Separated Recyclables" means Recyclables that have been segregated from other Solid Wastes at the point of generation and placed into designated individual Containers.

1.30. "Yard Debris" means material generated from plants, including branches or small trees (2" or less in diameter), bushes, pine needles, and grass clippings or similar material on Residential or Commercial premises, excepting Bulky Waste.

## **2. GRANT OF EXCLUSIVE FRANCHISE; MANDATORY SERVICE; EXCEPTIONS.**

2.1. Grant of Exclusive Franchise. Subject to the terms of this Franchise, the District does hereby grant to Collector, and Collector does hereby accept, the exclusive duty, right and privilege of collecting, removing, transporting, and disposing or otherwise handling all Recyclables and Solid Waste generated, deposited and accumulated within the Franchise Area. This Franchise is exclusive in nature, and, except as provided in Section 2.3 no other person shall collect or transport any Solid Waste or Recyclables generated, deposited, accumulated or otherwise coming to exist in the Franchise Area during the term of this Franchise, or during any extension or renewal thereof, except as specifically provided herein.

2.2. Mandatory Service. Pursuant to Section 3.1 of District Ordinance No. 1, as hereinafter amended, the District requires that Solid Waste collection is mandatory for Residential and Commercial Customers in the Franchise Area, and all such Customers shall subscribe to and use the Collector's collection service, except as otherwise provided in District Ordinance No. 1 or Section 2.3. The obligation to subscribe to and use the Collector's collection service shall arise whenever there is an accumulation of Solid Waste on any Residential or Commercial premises, regardless of the amount of such accumulation. Collector shall comply with such procedures as may be specified in District Ordinances for discontinuance of service for all Customers.

2.3. Exemptions from Franchise. Notwithstanding the exclusivity of this Franchise granted in Section 2.1 above, nothing in this Franchise shall prohibit other persons from collecting or transporting the following materials:

- (a) C&D Waste;
- (b) Excluded Solid Waste;
- (c) Yard Debris removed from any premises by a gardening, landscaping or tree trimming company using its own equipment and employees as an incidental part of a total service offered by the company, as opposed to a hauling service;
- (d) Solid Waste which is removed from any premises and personally transported by the person who generated the Solid Waste, provided that the Solid Waste being hauled is contained or covered to prevent spillage onto streets or highways. This exemption applies only to the occasional cleanup of the premises and shall not be a regular occurrence. This exemption does not apply if the person generating the Solid Waste hires any party other than Collector to haul the Solid Waste generated.
- (e) Solid Waste and/or Recyclables generated at the District's own facilities which are collected and transported using the District's own equipment and employees, including the collection, hauling, and disposal of bio-solids and sludge.
- (f) Source-Separated Recyclables that are donated or sold by the generator to youth, civic, charitable, or other nonprofit organizations.

(g) Source-Separated Recyclables which are personally transported by the generator to one of the recycling centers maintained by the Collector or to any third party recycling center;

(h) Source-Separated Recyclables generated by Commercial Customers that are placed in containers, contain at least 90% Recyclables, collected through a private arrangement with the generator, and for which the generator is compensated at market rates, as determined by District, for the Recyclables collected.

2.4. Enforcement of Exclusivity of Franchise. To the extent permitted by law, the District and/or Collector shall prohibit any person from collecting, removing, transporting, disposing, recycling, or otherwise handling of Solid Waste and Recyclables, except as otherwise allowed in Section 2.3, other than by and through the Collector, where such activity is in violation of the terms of this Franchise. In its sole discretion, the District may protect and enforce the exclusive rights of Collector through appropriate ordinances and reasonable enforcement of those ordinances against third party violators. To the extent permitted by law, the Collector shall have a private right of action to independently enforce the terms of such ordinances against any third party, including a claim for injunctive relief.

3. **TERM AND RENEWAL.** The term of this Franchise shall commence on October 1, 2016 (the "Effective Date") and shall continue in full force and effect for a term ending June 30, 2026. This Franchise may, by mutual consent of the Parties hereto expressed in writing, be renewed for an additional five (5) year period from and after the expiration of the term hereof upon the same terms and conditions as set forth herein or as otherwise agreed to by the Parties. This Franchise shall operate on a fiscal year basis so that any reference to annual or year shall mean the District's fiscal year of July 1<sup>st</sup> to June 30<sup>th</sup>.

#### 4. **SERVICES.**

4.1. Basic Services. Collector shall furnish all vehicles, labor, supervision, materials, supplies, equipment, and all other items required to collect, remove, transport, dispose of, recycle, or otherwise handle all Solid Waste and Recyclables generated or accumulated within the Franchise Area, as more fully set forth in Exhibit A attached hereto (collectively the "Services"). Collector shall dispose of Solid Waste at any permitted and licensed site or facility where such disposal is lawful, as mutually agreed to by the Parties. Collector shall deliver the Recyclables to any permitted and licensed site or facility where the processing, recycling, or sale of such materials is lawful. Collector shall comply with all laws and regulations applicable to Collector's operations, including federal, state, and local laws, ordinances, rules and regulations applicable to the location where Solid Waste or Recyclables may be transported, disposed of, or recycled hereunder. Collector shall only collect Solid Waste or Recyclables between the hours of 5:00 am and 5:00 pm for Commercial Customers and 7:00 am and 5:00 pm for Residential Customers unless authorized in writing by District.

4.2. Disruptions in Service. Collector shall use commercially reasonable efforts to provide alternate equipment and/or labor to deal with disruptions in service for mechanical issues and/or labor disruptions. Collector shall notify District of any anticipated delays in the provision of any Services which are anticipated to exceed twenty-four (24) hours, and shall provide District with a written action plan to minimize service disruption. Collector shall provide District with written updates not less frequently than once each calendar day during any disruption, describing the Customers and Services affected by the disruption and providing an

estimated time for resumption of normal Services. In the event that Collector fails to provide alternate equipment and/or labor as required herein for any reason, District shall have the right to do so using emergency procurement provisions and Collector shall bear all costs of District's procurement of alternate equipment and/or labor until Collector resumes normal service.

4.3. Containers. All Containers utilized by Collector for Services shall be industry standard containers. District may require that Recyclable Cart lids be a different color than those utilized for Solid Waste, and all Recyclable Containers shall be clearly identified with appropriate markings and shall identify the materials that qualify as Recyclables. Collector shall not place any Bins, Compactors, or Drop Boxes in the public right-of-way until and unless Collector or the Customer has obtained a permit to do so from District and/or Washoe County or State agencies. Collector shall not place any Container that does not comply with the District's standards for wildlife-resistant Containers, or that does not comply with the District's "screened or enclosed" policy, provided that Collector may place temporary Containers for a period of not more than forty-five (45) days or at a job site for the duration of a construction project.

4.4. Sanitary Operation. Collector shall at all times exercise diligence in the supervision of its personnel and shall cause its employees to take care to deposit all Solid Waste inside collection vehicles, leaving no pieces of Solid Waste upon any street, alley, walkway, or other public place within the District. Any spillage caused by Collector shall be immediately collected by Collector. No single collection vehicle used by Collector shall be older than ten (10) years. Collector's vehicles shall be safe, adequate, clean, well-maintained, reasonably watertight, and constructed in such a manner to be completely covered in order to prevent the sifting, spilling, dripping, or blowing of any contents from the vehicle. Collector shall immediately clean up any spills of Solid Waste or fluids of any kind emanating from its collection vehicles. The exterior of each collection vehicle shall be kept clean. Each of the Collector's collection vehicles shall at all times be equipped with petroleum absorbent materials and a broom and shovel to be used for cleanup activities. The Collector shall comply at all times with all recommendations or limitations concerning laden weight of collection vehicles established by the State of Nevada or any government agency, and/or the vehicle manufacturer.

4.5. Vehicles and Equipment. Collector's name, phone number, and vehicle identification number shall be visibly displayed on all collection vehicles in letters and figures. Collector shall maintain all of its vehicles and equipment in a safe, clean, painted and operable condition. All collection vehicles shall be currently registered with the Nevada Department of Motor Vehicles and operated in compliance with all applicable laws and regulations.

4.6. Collector Employees.

(a) The Collector shall exercise reasonable care to hire responsible employees, to supervise the work of such employees, and to discipline an employee failing to meet reasonable standards for performance of work under this Franchise. The Collector shall comply with applicable law pertaining to employment, including, but not limited to, applicable equal opportunity employment and affirmative action requirements. Collector shall ensure all employees are properly trained and licensed for their respective duties. All employees shall undergo drug and alcohol testing to the extent required by applicable law. Collector shall adopt and enforce, through collective bargaining or otherwise, appropriate and industry-standard policies on employee conduct and hiring. At a minimum, such policies shall include a background check on prospective employees and shall comply with applicable law.

(b) Collector shall train and supervise its employees to provide professional and courteous service to customers and other members of the public. All employees shall wear uniforms while providing Services, which shall be kept as clean as reasonably possible.

(c) Collector's employees shall not place containers of any size in a manner that blocks any driveway, sidewalk, mailbox or street, shall close all gates opened by them unless otherwise directed by the customer, and shall exercise reasonable care to perform Services in a reasonably quiet manner. Moreover, Collector's employees shall lock and latch all Bins and Bear Sheds, as applicable, after collection.

(d) All Collector drivers shall be trained and qualified in the operation of waste collection vehicles, and must possess a valid driver's license of the proper class and with proper endorsements. Collector shall annually request from the Nevada and California Department of Motor Vehicles a report of moving violations committed by Collector's drivers and shall take such action as Collector deems appropriate.

(e) Collector shall prohibit its employees from directly or indirectly requesting, demanding, soliciting, or accepting any additional compensation or gratuity from members of the public in connection with the provision of Services, provided that Collector may permit its employees to accept unsolicited holiday gifts.

**5. ADDITIONAL SERVICE REQUIREMENTS.** In addition to the Service requirements in Section 4 above, Collector shall provide the following additional services:

5.1. Customer Service. Collector shall provide an office and telephone number within the District wherein its Customers can transact all business with Collector, during regular and posted office hours, which shall be not less than 9 a.m. to 5 p.m., Monday through Friday, except holidays. The office located within the District shall accept and administer all requests for service initiations, terminations, and modifications, including standard services, special services and complaints.

5.2. Customer Complaints. Collector shall provide District with copies of written or telephonic customer complaints, resolutions to such complaints, and all files maintained by Collector regarding customer relations issues upon request. Collector shall ensure that prompt and courteous attention is given to, and prompt and reasonable resolutions are reached of all customer complaints, including complying with the timelines set forth in Exhibit D. Collector shall record each complaint in its records, noting the name and address of the complainant, the date, time and nature of each complaint, and the nature and date of the resolution of the complaint. Collector shall maintain all records, documents, and files regarding customer complaints and the resolutions to those complaints for a period of three years.

5.3. Ombudsman. Collector shall designate and maintain an ombudsman for the duration of this Franchise, notifying District of any changes in the position. District may submit any unresolved customer complaints or disputes to the ombudsman, with the exception of disputes regarding payment of account charges by customers. If the ombudsman does not resolve the dispute or complaint within seven days, or does not resolve it to District's reasonable satisfaction, District may make a final and binding determination of the resolution. Submission of a dispute to the ombudsman by District shall not be a condition precedent to District enforcing its rights under this Franchise or availing itself of any remedies that may be available to it.



5.4. Transfer Station. Collector shall be required to utilize an approved transfer station within the District. The transfer station shall provide for the temporary collection and compaction of Solid Waste in order for Collector to provide an economical method of transportation of Solid Waste to a landfill for disposal. For purposes of this Franchise, an approved transfer station is one holding a valid permit for the transfer of Solid Waste in accordance with all applicable laws and regulations of the United States, the State of Nevada, the Nevada Environmental Commission, and the Washoe District Board of Health. The transfer station shall be open to the public, with rates for public dumping conspicuously posted, along with the hours of operation and the method of determining how rates will apply to the amount of material delivered for dumping. The hours of operation shall be Monday through Friday, 8:00 a.m. to 4:30 p.m., and Saturday and Sunday from 8:00 a.m. to 4:00 p.m., or as mutually agreed between Collector and District. In addition, the transfer station shall have a recycling drop-off open to the public. The cost of operation of the recycling drop-off shall be included as a part of the recycling program. It shall be the sole responsibility of Collector to provide for a transfer station meeting the requirements of this Franchise. Collector may comply with this requirement by operating its own transfer station or by entering into an agreement with the operator of a transfer station, which meets the requirements of this Franchise.

5.5. Signage. The Collector shall maintain appropriate signage at the transfer station and upon all vehicles used in the provision of services under this Franchise clearly indicating that the transfer station and vehicles are operated by Collector.

5.6. Snapshot Program. Collector shall maintain and actively pursue public information programs, including, but not limited to, the Snapshot Program, to encourage Customer compliance with federal, State, and local laws and ordinances. Collector shall support District's public information programs to promote public adherence to Collector's and District's policies. At a minimum, the Snapshot Program shall allow District to request a photograph of the pre- and post-collection of any Customer's or any group of Customers' Containers. This photography shall be transmitted to District along with Customer identification, time and date information, Collector employee, and property location. District shall provide Collector at least twenty-four (24) hours' notice of any photography request, provided that District may institute standing, operational requests, such as a request for photographs of all Containers that are not properly protected from wildlife.

5.7. General Public Outreach. The Collector shall develop and maintain a website specific to the District to inform Customers and the general public of the Services, allow Customers to make payments and provide updates as necessary. Collector shall further include quarterly bill inserts as necessary to keep Customers informed. District shall have the right to review and approve any outreach. In addition, Collector shall include information related to District programs as requested by District, provided that the information materials conform to the Collector's size and weight requirements for inclusion in the quarterly billing mailings.

5.8. Recyclables Outreach. Without limiting Collector's obligations under Section 5.7, Collector shall develop and implement a public outreach program on and for the year after the Effective Date to inform Customers of Recyclable Service, including the type and specifics of Service, materials that qualify as Recyclables, and other Service information as requested by District.

6. SUBCONTRACTORS. With the exception of subcontracting Solid Waste collection in the Crystal Bay area to Tahoe Truckee Disposal Co., Inc., a California corporation, Collector shall not use

or hire any subcontractors, and shall provide all Services required under this Franchise with Collector's own personnel and equipment. If the Collector uses any subcontractors for performance of any Services in the Crystal Bay area, such subcontractors shall be licensed, qualified to provide such services, and hold all necessary permits required by the State of Nevada and Washoe County. Services of subcontractors shall be seamless with respect to the District; all customer service functions shall be consolidated in the Collector's local business office, all financial and billing documentation shall be integrated in the documentation required of the Collector, including but not limited to total revenue and total expenses incurred by the subcontractor. Collector shall consolidate all billing of subcontractors. All correspondence from the District shall be with the Collector. The District shall make no payments to, or receive any billing revenue from any subcontractor.

## **7. REVIEW OF PERFORMANCE AND QUALITY OF SERVICE.**

7.1. Performance Review. From time to time, at its sole discretion, the District may examine Collector's operation in order to evaluate whether or not the Collector is operating at a satisfactory level of efficiency and customer satisfaction according to best practices for Solid Waste and Recyclable collection and disposal in Nevada, and in compliance with the terms of this Franchise. Collector agrees to cooperate in any such examination, and shall permit District's representatives to inspect, at Collector's principal place of business, such information pertaining to Collector's obligations hereunder as District may require, including but not limited to, such things as Customer inquiry records, collection routes, and equipment records.

7.2. Public Hearing. At District's sole option, District may at any time, and from time to time, hold a public hearing at which the Collector shall be present and shall participate, to review the Collector's performance and quality of service. Reports regarding Customer complaints may be utilized as one basis for review, in addition to any other basis or reason for which the District may wish to undertake such a review. In addition, any Customer may submit comments or complaints during the review meetings, either orally or in writing, and these shall be considered. Notwithstanding the foregoing, the District may address deficiencies in the Collector's performance, and/or breaches of this Franchise, without holding a public hearing.

7.3. Report on Performance. Subsequent to the public hearing, the District may issue a report with respect to the adequacy of the Collector's performance, quality of service, and compliance with this Franchise. If any non-compliance with this Franchise is found, District may direct Collector to correct the inadequacies, and may employ such other remedies as are set forth herein and/or available under applicable law.

7.4. Commercial and Residential Customer Surveys; Billing Information. Within fourteen (14) days after Collector initiates Service to a Customer or receives notification of change in ownership to a new Customer, Collector shall send or deliver to its Customers information concerning the conditions of service, including, but not limited to, rates, fees, charges, service options, payment options, discounts (if any), days of collections, the amount and manner of solid waste to be collected, service level and inquiry/complaint procedures, including the name, address, and local telephone number of Collector. The form and content shall be subject to the review of the District.

7.5. Audit. The District may request and/or perform, either using its own personnel or a consultant or contractor, an independent audit of the Collector's operation, billings, and collections, provided, however, that the District shall not conduct audits more frequently than once every year. The cost of such an audit shall be an Allowable Expense, unless the audit

reveals an underpayment by the Collector of the amounts owed to the District hereunder of three percent (3%) or more, in which case the cost to the Collector of participating in the audit shall not be an Allowable Expense, and the Collector shall reimburse the District for the District's costs of conducting the audit. To the extent such an audit reveals an underpayment of the District by the Collector, the Collector shall immediately tender to the District payment in full of the underpaid amounts, together with interest at the annual rate of ten percent (10%). If the audit reveals any overpayment by Collector, Collector shall deduct such overpayment from the next quarterly remittance(s) of Franchise Fees until repaid.

**8. COMPLIANCE WITH APPLICABLE LAW.** In providing the Services, Collector shall comply with all ordinances, rules, and regulations heretofore or hereafter adopted by the District in the exercise of its powers and in accordance with the federal, State and local laws and regulations relating to or applicable to the Services.

**9. TITLE TO SOLID WASTE AND RECYCLABLES.** Except for Excluded Waste, title to and ownership of all Solid Waste collected hereunder shall transfer to Collector upon collection from Customers. If Collector inadvertently collects any Excluded Solid Waste within a Container, it shall ensure that such waste is disposed of in compliance with applicable law. Collector shall be entitled to recover all costs incurred in the handling and disposal of Excluded Waste from the generator if the source of the Excluded Waste can be determined. Title to and ownership of all Recyclables that are deposited into a Container shall transfer to Collector upon placement of the Container at curbside for collection or at such other appropriate site designated for collection. Notwithstanding any criminal sanction that may apply, Collector shall have the rights granted pursuant to NRS 444.585(3) to enforce its property rights to Recyclables under this Franchise in a civil action commenced for that purpose.

**10. AUTHORIZED RATES.** The District expressly reserves the right to set and regulate the rates for the Services to be rendered hereunder by the Collector such that the rates are reasonable and in the public's interest. Collector shall provide the Services under this Franchise for the rates set forth in the Service Rate Schedule attached hereto and incorporated herein as Exhibit B, as the same may be adjusted in accordance with this Section and Section 11 below. District may require changes in the Services or the addition of new services and Collector shall comply with such changes, provided that if such changes result in increases in cost to Collector, Collector shall have the right to receive a special rate adjustment pursuant to Section 11.2 below.

#### **11. REVISIONS TO AUTHORIZED RATES.**

**11.1. Annual Rate Adjustment.** The rates set forth in Exhibit B shall be adjusted on July 1, 2017 and annually thereafter, by a percentage equal to the annual percent change in the Consumer Price Index ("CPI"), December to December, for All Urban Consumers, U.S. City Average-Garbage and Trash (1983=100) (CUUR0000SEHG02), as published by the Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>). Any rate adjustments pursuant to this Section 11.1 shall be subject to the following qualifications:

(a) Beginning with the rate adjustment scheduled for July 1, 2020, Collector shall not be entitled to the annual CPI rate adjustment if Collector's rolling annual average Return on Revenue for the prior three calendar years exceeds nine percent (9%).

(b) Beginning with the rate adjustment scheduled for July 1, 2020, if the Collector's Return on Revenue for the prior calendar year exceeds fifteen percent (15%), the Collector shall not be entitled to the annual CPI rate adjustment for that year.

(c) Regardless of the actual change in the CPI, the annual CPI rate increase in any year shall not be greater than six percent (6%) nor less than zero percent (0%), unless Collector is not entitled to an annual rate adjustment pursuant to subsection (a) or (b) above.

(d) On or before April 1<sup>st</sup> of each year, Collector shall notify the District of the rate adjustment allowed under this Section 11.1, and shall provide all reasonable supporting documentation (e.g., statement of operations, CPI calculations, etc.). Submittal of the request and supporting documentation is necessary to accommodate the District's review of the adjustment and the District's adoption of its annual budget on or about the third Thursday of May.

11.2. Other Rate Adjustments. In addition to the annual rate adjustment in Section 11.1 above, the rates set forth in Exhibit B shall be adjusted at any time during the Term of the Franchise for the following reasons:

(a) If the District requires changes in the Services or the addition of new services that result in increases in cost to Collector; or

(b) If the District increase the Franchise Fee or imposes any other fee during this Franchise.

Rate Review. Notwithstanding the rates established in Exhibit B or the annual adjustments under Section 11.1 above, the Parties agree that the Return on Revenue is nine percent (9%) for the Services provided under this Franchise. In establishing rates, the District and Collector agree:

(c) The District may, from time to time, revise the Rate Schedule, Exhibit B. The District or the Collector may request a rate revision whenever a significant change in revenue or expenses occurs or is anticipated. In the event the Collector requests a rate revision, the District shall consider such request in good faith and shall act upon the request without undue delay, but in no case later than one hundred twenty (120) days from the date the request was made, or the date the Collector provided the District with all documentation necessary to substantiate the Collector's request for a rate revision, whichever is later.

(d) In determining reasonable rates, the District shall consider all relevant factors, and the Parties shall work in good faith to develop and adjust rates, as necessary, to allow Collector to earn the Return on Revenue. The District agrees that it shall not unreasonably withhold its consent or unreasonably delay a rate review request submitted by Collector. Rates shall be adequate to provide a Return on Revenue equal to nine percent (9%); however, the District shall not be required to adjust rates if the Return on Revenue in the projected year is expected to exceed nine percent (9%). The Parties agree that the 9% Return on Revenue is considered sufficient to reflect the level

of business risk assumed by the Collector, to allow investment in equipment, and to ensure quality collection Service under normal operating conditions. The Collector shall ensure that any transactions or agreements entered into between itself and any parent company, subsidiary, sister company, or any other entity partially or entirely under common ownership with the Collector are commercially reasonable.

## **12. FRANCHISE FEE.**

12.1. From the Effective Date, Collector shall pay to the District in quarterly installments, a franchise fee ("Franchise Fee") in an amount equal to ten percent (10%) of Gross Receipts generated from Customers for the Services rendered hereunder. Notwithstanding anything herein to the contrary, it is understood and agreed that Gross Receipts for purposes of calculating the Franchise Fee hereunder shall not include any revenue received by Collector from the sale or other disposition of Recyclables collected hereunder.

12.2. Collector shall submit payment of the Franchise Fee to the District, along with supporting documentation confirming the Collector's Gross Receipts, quarterly on or before the 20th day of the month following the end of the preceding calendar quarter. By way of example, the Franchise Fee for Quarter 1 shall be due on April 20th.

**13. RECORD KEEPING.** During the term of this Franchise, Collector shall keep full, true, and correct books, records, and accounts, establishing the identity and number of Customers served by it, and the amount of its monthly Gross Receipts, which said books, records, and accounts shall at all times be open to inspection at the Collector's local office by the duly authorized representatives of the District during regular business hours. Further, Collector shall furnish to the District monthly a statement of all Gross Receipts actually received from Customers for the Services provided herein. Collector shall provide an annual statement of operations to the District by April 20<sup>th</sup> of each year.

**14. BILLING PROCEDURES.** Collector shall be entitled to adopt and enforce the following billing procedures:

14.1. Collector shall bill Residential Customers quarterly in advance. Such charges are due and payable on the first day of each billing period. The bill or charges for service shall be delinquent if not fully paid on the last day of each quarterly period. All charges which become delinquent shall be subject to a penalty of ten percent (10%) for the first month. Customers' payments shall be applied to their oldest balances due including penalties first.

14.2. Commercial Customers (except Drop Box Customers) shall be billed in advance on a monthly basis. The Collector shall bill for Drop Box Service in arrears on a monthly basis. The bill or charge for Service is due and payable on the first day of each billing period and shall be delinquent if not fully paid within thirty (30) days of the date of the invoice.

14.3. Collector shall be entitled to charge a late fee of one and one-half percent (1.5%) per month or \$3.00 per month, whichever is more, until paid, on all Commercial Customer account balances that are not paid within thirty (30) days of the date of invoice for Commercial and Drop Box Customers.

14.4. To the extent provided for in NRS 444.520, all unpaid charges for Services shall constitute a debt and obligation of the owner of the real property where the Service was provided, as shown on the records of the Washoe County Assessor's Office. Any owner of real property, as shown on the Washoe County Assessor's records, where Services are provided may

request that Collector send all invoices to tenants or temporary occupants of premises, but to the extent authorized by applicable law such designation shall not relieve the owner of the real property from the primary obligation to pay the debt and obligation for Services provided to the premises.

14.5. If a Residential Customer's account remains unpaid for more than one hundred twenty (120) days after the date of the invoice, Collector may submit the unpaid charges to the District and the District shall pay such unpaid charges to Collector.

**15. SUSPENSION OR TERMINATION OF SERVICE.** Collector shall not suspend or terminate Service to one or more Customers unless:

15.1. The street or road access is blocked and there is no alternate route, provided that the Collector shall make at least one further attempt to provide service prior to the end of the service day if a reasonable amount of time has elapsed for the blockage to be cleared, and provided that the Collector notifies the District of the suspension of service;

15.2. Adverse weather condition render providing Service unduly hazardous to residents and persons providing Service;

15.3. Suspension or termination of Service is caused by Uncontrollable Circumstances, as defined in Section 21 below; or

15.4. A Commercial or Drop Box Customer has an unpaid account balance for a period of sixty (60) days or more and Collector has notified the Customer in writing of the Collector's intention to terminate or suspend Service, postmarked not less than seven (7) days prior to the date of intended termination or suspension of Service. In the event that Collector suspends or terminates Service to any Customer for nonpayment, Collector shall also notify District, in writing, of the date of termination or suspension and the reason therefor. Minimum service charges will continue throughout the duration of the period of suspension.

**16. INDEMNIFICATION.** Collector, its assigns or successors, shall indemnify, defend, and hold harmless the District, its officers, officials, employees, and agents from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with this Franchise, Collector's performance of work hereunder (including without limitation the delivery of Solid Waste to a landfill), the transportation and/or disposal of Solid Waste collected pursuant to this Franchise, or Collector's failure to comply with any of its obligations contained in the Franchise, or arising out of the granting of this Franchise, except to the extent such loss or damage which was caused by the sole negligence or willful misconduct of the District. Further, Collector shall protect, defend, indemnify, and hold harmless the District, its officers, officials, employees, and agents from and against any and all claims for actual damage, natural resources damages, remediation and removal costs, and losses of every kind and description, arising out of or resulting from any cleanup, removal, remedial, or other plan, concerning the release of any hazardous substance or hazardous waste, as hazardous substance and hazardous waste shall be defined by state and federal laws, as amended from time to time, including without limitation: (i) the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9601 et seq; and (ii) the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 6901 et seq. This indemnity shall not apply with respect to any Excluded Solid Waste generated by the District and delivered by District to Collector. The foregoing indemnity is for the exclusive benefit of the District and Parties indemnified, and in no event shall such indemnity inure to the benefit of any third party. The

Collector's duties under this Section 16 shall survive the expiration or earlier termination of this Franchise.

## **17. INSURANCE.**

17.1. Collector shall maintain throughout the term of this Franchise the following types of coverage with limits that are required by appropriate regulatory agencies or the following, whichever are greater, provided that the District may increase the required policy limits not more frequently than once every five years, by a percentage not to exceed that of the cumulative rate increases granted to the Collector since the commencement of this Franchise or the most recent increase in the policy limits.

17.2. Collector shall, throughout the term of this Franchise, maintain in full force and effect Commercial General (and Auto) Liability Insurance on an occurrence basis at least as broad as ISO forms CG 001 and CA 0002 (Ed 1/87)(any auto). Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.

17.3. Limits of liability shall be at least \$3,000,000 per injury and \$5,000,000 CSL (combined single limit) per occurrence. If an aggregate limit is used, the limit is either applied separately to this project, or shall be twice the required occurrence limit.

17.4. Workers' compensation coverage to statutory limits and employers' liability of at least \$3,000,000. Before commencing any work under this Franchise, Collector shall comply with the requirements of NRS 616.280.

17.5. Any deductibles or self-insured retention must be approved by the District.

17.6. The District, its officers, officials, employees, agents, and volunteers are to be covered as insured and shall be added by endorsement to the list of additional insured to all insurance policies. The Collector's coverage shall be primary as respects the District, the District's insurance (if any) shall be noncontributing, and all of Collector's policies of insurance shall be endorsed to this effect. Failure to comply with reporting or other provisions of the policy shall not affect coverage provided to the District. Coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of insurer's liability, and shall be endorsed to state that coverage will not be voided, suspended, cancelled, or reduced except after thirty (30) days prior written notice, certified mail, return receipt requested has been given to the District.

17.7. Upon request, Collector shall provide to the District certificates evidencing such insurance.

17.8. Collector's policies required hereunder shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to this Franchise.

**18. SURETY.** Collector shall forthwith furnish to the District a bond running to the District in the penal sum of \$50,000 on the condition that Collector shall well and truly observe, fulfill, and perform each and every term and condition of this Franchise, which said bond shall provide that in the event of any material breach of condition hereof, unless Collector cures such breach within thirty (30) of written notice from the District, the whole amount of the penal sum herein shall be taken, and recoverable from the principal and surety on said bond. Said bond shall be approved by legal counsel for the District and filed with the Clerk for the District. Such recovery shall not prohibit the District

from seeking actual damages due to default or breach of this Franchise. Notwithstanding the foregoing, the District may require the Collector to increase the amount of the bond not more frequently than once every five years, by a percentage not to exceed that of the cumulative rate increases granted to the Collector since the commencement of this Franchise or the most recent increase in the policy limits. To the extent that the bond is called upon or exhausted, the Collector shall replace or restore the bond.

#### **19. TERMINATION FOR CAUSE.**

19.1. Except for the occurrence or existence of Uncontrollable Circumstances (Section 21), in the event of any material failure or refusal of Collector to comply with any obligation or duty under this Franchise, the District and Collector shall meet and confer in good faith in an effort to agree on a resolution of the breach.

19.2. If the Parties are unable to agree on an informal resolution of the breach, and Collector has violated a material provision of this Franchise, the District may provide Collector with written notice of the default, stating the specific reasons for default and the provisions of the Franchise that have been violated. Collector shall then have thirty (30) days to cure such default, or commence to cure such default if it is of a nature that cannot be cured within the prescribed timeframe and proceed diligently thereafter toward curing the default, provided that if Collector's failure to maintain the policies of insurance required herein results in a lapse of coverage, District may immediately terminate this Franchise with written notice to Collector.

19.3. If Collector fails to cure the default within the stated period, fails to commence to cure such default in a manner reasonably satisfactory to remedy the breach, or fails to proceed diligently toward a cure once commencing to cure, then the District may at its option issue a written notice of termination of the Franchise. This Franchise shall terminate thirty (30) days after receipt by Collector of the notice of termination.

**20. DISPUTE RESOLUTION.** Except as provided for in Section 21 any dispute, controversy, difference, claim, or demand of any kind, under any theory, whether at law or equity, arising out of, with respect to, or relating to, the execution, breach, interpretation, performance, termination, enforcement, or nonperformance, of this Franchise, including without limitation, the validity, scope, and enforceability of this Franchise or any term or provision thereof, whether express or implied, or relating thereto (the "Dispute"), shall be resolved as follows:

20.1. Negotiation. The Parties will attempt in good faith to resolve the Dispute through negotiation. Either Party may initiate negotiations by providing written notice in letter form to the other Party, setting forth the subject of the dispute and the relief requested. The recipient of such notice will respond in writing within five (5) days with a statement of its position on and recommended solution to the dispute. If the Dispute is not resolved by this exchange of correspondence, then representatives of each Party will meet at a mutually agreeable time and place within ten (10) days of the date of the initial notice in order to exchange relevant information and perspectives, and to attempt to resolve the Dispute.

20.2. Available Remedies. In the event that the Dispute is not resolved through negotiation as provided above, the Parties shall have such rights and remedies as may be available in law and/or in equity.

**21. UNCONTROLLABLE CIRCUMSTANCES.** If either Party is prevented from or delayed in performing its duties under this Franchise by circumstances beyond its control, whether or not foreseeable, including, without limitation, fires, typhoons, hurricanes, severe weather, floods, volcanic



eruptions, pandemics, quarantines, war, civil disturbances, acts of terrorism, third party labor disputes, acts of God, or threats of such circumstances, or any future laws, rules, regulations, orders, or acts of any local, state, federal, or provincial government ("Uncontrollable Circumstances"), then the affected Party shall be excused from performance hereunder during the period and to the extent of such disability. The Party claiming Uncontrollable Circumstances shall promptly notify the other Party when it learns of the existence of an Uncontrollable Circumstances condition and when the Uncontrollable Circumstances condition has terminated. Notwithstanding anything in this Franchise to the contrary, the term "Uncontrollable Circumstances" does not include and a Party shall not be excused from performance under this Franchise for events relating to its or its subcontractor's employees or increased costs, including, without limitation, increased costs of fuel, labor, insurance or other expenses of performing the Services or labor disputes with its employees hereunder.

**22. ASSIGNMENT OF FRANCHISE.** Collector shall not assign this Franchise without the prior written consent of District, which shall not be unreasonably withheld, provided however that Collector may assign this Franchise to any subsidiary or, parent company without the District's consent. Collector shall file with the District written notice of any contemplated assignment of this Franchise or any part thereof, or of any other rights or privileges granted hereby, thirty (30) days before such assignment is to become effective. Collector or its assignee shall compensate District for its staff and legal costs incurred in evaluating the fitness of the proposed assignee. Collector or assignee shall pay such costs prior to the final approval of the assignment. If this Franchise is assigned as provided above, it shall be binding on and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

**23. ADDITIONAL FEES; CONDITIONS.** So long as the Franchise Fee is paid by the Collector (or its successors or assigns), no other general business license fee shall be imposed by the District on Collector's Services during the term of this Franchise; provided, however, such substitution of a Franchise Fee for other general business license fees shall not eliminate or otherwise modify Collector's obligation to pay fees or taxes that are not applicable to the Services, such as building permit fees, ad valorem taxes on real or personal property in the District, or other fees or taxes of like nature. In addition, District may impose or increase the Franchise Fee or any other fee during this Franchise provided that Collector may be entitled to a rate adjustment under Section 11.

**24. NOTICE.** Any notice required or permitted hereunder shall be in writing (including, without limitation, by facsimile transmission) and sent to the address shown below:

If to  
COLLECTOR: Reno Disposal Co.  
100 Vassar Street  
Reno, NV 89520  
Attention: District Manager

If to  
DISTRICT: Incline Village General Improvement District  
893 Southwood Blvd.  
Incline Village, NV 89451  
Attention: General Manager

From time-to-time, either Party may designate another person or address for receipt of notice hereunder. Notice shall be deemed effective on the date personally served or sent by telecopier or, if mailed, three (3) business days from the date such notice is deposited in the US mail.

**25. LEGAL FEES.** In the event any legal action is taken by either Party against the other Party to enforce any of the terms and conditions of this Franchise, it is agreed that the unsuccessful Party to such action shall pay to the prevailing Party therein all court costs, reasonable attorneys' fees and expenses incurred by the prevailing Party.

**26. RELATIONSHIP OF THE PARTIES.** The execution of this Franchise shall not create any agency, partnership, joint venture, association or any other relationship between the Parties other than as independent contracting parties. Neither Party shall act as an agent for the other Party. Nor shall have the authority to bind or make commitments on behalf of the other Party. This Franchise has been entered into solely for the benefit of the Parties hereto and does not create any interest in any third party.

**27. ENTIRE AGREEMENT; AMENDMENT.** This Franchise constitutes the entire agreement among the Parties concerning the subject matter hereof and supersedes all previous correspondence, communications, agreements and understandings, whether oral or written among the Parties. This Franchise may not be modified, in whole or in part, except upon unanimous approval of the Parties and by a writing signed by all the Parties.

**28. ADVICE OF COUNSEL.** This Franchise was negotiated at arms-length with each Party receiving advice from independent legal counsel. It is the intent of the Parties that no part of this Franchise be construed against either of the Parties because of the identity of the drafter.

**29. HEADINGS.** The Headings used in this Franchise are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Franchise nor the intent of any provision thereof.

**30. CONSTRUCTION.** In case any one or more of the provisions contained in this Franchise shall for any reason be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability shall not affect any other provision in this Franchise and this Franchise shall be construed as if the invalid illegal, or unenforceable provision had never been contained in it.

**31. SURVIVAL OF CLAIMS.** Termination of this Franchise shall not relieve either Party of any claims against it that arise under this Franchise before the Franchise is terminated.

**32. GOVERNING LAW; VENUE.** This Franchise, and all amendments or supplements thereto, shall be governed by and construed in accordance with the laws of the State of Nevada. Any action to interpret or enforce this Franchise shall be brought and maintained exclusively in the courts of and for Washoe County.

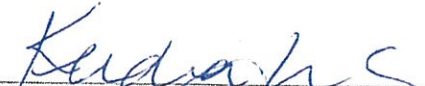
**33. NEW AGREEMENT.** Upon the Effective Date, this Franchise supersedes and replaces in its entirety the First Amended Franchise, which is hereby deemed null and void.

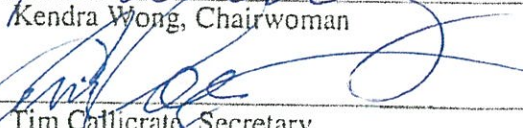
\* \* \*

IN WITNESS WHEREOF, the Parties enter into this Franchise. Each person signing this Franchise represents and warrants that he or she has been duly authorized to enter into this Franchise by the Party on whose behalf it is indicated that the person is signing.

**DISTRICT:**


Agreed to:

By:   
Kendra Wong, Chairwoman

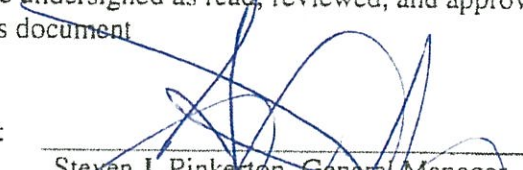
By:   
Tim Callicrate, Secretary

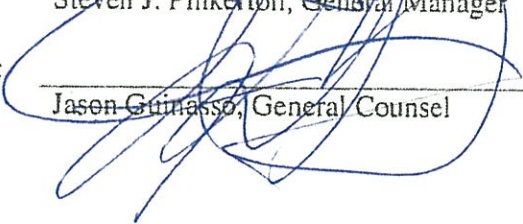
**COLLECTOR**

Agreed to:

By:   
Barry Skolnick  
President

The undersigned as read, reviewed, and approved this document

By:   
Steven J. Pinkerton, General Manager

By:   
Jason Guinasso, General Counsel

**Exhibit A**  
**Scope of Services**

**1. Residential Service.**

**1.1. Solid Waste Collection.**

(a) Schedule. Solid Waste collection service is mandatory for all Residential Customers within the District. Collector shall collect Solid Waste from all Residential Customers at least once per week, unless the District determines that a Customer requires more frequent collection or larger service in order to prevent unlawful accumulations of Solid Waste as defined by District Ordinance No. 1, or as determined by the District.

(b) Containers. Collector shall provide each Residential Customer with one (1) Cart for receiving and holding all Solid Waste generated by the Customer until the time for collection and removal by Collector. Unless Customer requests a different size Container identified on Exhibit B, Collector shall provide the Customer with a 64-gallon Cart. Notwithstanding the above, the Collector is not required to provide a Cart to Residential Customers who store and properly secure their own Container in a Bear Shed, provided however that such Customer-supplied Container shall not exceed 35 gallons in size or 50 pounds in weight. In addition, if requested by the Customer or as directed by the District, Collector shall provide Customers with an Enhanced Wildlife Resistant Cart or Bin. Customers who currently own an Enhanced Wildlife Resistant Cart can continue to use their own cart and will pay a rate for service as provided in Exhibit B. Customers are responsible for the proper use of their containers. Any damage caused to the container beyond normal wear and tear is the responsibility of the customer. In the event the container needs to be replaced due to customer damage, rates as provided in Exhibit B will be charged to replace the container. Examples of such damage could be burning of the container, damage caused by impact with a car or other piece of equipment, etc.

(c) Except for Residential Customers using Bear Sheds, all Residential Customers shall place their Solid Waste Containers curbside by 7:00 am on the scheduled collection day. Residential Customers using Bear Sheds shall locate their Bear Sheds within 20 feet of the public road. All Containers and Bear Sheds must be accessible to Collector.

(d) Service Level Change. After the initial delivery of the Residential Solid Waste Cart, Customer may change their Container size or type once free of charge provided it is completed by April 1, 2017. No changes will be allowed until after January 1, 2017. Any additional service level changes will be charged at a rate provided in Exhibit B. Customers wishing to add additional containers to address their solid waste or recycling needs may do so at any time.

**1.2. Recyclables Collection.**

(a) Schedule. Recyclables collection service is mandatory for all Residential Customers within the District. Collector shall collect Recyclables every week on the same weekday as Solid Waste collection service.

(b) Containers. Collector shall provide each Residential Customer with one (1) Cart for receiving and holding all Recyclables generated by the Customer until the time for collection and removal by Collector. Unless Customer requests a different size Container identified on Exhibit B, Collector shall provide the Customer with a 64-gallon Cart. Notwithstanding the above, a Residential Customer with a Bear Shed may elect to provide their own Recyclable container, provided that it shall not exceed 35 gallons in size or 50 pounds in weight and shall be of blue color or labeled with collector approved recycling sticker. If the recycling container is not going to be stored in the Bear Shed, the customer will be required to use a recycling cart provided by the Collector. All customers can elect to return the Recyclables Cart to Collector and not participate in the recycling program.

(c) Customer Placement of Containers. All Residential Customers shall place their Recyclables in the same manner as their Solid Waste containers.

(d) Recyclables. Collector provided containers designated for Curbside Recyclables shall be used only for storage, placement and collection of Recyclables, and no other materials of any kind may be placed in such containers. District and Collector may agree in writing to change the list of Recyclables. Collector may refuse to collect materials placed in the Recyclables container which do not conform to the specifications set forth in Exhibit C and may charge recycling contamination fees, as provided in Exhibit B for containers that contain more than 10% non-Recyclables. No such charge shall be imposed until the third instance after customer has been notified by the placement of a tag (Exhibit D) on their recycling container that they are improperly using the recycling container. After five (5) offenses of improper use of the recycling container, the container may be removed by Collector.

### 1.3. Miscellaneous Services.

(a) Transfer Station Drop-off In Lieu of Service. As a courtesy, District Residential Customers (with appropriate ID/license/utility bill) may drop off their weekly equivalent curbside allocation of Residential Solid Waste and Recyclables at no cost. If this option is chosen, the Residential Customer shall not receive regular collection service on their next scheduled service day. If additional Solid Waste or Recyclables are placed curbside after using this option, Collector shall collect the Solid Waste but may assess charges in accordance with Exhibit B.

(b) Transfer Station Access. Collector shall provide or make available to all Residential Customers four (4) Transfer Station trips annually allowing for drop-off at the Transfer Station, at no charge, of one load of Solid Waste not exceeding three cubic yards in quantity, Customers must show their proof of residency (i.e., current utility bill with a Crystal Bay or Incline Village address and their driver's license) and their account must be in good standing. Identification must match the customer address that the customer is requesting this benefit for. Landlord/tenant relationships may provide written authorization for the party to use the Transfer Station Access available to the

service address. (Collector has a form) Collector will record all customer access within the customer account on the Collector's billing system

1.4. Yard Debris Collection. Collector shall annually mail, via first class USPS, Customers with stickers to place on plastic bags containing Yard Debris that will be collected on the Customer's collection day during a sixteen (16)-week period schedule as agreeable to the parties. Additional bags left out by Customer that do not contain a sticker will be charged at the rate as provided in Exhibit B. Each Customer in the District will have 96 stickers mailed to them annually and be included as part of the base service. Stickers will be mailed to the billing address on file with the customer's account. Each sticker may be placed on one heavy-duty bag of any color (except blue), not exceeding 40 pounds in weight, and tied or knotted to prevent spillage of the bag's contents. Collector shall recycle, compost, reuse or otherwise ensure that Yard Debris is not disposed of in any landfill. In the event that no recycling or composting operation is available within 60 miles of the District, Collector and District shall meet and confer about options for Yard Waste. Such options may include discontinuing Yard Debris recycling or composting or providing Collector a rate adjustment to ensure that Yard Debris recycling and composting remains economically viable. If an agreement cannot be reached between the Parties and subject to Collector's right to receive a rate adjustment under Section 11.2, District shall direct Collector regarding the treatment of Yard Debris.

1.5. Christmas Tree Recycling. Collector will offer one week of curbside Christmas tree pick-up to each Residential Customer annually and drop off at a District-designated location in the Franchise Area.

1.6. Home-Generated Sharps Waste Collection. The Collector shall arrange for and manage a household sharps disposal program through a mail-in process in which Residential Customers are able to conveniently participate, by picking up household sharps containers at the Waste Management office in Incline Village. Charges for this service are included in the base rate and are available to all Residential Customers. Collector's compensation, including adjustments thereof, shall be included in the Solid Waste collection Rates. The sharps program shall fully comply with the applicable privacy provisions of the Health Insurance Portability and Accountability Act (HIPAA).

1.7. Roll-Out Collection Side Yard Service. Collector shall provide free side yard service collection to qualified disabled Customers. Side yard service shall be provided to disabled or frail customers, free of charge that (1) are physically unable to move Carts as verified by a doctor's note or letter, and (2) annually sign a sworn statement that they live in a residence with no other residents capable of moving Carts. Other Customers desiring side yard service may be charged the fees for doing so as set forth in Exhibit B.

## 2. Multi-Family Residential Service.

3. Multi-Family Residential Customers may elect to have Residential Service or Commercial Service. Such election shall be made by the owner of the premises.

## 4. Commercial Service.

### 4.1. Solid Waste Collection.

(a) Schedule. Solid Waste collection service is mandatory for all Commercial Customers within the District. Collector shall collect Solid Waste from Commercial

Customers as frequently as requested by the Customer, but at least once per week, unless the District determines that a Customer requires more frequent collection service in order to prevent unlawful accumulations of Solid Waste as defined by District Ordinance No. 1, or as determined by the District.

(b) Containers. Collector shall provide each Commercial Customer with a Bin or Enhanced Wildlife Resistant Cart of types, sizes, and quantities of Containers requested by the Customer. However, if directed by the District or requested by the Customer, Collector shall supply Commercial Customers with the type, size or quantity of Enhanced Wildlife Resistant Bin directed by District.

(c) Customer Placement of Containers. Containers must be placed in such a manner as to provide unrestricted access by Collector's equipment.

(d) Recyclables Collection. Collector shall also make available a recycling program for all its Commercial Customers, in accordance with District policies and substantially identical to the recycling program for Residential Customers. Default Commercial Container service includes 1-96 gallon Recyclables Cart. Additional Carts or Bins will be charged at rates provided in Exhibit B.

**4.2. Container Cleaning**. If requested by a Commercial Customer, Collector shall provide Container cleaning services at no charge to each Commercial Customer annually. For more frequent Container cleaning service requested by Customers, Collector may assess a charge in accordance with Exhibit B. Collector shall keep all Containers uniformly painted and in good repair, at no additional charge to Commercial Customers.

**5. Temporary Roll-Off Collection Service**. Collector will provide temporary roll off service based on Customer request and charge rates as provided on Exhibit B. Collector will only place roll off Containers in locations that are accessible by Collector equipment and do not violate District regulations. The Customer shall be solely responsible for providing a suitable location for placement that meets District requirements.

**6. Compactor Service**. Collector will provide Compactor service based on Customer request and charge rates as provided on Exhibit B. Placement of Compactors is based on the service needs of the Collector and needs to be adequate so that Collector can safely service compactor. Collector is not liable for any damage to Customer locations where enclosures and approach areas are not designed to Collector's specifications, provided that Collector shall notify in writing any Customer whose enclosures and/or approach areas are not designed to Collector's specifications, and shall provide to such Customer a copy of Collector's specifications and a detailed explanation of how the Customer's areas are out of compliance. Collector shall copy District on all such letters.





**Exhibit "B"**  
**Incline Sanitation**  
**Schedule of Rates**  
**Effective 7/1/2019**  
 (Does not apply to C&D service)

<b>Adjustment</b>
6.00%

Residential Weekly Services	Current Monthly Rate	Adjustment	New Monthly Rate
<b>Bear Shed Rates</b>			
Bear Shed Rate - with 64 gallon recycle cart	\$21.93	\$1.32	\$23.25
<b>Base Rates</b>			
64 Gallon Base Waste Cart Service (Includes same size recycling cart)	\$23.87	\$1.43	\$25.30
96 Gallon Base Waste Cart Service (Includes same size recycling cart)	\$26.37	\$1.58	\$27.95
32 Gallon Base Waste Cart Service (Includes same size recycling cart)	\$23.56	\$1.41	\$24.97
Each Additional Waste Cart (Including Service) - 64 Gal	\$10.89	\$0.65	\$11.54
Each Additional Waste Cart (Including Service) - 96 Gal	\$10.99	\$0.66	\$11.65
<b>Wildlife Resistant Container Rates</b>			
64 Gallon Wildlife Resistant Cart Service	\$29.02	\$1.74	\$30.76
96 Gallon Wildlife Resistant Cart Service	\$31.71	\$1.90	\$33.61
Customer owned 96 gallon Wildlife Resistant Cart Service (existing customers)	\$27.37	\$1.64	\$29.01
Customer owned 64 gallon Wildlife Resistant Cart Service (existing customers)	\$27.15	\$1.63	\$28.78
Each Additional Wildlife Resistant Cart (Including Service) - 64 Gal	\$11.26	\$0.68	\$11.94
Each Additional Wildlife Resistant Cart (Including Service) - 96 Gal	\$11.36	\$0.68	\$12.04
<b>Residential Miscellaneous</b>			
Each Additional Recycling Cart (Including service) - 64 Gal	\$7.78	\$0.47	\$8.25
Each Additional Recycling Cart (Including service) - 96 Gal	\$8.30	\$0.50	\$8.80
Waste or Recycling Cart Replacement (Due to Customer Damage) - 64 Gal	\$82.99	\$4.98	\$87.97
Waste or Recycling Cart Replacement (Due to Customer Damage) - 96 Gal	\$88.17	\$5.29	\$93.46
Wildlife Resistant Cart Replacement (Due to Customer Damage) - 64 Gal	\$243.78	\$14.63	\$258.41
Wildlife Resistant Cart Replacement (Due to Customer Damage) - 96 Gal	\$264.52	\$15.87	\$280.39
Extra Pick-up-same service day per container	\$9.85	\$0.59	\$10.44
Extra Pick-up-non service day	\$42.59	\$2.56	\$45.15
Yard Service (Monthly Charge in Addition to Regular Service Rate)	\$11.96	\$0.72	\$12.68
Yard Service for Qualified Disabled Customers (Included with Residential Service)	\$0.00	\$0.00	\$0.00
Yard Service (Each Time, If not Part of Regular Monthly Service)	\$4.85	\$0.29	\$5.14
16 Week Yard Waste Program with 96 Stickers (Curbside, Weekly Pick-up) included with residential service	\$0.00	\$0.00	\$0.00
Each Additional 32 Gallon Yard Waste Bag	\$2.40	\$0.14	\$2.54
Clean-up (Each Occurrence)	\$6.03	\$0.36	\$6.39
Snap Shot Fee - Overfilled Cart	\$5.19	\$0.31	\$5.50
Contaminated Recycling Cart or Green Waste Bag (Each Occurrence/Container)	\$12.96	\$0.78	\$13.74
Swap Out Fee for Change of Service	\$51.87	\$3.11	\$54.98
SHARPS by Mail (Included with Residential Service)	\$0.00	\$0.00	\$0.00
Drop-off of weekly trash allotment at Transfer Station (in lieu of curbsideService) - included in residential service	\$0.00	\$0.00	\$0.00
4 Dump Vouchers at Transfer Station (Included with Residential Service)	\$0.00	\$0.00	\$0.00

Commercial Services	Current Monthly Rate	Adjustment	New Monthly Rate
<b>COMMERCIAL SERVICE - Wildlife Resistant Bulk Containers</b>			
Dumpsters Monthly Rate *Includes 96 gallon Recycling Cart			
3 Yard - 1 x Week	\$208.58	\$12.51	\$221.09
3 Yard - 2 x Week	\$415.87	\$24.95	\$440.82
3 Yard - 3 x Week	\$622.46	\$37.35	\$659.81
3 Yard - 4 x Week	\$831.02	\$49.86	\$880.88
3 Yard - 5 x Week	\$1,038.34	\$62.30	\$1,100.64
3 Yard - Same Day Extra Pickup	\$48.06	\$2.88	\$50.94
4 Yard - 1 x Week	\$277.21	\$16.63	\$293.84
4 Yard - 2 x Week	\$554.48	\$33.27	\$587.75
4 Yard - 3 x Week	\$831.02	\$49.86	\$880.88
4 Yard - 4 x Week	\$1,106.94	\$66.42	\$1,173.36
4 Yard - 5 x Week	\$1,383.51	\$83.01	\$1,466.52
4 Yard - Same Day Extra Pickup	\$64.45	\$3.87	\$68.32
6 Yard - 1 x Week	\$419.68	\$25.18	\$444.86
6 Yard - 2 x Week	\$835.56	\$50.13	\$885.69
6 Yard - 3 x Week	\$1,245.70	\$74.74	\$1,320.44
6 Yard - 4 x Week	\$1,661.45	\$99.69	\$1,761.14
6 Yard - 5 x Week	\$2,080.39	\$124.82	\$2,205.21
6 Yard - Same Day Extra Pickup	\$96.62	\$5.80	\$102.42
<b>COMMERCIAL SERVICE - Park Style Bulk Containers</b>			
Dumpsters Monthly Rate *Includes 96 gallon Recycling Cart			
3 Yard - 1 x Week	\$225.21	\$13.51	\$238.72
3 Yard - 2 x Week	\$432.51	\$25.95	\$458.46
3 Yard - 3 x Week	\$639.10	\$38.35	\$677.45
3 Yard - 4 x Week	\$847.66	\$50.86	\$898.52
3 Yard - 5 x Week	\$1,054.97	\$63.30	\$1,118.27
3 Yard - Same Day Extra Pickup	\$48.06	\$2.88	\$50.94
4 Yard - 1 x Week	\$295.58	\$17.73	\$313.31
4 Yard - 2 x Week	\$572.85	\$34.37	\$607.22
4 Yard - 3 x Week	\$849.39	\$50.96	\$900.35
4 Yard - 4 x Week	\$1,125.31	\$67.52	\$1,192.83
4 Yard - 5 x Week	\$1,401.88	\$84.11	\$1,485.99
4 Yard - Same Day Extra Pickup	\$64.45	\$3.87	\$68.32
6 Yard - 1 x Week	\$443.53	\$26.61	\$470.14
6 Yard - 2 x Week	\$859.43	\$51.57	\$911.00
6 Yard - 3 x Week	\$1,269.56	\$76.17	\$1,345.73
6 Yard - 4 x Week	\$1,685.30	\$101.12	\$1,786.42
6 Yard - 5 x Week	\$2,104.26	\$126.26	\$2,230.52
6 Yard - Same Day Extra Pickup	\$96.62	\$5.80	\$102.42
3 Yard - 1 x Week - Customer Provided	\$204.95	\$12.30	\$217.25
3 Yard - 2 x Week - Customer Provided	\$393.59	\$23.62	\$417.21
3 Yard - 3 x Week - Customer Provided	\$581.58	\$34.89	\$616.47
3 Yard - 4 x Week - Customer Provided	\$771.38	\$46.28	\$817.66
3 Yard - 5 x Week - Customer Provided	\$960.03	\$57.60	\$1,017.63
3 Yard - Same Day Extra Pickup - Customer Provided	\$48.06	\$2.88	\$50.94
4 Yard - 1 x Week - Customer Provided	\$268.98	\$16.14	\$285.12
4 Yard - 2 x Week - Customer Provided	\$521.29	\$31.28	\$552.57
4 Yard - 3 x Week - Customer Provided	\$772.95	\$46.38	\$819.33
4 Yard - 4 x Week - Customer Provided	\$1,024.03	\$61.44	\$1,085.47
4 Yard - 5 x Week - Customer Provided	\$1,275.71	\$76.54	\$1,352.25
4 Yard - Same Day Extra Pickup - Customer Provided	\$64.45	\$3.87	\$68.32

6 Yard - 1 x Week - Customer Provided	\$403.62	\$24.22	\$427.84
6 Yard - 2 x Week - Customer Provided	\$782.08	\$46.92	\$829.00
6 Yard - 3 x Week - Customer Provided	\$1,155.29	\$69.32	\$1,224.61
6 Yard - 4 x Week - Customer Provided	\$1,533.62	\$92.02	\$1,625.64
6 Yard - 5 x Week - Customer Provided	\$1,914.87	\$114.89	\$2,029.76
6 Yard - Same Day Extra Pickup - Customer Provided	\$96.62	\$5.80	\$102.42
<b>COMMERCIAL MISCELLANEOUS</b>			
96 Gallon Wildlife Resistant Cart (1x Week)	\$31.71	\$1.90	\$33.61
Customer owned 96 gallon Wildlife Resistant Cart (1x Week)	\$27.37	\$1.64	\$29.01
Customer owned 64 gallon Wildlife Resistant Cart (1x Week)	\$27.15	\$1.63	\$28.78
Each Additional 96 gallon Wildlife Resistant Cart	\$11.36	\$0.68	\$12.04
4 Yd. Insta-bin includes delivery/pick-up	\$107.19	\$6.43	\$113.62
6 Yd. Insta-bin includes delivery/pick-up	\$160.79	\$9.65	\$170.44
Pull-Out Charge	\$74.03	\$4.44	\$78.47
Inaccessible Dumpster Fee	\$17.08	\$1.02	\$18.10
Snap Shot Fee - Overloaded Dumpster	\$46.86	\$2.81	\$49.67
Snap Shot Fee - Overloaded Cart	\$5.19	\$0.31	\$5.50
Swap Out Fee for Change of Service	\$67.43	\$4.05	\$71.48
1st Dumpster Lock (included with commercial service)	\$0.00	\$0.00	\$0.00
Replacement Dumpster Lock	\$15.56	\$0.93	\$16.49
Annual Dumpster Cleaning (included with commercial service)	\$0.00	\$0.00	\$0.00
Additional Dumpster Cleaning/Exchange Fee	\$88.17	\$5.29	\$93.46
Demurrage-dumpster per week	\$29.08	\$1.74	\$30.82
<b>COMMERCIAL RECYCLING SERVICE - Cardboard and Mixed Recycling</b>			
96 Gallon Recycling Cart (1x per week)	\$19.85	\$1.19	\$21.04
2 Yard Dumpster (existing customers only) (1x per week)	\$79.38	\$4.76	\$84.14
3 Yard Dumpster (1x per week)	\$119.06	\$7.14	\$126.20
4 Yard Dumpster (1x per week)	\$178.59	\$10.72	\$189.31
6 Yard dumpster (1x per week)	\$257.97	\$15.48	\$273.45
<b>Recycle Extra Pickups</b>			
Same Day Extra Pickup - 64 Gallon Recycling Cart	\$6.74	\$0.40	\$7.14
Same Day Extra Pickup - Each Additional 64 Gallon Recycling Cart	\$6.74	\$0.40	\$7.14
Same Day Extra Pickup - 96 Gallon Recycling Cart	\$5.70	\$0.34	\$6.04
Same Day Extra Pickup - Each Additional 96 Gallon Recycling Cart	\$5.70	\$0.34	\$6.04
Same Day Extra Pickup - 2 Yard Dumpster	\$37.21	\$2.23	\$39.44
Same Day Extra Pickup - 3 Yard Dumpster	\$48.06	\$2.88	\$50.94
Same Day Extra Pickup - 4 Yard Dumpster	\$64.45	\$3.87	\$68.32
Same Day Extra Pickup - 6 Yard dumpster	\$96.62	\$5.80	\$102.42
<b>2 Yard Rates for Existing Customers (No new 2 yard service effective 7/1/12)</b>			
2 yard - 1 x Week	\$138.57	\$8.31	\$146.88
2 yard - 2 x Week	\$277.21	\$16.63	\$293.84
2 yard - 3 x Week	\$413.92	\$24.84	\$438.76
2 yard - 4 x Week	\$552.49	\$33.15	\$585.64
2 yard - 5 x Week	\$691.08	\$41.46	\$732.54
2 yard - Same Day Extra Pickup	\$32.22	\$1.93	\$34.15

**Equivalent Units:**

3 yard dumpster = 7 - 96 gallon containers

4 yard dumpster = 9 - 96 gallon containers

<b>Roll Off Services</b>	<b>Current Monthly Rate</b>	<b>Adjustment</b>	<b>New Monthly Rate</b>
<b>OPEN TOP DROP BOXES</b>			
14 Yard Drop Box (Per Pick-up)	\$350.54	\$21.03	\$371.57
20 Yard Drop Box (Per Pick-up)	\$420.64	\$25.24	\$445.88
30 Yard Drop Box (Per Pick-up)	\$541.23	\$32.47	\$573.70
<b>ROLL TOP DROP BOXES</b>			
14 Yard Drop Box with Rolling lid (Per Pick-up) - \$30 plus open top rate	\$380.54	N/A	\$401.57
20 Yard Drop Box with Rolling lid (Per Pick-up) - \$30 plus open top rate	\$450.64	N/A	\$475.88
30 Yard Drop Box with Rolling lid (Per Pick-up) - \$30 plus open top rate	\$571.23	N/A	\$603.70
Delivery fee	\$56.58	\$3.39	\$59.97
Inaccessible Drop Box Fee	\$161.20	\$9.67	\$170.87
Dig-out loads	\$84.88	\$5.09	\$89.97
Fuel Surcharge - weekly DOE index	Varies	N/A	Varies
Environmental Fee	2.19%	N/A	2.19%
Demurrage-drop box per week	\$80.32	\$4.82	\$85.14
<b>COMPACTOR SERVICES</b>			
Compacted Yardage (Per Yard)	\$30.70	\$1.84	\$32.54
25 Yards	\$809.65	\$48.58	\$858.23
28 Yards	\$901.70	\$54.10	\$955.80
30 Yards	\$963.09	\$57.79	\$1,020.88

### **Exhibit C** **Recyclables**

For purposes of the Franchise, the following materials are defined as "Recyclables".

1. Newspaper (including inserts, coupons, and store advertisements)
2. Chipboard
3. Corrugated cardboard
4. Mixed waste paper (including office paper, computer paper, magazines, junk mail, catalogs, kraft bags and kraft paper, paperboard, egg cartons, phone books, brown paper, grocery bags, colored paper, construction paper, envelopes, legal pad backings, shoe boxes, cereal and other similar food boxes)
5. Glass containers (including brown, clear, and green glass bottles and jars)
6. Aluminum (including beverage containers, food containers, small scrap metal)
7. Steel or tin cans
8. Plastic containers classified under Resin Identification Code Nos. 1 through 7, inclusive.

Upon agreement of the Parties, the District may update or modify this list of Recyclables if viable markets are available for recycling and selling the material.

To qualify as Recyclables, all Recyclables must be reasonably clean and otherwise in a condition acceptable to commercial recycling facilities. Without limiting the foregoing, Recyclables mixed with more than 10% (by weight) of Solid Waste, shall be considered contaminated ("Contaminated"). Collector may impose a fee or charge for placement of Contaminated Recyclables in a Recycling Container for Collection, or may charge for and dispose of such Contaminated materials as Solid Waste, and may refuse to accept such Contaminated materials.

Recyclables specifically exclude any waste tires, radioactive, volatile, corrosive, flammable, explosive, biomedical, infectious, bio-hazardous, regulated medical or hazardous waste, toxic substance or material, as defined by, characterized or listed under applicable federal, state, or local laws or regulations, or chemical or other properties that are deleterious or capable of causing material damage to any part of Collector's property, its personnel or the public or materially impair the strength or the durability of the Collector's structures or equipment, or any materials containing information (in hard copy or electronic format, or otherwise) which information is protected or regulated under any local, state or federal privacy or data security laws, including, but not limited to the Health Insurance Portability and Accountability Act of 1996, as amended, or other regulations or ordinances (collectively, "Excluded Materials"). Collector makes no representations as to the recyclability of the materials which are subject to this Franchise.

Commingled Recyclables may not contain more than 10% non-Recyclables and may contain no Excluded Materials. Collector may discontinue recycling services to customers who fail to abide by this requirement as provided in Section 1.2 of Exhibit A.

## Exhibit D Recycling Contamination

### RECYCLING CONTAMINATION NOTICE

Date \_\_\_\_\_ Address \_\_\_\_\_

**Contamination:**

- Cart full of trash.  
*Please unload the trash from the recycling cart to ensure we can collect your recycling on your next recycling service day.*
- May be billed accordingly due to contamination in recycling cart.

**Motor Oil & Hazardous Waste:**

- Contaminated motor oil will not be collected.
  - Hazardous materials will not be collected.  
*(Motor oil, paint, anti-freeze, cleaning supplies, batteries, light bulbs, etc.)*
  - Electronic waste will not be collected.
  - Cooking oil, transmission fluid or antifreeze will not be collected.
- Visit [www.wmrecycle.com](http://www.wmrecycle.com) for disposal location and information.

**Overflow:**

- All materials must be placed inside cart and the lid should be at least half-way closed.

**Please review the checked items listed below and correct prior to your next scheduled service.**

- Cart was not placed curbside by 7 a.m.
- Improper location - place at the curb, clear of all parked cars, with handles facing away from the street.

Other problem(s) not listed above \_\_\_\_\_

Driver \_\_\_\_\_

Route # \_\_\_\_\_

If you have questions about the items marked on this tag, please call customer service at 775-831-2971

See reverse side for recycling information.

Recycle Often. Recycle Right.™



<b>PLEASE RECYCLE</b>		
 #1-7* <b>Plastic Containers</b>	 <b>Glass Bottles &amp; Jars</b>	 <b>Aluminum Cans/Bottles</b>
 <b>Metal Cans</b>	 <b>Paper &amp; Junk Mail</b>	 <b>Cardboard (flattened)</b>

\* Except #6 Polystyrene Foam

<b>PLEASE KEEP THE DIRTY DOZEN OUT OF YOUR RECYCLABLES.</b>		
 <b>Food</b>	 <b>Household Hazardous Waste</b>	 <b>Needles</b>
 <b>Cords / Wires</b>	 <b>Clothing</b>	 <b>Diapers</b>
 <b>Broken Cups &amp; Dishes</b>	 <b>Plastic Bags</b>	 <b>Food Soiled Paper</b>
 <b>Electronics &amp; Batteries</b>	 <b>Snack Bags &amp; Wrappers</b>	 <b>Garden Hose</b>



## MEMORANDUM

**TO:** Board of Trustees

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

**FROM:** Indra Winqest  
Director of Parks and Recreation

**SUBJECT:** Review, Discuss and Possibly Receive Input from the Board of Trustees on the 2019 Final Draft of the Community Services Master Plan

**STRATEGIC PLAN:** Long Range Principle #6 - Communication

**DATE:** June 12, 2019

---

### **I. RECOMMENDATION**

No recommendation as this is a discussion item only.

### **II. STRATEGIC PLAN REFERENCE(S)**

Long Range Principle #6 – Communication – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

### **III. BACKGROUND**

On May 1, 2019, Staff presented the Final Draft of the Community Services Master Plan and at that time requested that the Board of Trustees discuss this document with the community. This is the second check in of two (the first one was on May 22, 2019) before considering final approval and acceptance of the Community Services Master Plan at the July 17, 2019 Board of Trustees meeting.

As requested by Trustee Dent, included as an attachment to this memorandum, is the top priority list from the consultant.

## **IVGID Community Services Master Plan**

June 7, 2019

### ***Feedback from Public input***

- Maintain/Enhance what we currently have
- Provide trails and improved connectivity
- Provide a dedicated dog park
- Address Recreation Center needs: gymnasium, multi-use meeting rooms, and fitness facilities
- Provide facilities to meet trending recreation needs: bocce and pickleball
- Provide Snow Play
- Valued sports and recreation programs

### ***Top Trends Influencing Priorities for the CSMP***

- Maintain/Enhance existing facilities
- Trails
- Active sports play and trends for needs for rectangle and diamond fields
- Dog parks
- Bocce
- Pickleball
- Bike park
- Recreation programming and fitness
- Aquatics centers
- Year-round recreation/winter play

### ***Top Takeaways for Professional Assessments and Needs Assessments***

- Maintain/Enhance existing facilities
- Address conflicts of use and provide dedicated dog park
- Provide dedicated rectangle fields
- Address Recreation Center Needs
  - Reorganize and provide enhanced efficiencies in entry, lobby and reception areas
  - Address overuse/limitations of gymnasium
  - Address shortages of storage and office space
  - Improve the weights and fitness studio
  - Provide multi-use meeting rooms to support recreation programming
- Create a recreation campus at the Recreation Center, Incline Park, and Village Green
- Connect existing facilities and trails to create walking and biking loops
- Diversify play equipment



- Take advantage of snow play opportunities

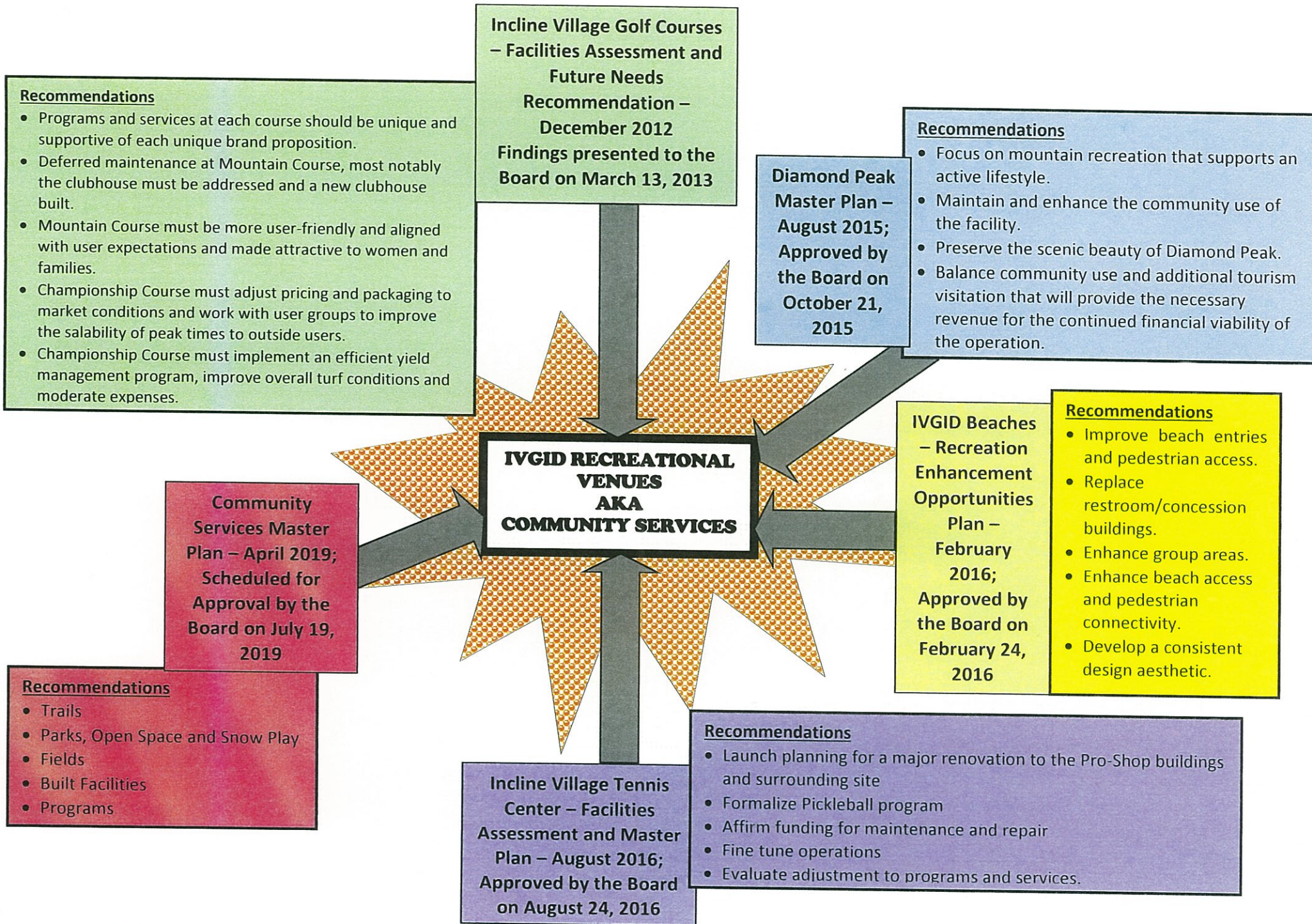
### Top Priorities based on Above Takeaways and Prioritization Criteria

- *Top Tier Priorities*
  - Enhance and maintain IVGID's current facilities and upgrade equipment on a regular schedule.
  - Connect facilities to create a connected trail system and provide walking loops.
  - Develop a dedicated dog park.
  - Develop dedicated rectangle fields.
  - Expand the Recreation Center to provide for a more efficient layout for the entry/reception, expand the weights and fitness studio, and provide additional multi-use meeting rooms, offices, and storage.
  - Continue partnerships to provide cross-country ski trails.
  - Move forward top priorities from the Beaches Recreation Enhancement Opportunities Plan, the Tennis Center Facilities Assessment and Master Plan, and the Diamond Peak Master Plan.
- *Second Tier Priorities*
  - Bocce Courts
  - Great Park at Village Green (dependent upon development of a dog park)
  - Skate Park enhancements
  - Sierra Park enhancements
  - Ice rink and snow play areas at the Chateau
- *Aspirational (Projects Could Rise in Priority if Funding or Partnerships Became Available)*
  - Cross-Country Center
  - Aquatic Center at the Recreation Center Property

### Prioritization Criteria

Moving forward, as new projects and needs arise, the following criteria can be used to evaluate the prioritization of parks, open space, trails, and recreation projects in Incline Village/Crystal Bay. Projects that meet the criteria may rise in priority, depending on funding and timing. As funding becomes available and partnerships occur, projects may advance in priority. However, those opportunities should still be evaluated to understand long-term costs and to understand community support. Projects with highest levels of community interest and fill a community need should rank higher in priority than those with low community support.

- Has a funding source or a funding source can be identified.
- Fills a gap in the current system. Provides parks or park facilities in an area that is needed.
- Has moderate to low impact on maintenance and operations expenses.
- Improves facilities that have reached end-of-life usability.
- Aligns with District partners' planning efforts. IVGID will work with partners to prioritize future projects that overlap and align with regional planning efforts.
- Offers a high return on investment or maximizes public resources.
- Addresses needs associated with growth and increased demand.
- Provides multiple benefit for both parks and recreation and other community and environmental needs.



**Master Plan Capital Project Wish List**  
*Summary of Projects identified in Master Plan Documents*

**Golf:**

Mountain Course Clubhouse: \$3 million rebuild, \$1.4 million renovation (recent estimate).

Mountain Course Maintenance Building replacement: \$750,000 (recent estimate)

**Diamond Peak:**

Summer Activities Phase 1a: \$2.4 million

Summer Activities Phase 1b: \$1.7 million

Summer Activities Phase 2: \$250,000

Snowflake Lodge: \$6.2 million

Winter Improvements Phase 3/4: \$6 million

**Incline Beaches:**

Incline Beach House: \$3 million (2017 estimate)

Burnt Cedar Restroom Replacement: \$750,000

Burnt Cedar Concession Improvements: \$450,000

Beach Group Picnic Areas Improvements: \$600,000

Burnt Cedar Individual Picnic Areas: \$350,000

Burnt Cedar Pedestrian Circulation: \$600,000

Burnt Cedar Entry and Pedestrian Access: \$540,000

Incline Beach Entry and Pedestrian Access: \$200,000

**Tennis:**

Pro Shop Renovation and Bocce addition: \$1.25 million (recently updated)

**Community Services Master Plan (not yet approved by Board of Trustees)**

Upper High School Fields: \$350,000 to \$1.7 million

Dog Park: \$3.4 million

Bocce Courts: \$250,000 - \$450,000

Bike Park, Phase 2: \$600,000

Skate Park - Phase 2: \$500,000 - \$1 million

Village Green Enhancements: \$2.6 million

Old Elementary School Park Development: \$7.5 million

Crystal Bay - Sierra Park Improvements: \$250,000 to \$500,000

Rec Center Expansion/Admin Building: \$7.5 million

Rec Center Expansion/Gym/Fitness/Exercise Rooms: \$7.725 million

Rec Center Aquatics Expansion: \$4.4 million

Sprung Structure Fieldhouse: \$2.25 million

***Please note: Estimated costs have all been established at different points in time, and many have not yet included a detailed scope of work. These estimates are included solely to provide an order of magnitude of cost when considering capital project priorities.***

# COMMUNITY SERVICES MASTER PLAN (CSMP)

## PROPOSED IMPLEMENTATION STRATEGY-FINANCIAL

### FUNDING:

Available Fund Balance after deducting reserve .....\$8,940,000.  
 One-time transfer from General Fund/Insurance .....\$860,000.  
 Total Available for Capital Projects .....**\$9,800,000.**

### POTENTIAL EXPENDITURES:

#### Six Year Expenditure Plan

<u>Project</u>	<u>Cost</u>
Mountain Clubhouse Renovation.....	\$1,400,000.
Mountain Maintenance Building/Tank Removal.....	\$800,000.
Champ Golf Course Maintenance Building.....	\$700,000.
Tennis Center Renovation/Bocce Addition .....	\$1,200,000.
IVGID contribution to Community Dog Park .....	\$500,000.
Incline Beach House and Access Improvements .....	\$3,000,000.
Burnt Cedar Pool Reconstruction.....	\$2,200,000.
 Estimated Total Cost for Proposed Projects .....	 <b><u>\$9,800,000</u></b>

### Fiscal Assumptions

- ✓ Ski Way/Roundabout ..... \$4,850,000 (Cost)  
 Funded by a Future Bond. Recreation Bond drops off in 2022/2023 and could cover about two thirds of new Bond Payment. Potential seasonal Ice Rink capital and operating costs paid via existing Foundation funds.
  
- ✓ Current Facility Fee allocations dedicated towards Capital remain constant and supply funds necessary for ongoing asset replacement costs. (\$405 per parcel for Rec Fee, \$39 per parcel for Beach Fee)
  
- ✓ Assumes balance of Facility Fee covers cost of operation for all Community Services Facilities. (No revenue windfall from future robust ski seasons or revenue loss from drought ski seasons.)

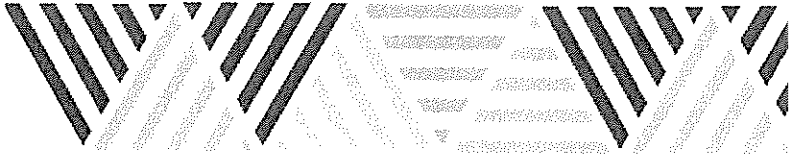
**Six Year Plan for Sequencing Project Implementation-Timing**

Fiscal Year	Design	Construct	Completion
2020	Beach House Tennis Ice Rink	Mountain Clubhouse Mountain Gas Tank	
2021	Burnt Cedar Pool Dog Park	Beach House Tennis Ice Rink Champ Maint. Building	Mountain Clubhouse Ice Rink Champ Maint.
2022	Ski Way	Burnt Cedar Pool Dog Park	Beach House Tennis
2023	Roundabout	Ski Way	Burnt Cedar Pool Dog Park
2024		Roundabout Mountain Maint. Bldg.	Ski Way Mountain Maint.
2025			Roundabout

**Proposed language for CSMP:**

Upon Board of Trustees approval of the CSMP via resolution, Staff is directed to:

1. Begin the process to apply for a Special Use Permit with the U.S. Forest Service to conduct community recreation, including a Dog Park on the 12-acre parcel across from Incline High School.
2. Secure the services of a licensed architect and work with the Community to finalize the design for the Incline Beach House and associated circulation/access improvements.
3. Secure the services of a licensed architect and work with the Community to finalize the concept plan for the renovation of the Incline Tennis Center, including the addition of Bocce Courts.
4. Within ninety days, provide a timeline to the Board of Trustees to ensure the ongoing operation of Burnt Cedar pool while initiating a Community process to review the options for the renovation and/or reconstruction of the Burnt Cedar pools.
5. Immediately initiate discussions with the Incline Tahoe Foundation and Incline Ice Foundation to determine the feasibility of developing a seasonal Ice Skating Rink by leveraging the current funding held by the Incline Ice Foundation.



# TRI-STRATEGIES

*Government Relations & Public Affairs*

To: Incline Village General Improvement District Board of Trustees  
From: Tri-Strategies  
Subject: Legislative Update  
Date: 06-11-19

---

## Legislative Update

### I. Overview

The 80<sup>th</sup> Session of the Nevada Legislature adjourned at midnight on the morning of June 4th, 2019. Democrats held a super majority in the state Assembly, a strong majority in the state Senate and held the Governor's office for the first time in 20 years. Overall, there were 545 Assembly Bills, 557 Senate Bills, 10 Assembly Joint Resolutions, 11 Assembly Concurrent Resolutions, 7 Assembly Resolutions, 7 Senate Joint Resolutions, 11 Senate Concurrent Resolutions and 8 Senate Resolutions that were introduced and that required our monitoring. Out of those, there were a total of 20 bills that we were specifically tracking for IVGID as they made their way through the legislative process.

### II. Bills

The following are the list of bills that we tracked this session and their respective outcomes.

- **Senate Bill 279**

SB279 was the bill sponsored by Senator Ben Kieckhefer that the IVGID Board



# TRI-STRATEGIES

*Government Relations & Public Affairs*

of Trustees voted to take a position of neutral on. The bill added a significant list of requirements to a GID's process of disposing of real property. It received a work session on April 5th in Senate Government Affairs, where it was approved. It was voted out of the Senate floor unanimously on April 10th. It was then heard in Assembly Government Affairs on April 23rd. Tri-Strategies spoke on the record in the position of "neutral" and clarified on the record, that while the bill directly impacts IVGID we wanted to make sure everyone was aware that IVGID followed all rules and procedures in place whenever the disposal of real property occurred. We also were able to secure confirmation on the record from Senator Kieckhefer himself that confirmed IVGID has done everything right.

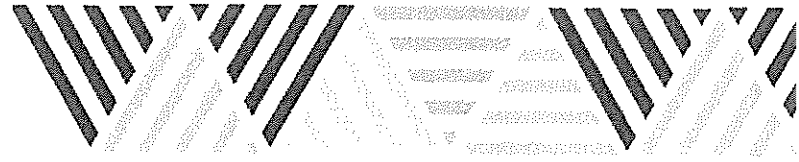
As mentioned in previous updates, IVGID attached an exhibit to this bill, as approved by the Board of Trustees that indicated a concern over the fiscal impact of the bill. The bill received a work session on May 16th, where it was voted out with an amendment unanimously. The amendment simply eliminated the proposed requirement that the highest of the two appraisals be used as the minimum amount the real property in question could be sold and instead replaced it with the average of the two appraisals.

The bill was voted out of the Assembly Floor on May 24th and was subsequently signed by the Governor on June 5th, 2019.

## - **Assembly Bill 84**

This bill is enormously positive for IVGID and the community as a whole. It has its origins in the general election held on November 5, 2002, where the Legislature had submitted to the voters of this State, and the voters approved, a proposal to issue general obligation bonds of the State to protect, preserve and obtain the benefits of the property and natural resources of this State in an amount not to exceed \$200,000,000. The ballot question allocated specific amounts of the bond proceeds to various governmental entities for specified programs and projects.

This bill required the State Board of Finance to issue an additional \$200,000,000 in state general obligation bonds to continue to protect, preserve and obtain the benefits



# TRI-STRATEGIES

*Government Relations & Public Affairs*

of the property and natural and cultural resources of this State. This bill also allocated specific amounts of the bond proceeds to various governmental entities for specified programs and projects, some of which are the same programs and projects specified in the 2002 ballot question.

In its amended form, this bill raised the total amount authorized from \$200,000,000 to \$217,500,000 and specifically earmarked an amount of \$5,000,000 to the State Department of Conservation and Natural Resources for grants to Douglas County, Washoe County or Carson City and municipalities located within those counties to enhance and develop the Lake Tahoe Path System. Money awarded pursuant to this subparagraph must be used to acquire land for the path system or develop the path system.

**Status:** AB84 received a hearing in Assembly Ways and Means on May 23rd. In that hearing the committee adopted the amendment and voted it out of committee unanimously. On May 28th it was voted out of the Assembly Floor. It received a hearing in Senate Finance and was voted out of that committee on June 2nd. On June 3rd it was voted out of the Senate Floor and has been delivered to the Governor's Office.

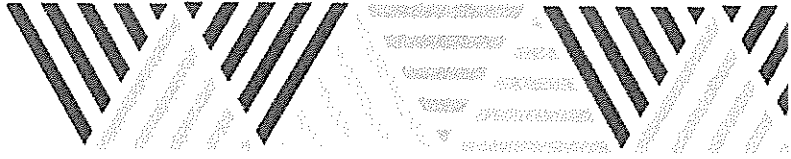
- **Assembly Bill 18**

This bill dealt with the express powers of a local government bodies. Existing law provides the governing bodies of incorporated cities, unincorporated towns and general improvement districts with certain express powers. (Chapter 268, 269 and 318 of NRS)

Sections 1-4 of this bill authorized those governing bodies to provide for the construction, installation and maintenance of ramps that comply with the Americans with Disabilities Act of 1990. (42 U.S.C. §§ 12101 et seq.)

Sections 1-3 of this bill authorized those entities to locate such ramps within any





# TRI-STRATEGIES

*Government Relations & Public Affairs*

public easement or right-of-way if the public easement or right-of-way is within a reasonable proximity of any public highway and the ramp may be located safely within the public easement or right-of-way without damaging the facilities of other persons who are authorized to place their facilities within the public easement or right-of-way.

Status: Received a hearing in Assembly Government Affairs on February 28, 2019. Has not been voted out of committee. Was “amend and do pass” out of Assembly Government Affairs on April 11, 2019. It was voted out of the Assembly unanimously on April 23, 2019. It received a work session on May 15th and was voted out of the Senate floor on May 20th and was signed by the Governor on May 23rd.

## - Assembly Bill 70

This is a long bill and thus it makes sense to break it up into sections. Crucially, it allowed (did not mandate) public bodies the ability to delegate decisions concerning litigation to the Board Chair; (Sec.3) It also Increased potential fines for repeat offenders of Open Meeting Law; (Sec 12) It required that public make “reasonable efforts” to utilize a room large enough to accommodate “anticipated size” of the public turnout, but clarifies that meeting can go on without an OML violation as long as reasonable efforts where made; (Sec 6)

This bill clarified that OML trainings would fall outside of OML requirements , trainings can be conducted by AG’s office or legal counsel for the public body;(Sec 5) It only required “reasonable efforts” to have members who participate in meeting telephonically/electronically be heard and clarifies that a public body may continue their meeting as long as a quorum was able to participate; (Sec 2) An amendment removed a previous bill requirement that the agenda be approved; (Sec 6) It further required public bodies to maintain audio or transcripts of meetings for 3 years up from 1 year. (Sec 7) Finally, it permits the AG’s office to decline to investigate OML complaints raised “in bad faith” (Sec 10)



# TRI-STRATEGIES

*Government Relations & Public Affairs*

Status: Received a hearing in Assembly Government Affairs on March 6, 2019. Has not been voted out of committee. Was amended and passed out of Assembly Government Affairs on April 12, 2019. It was voted out of the Assembly 31-9 on April 23, 2019. It received a work session in its Senate committee on May 15th where it was passed. It was voted out of the Senate with an Amendment on May 24th. Because of that Amendment it had to have a Conference Committee where a resolution was achieved on June 2nd. It was delivered to the Governor for signature.

- **Assembly Bill 86**

This bill exempted certain purchases by local governments from requirements of competitive bidding. It also increased the monetary thresholds at which local governmental purchasing contracts must be advertised. It authorized: (1) a local government to dispose of personal property by donating it to another governmental entity or nonprofit organization; (2) the Administrator of the Purchasing Division of the Department of Administration to enter into a contract pursuant to a solicitation by certain governmental entities. Finally, it revised provisions governing certain preferences for businesses owned and operated by a veteran with a service connected disability.

Status: Received a hearing in Assembly Government Affairs on February 21, 2019. Had a work session on March 22, 2019. Has not been voted out of committee. Referred to Committee on Ways and Means on April 11, 2019. It was voted out of the Assembly unanimously on April 23, 2019. It received a committee hearing in Senate Government Affairs on May 13th, was voted out of committee on May 17th and was voted out of the Senate floor on May 21st. It was signed by the Governor on May 25th.

- **Assembly Bill 101**

This bill authorized a private plaintiff to bring an action for a declaratory judgment



# TRI-STRATEGIES

*Government Relations & Public Affairs*

to determine whether the State of Nevada or a political subdivision of the State violated any applicable provision of state law or a local ordinance. It also stated that if a court issues a declaratory judgment finding that any alleged action of the State or political subdivision violated any applicable provision of state law or a local ordinance, the action taken by the State or political subdivision is null and void. It also allowed a private individual to seek declaratory judgment in an action of a government entity thereby making government entities more susceptible to lawsuits.

Status: Received a hearing in Assembly Judiciary on February 14, 2019. Did not get voted out of committee prior to the committee passage deadline on April 12, and thus it did not survive.

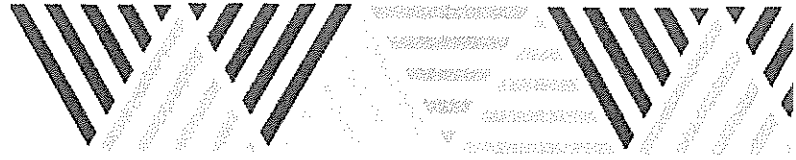
- **Assembly Bill 136**

Under previous law, any contract for a public work whose cost is \$250,000 or more, is subject to the prevailing wage requirements. (NRS 338.075, 338.080) Among other things, this bill lowered the minimum threshold for the applicability of prevailing wage requirements from \$250,000 to \$100,000.

Status: Received a hearing in Assembly Government Affairs on March 8, 2019. Received a Work Session on March 11, 2019 and passed out of committee. Read on Floor a Second Time, referred to Committee on Ways and Means. Heard on April 1, 2019 in Ways and Means. It was voted out of Ways and Means on April 24, 2019. It is still waiting for a vote out of the floor but is exempt from deadlines. It received a hearing on May 6th and a work session on May 15th where it was voted out of committee. On May 20th it was voted out of the Senate floor. It was signed by the Governor on May 28th.

- **Assembly Bill 179**

Existing law prohibited a provision in a contract for a public work that required a contractor to waive a right to damages or an extension of time acquired as a result of a



# TRI-STRATEGIES

*Government Relations & Public Affairs*

delay caused by certain actions by the public body. (NRS 338.480, 338.485) This bill extended this provision to both prime contractors and subcontractors.

This bill also prohibited the waiver of a right to damages or an extension of time acquired that results from an acceleration, disruption or impact event that is unreasonable in length, caused by the public body in certain circumstances or within the control of the public body.

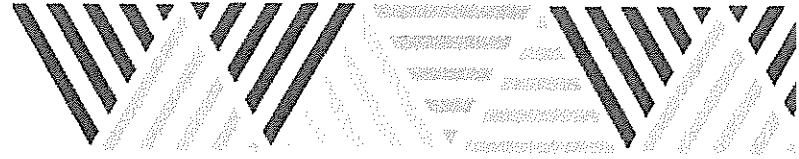
Status: Referred to Assembly Committee on Government Affairs. Heard in Assembly Committee on Government Affairs on April 11, 2019. This bill did not meet the first committee passage deadline and thus did not survive.

## - **Assembly Bill 190**

This bill lowered the threshold for applicability of prevailing wage requirements from \$250,000 to \$100,000. Section 5 of this bill also set the requirements pursuant to which a contractor or subcontractor engaged on a public work may discharge any part of his or her obligation to pay prevailing wages to a worker by providing bona fide fringe benefits in the name of the worker.

Existing law prohibits a public body from: (1) requiring or prohibiting a bidder, contractor or subcontractor from entering into or adhering to any agreement with one or more labor organizations in regard to a public work; or (2) discriminating against a bidder, contractor or subcontractor for entering or not entering into any agreement with one or more labor organizations in regard to the public work. Section 31 of this bill eliminated those prohibitions.

Status: Received a hearing in Assembly Government Affairs on March 20, 2019. Amended and passed out of committee on April 5, 2019. It was voted out of the floor, 29-12 on April 23rd. It received a committee hearing on May 13th, then a work session vote on the 15th, where it was voted out unanimously and finally was voted out



# TRI-STRATEGIES

*Government Relations & Public Affairs*

of the Senate Floor on May 20th. It was signed by the Governor on May 25

- **Assembly Bill 240**

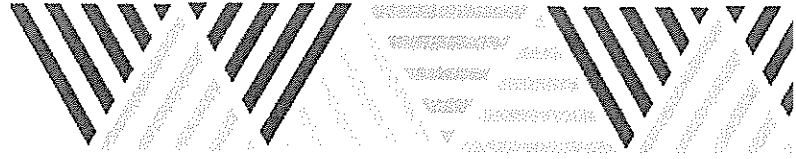
This bill required Carson City, Douglas County, Lyon County, Storey County and Washoe County to each prepare a report at the end of each calendar year between July 1, 2019, and December 31, 2022, that identifies issues relating to and makes recommendations regarding the orderly management of growth in those counties and the region that those counties comprise.

This bill also authorized each such county to consult with and solicit input from other entities in the county in preparing the annual report. This bill also required certain representatives of these counties to: (1) meet jointly at least twice in each calendar year during the period between January 1, 2020, and December 1, 2023, to identify and discuss issues relating to the orderly management of growth in the region, including issues identified in the counties' annual reports; and (2) prepare annual joint reports relating to those meetings for submission to the Legislative Commission.

This bill also required the final annual joint report to comprehensively address all the issues identified and recommendations made by the counties during the period between January 1, 2020, and December 1, 2023, relating to the orderly management of growth in the region.

Status: Received a hearing in Assembly Government Affairs on March 11, 2019. Received a Work Session on March 15, 2019, and passed out of committee. Voted out of the Assembly floor on April 23rd on a 38-3 vote. It received a committee hearing in the Senate on May 10th. It was work sessioned on the 17th where it was voted out and then voted out of the Senate Floor on May 21st. It too was signed by the Governor on May 25th.

- **Assembly Bill 413**



# TRI-STRATEGIES

*Government Relations & Public Affairs*

In order to understand this bill, it is necessary to understand existing law as it stood before this session. Existing law required a governing body of a local government to determine whether a proposed rule is likely to impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. If so, the governing body or its designee must prepare a small business impact statement which must be considered by the governing body at the meeting immediately preceding the meeting held to adopt the proposed rule.

A business that is aggrieved by a rule may object to all or a part of the rule if: (1) the governing body or its designee failed to prepare a business impact statement; or (2) the business impact statement is inaccurate or incomplete. (NRS 237.080, 237.090, 237.100)

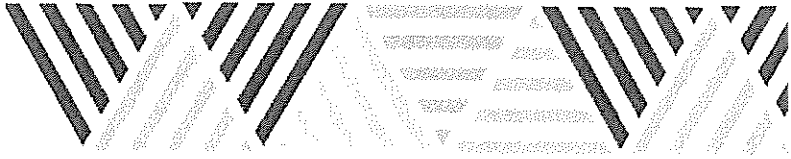
This bill provided that if a governing body fails to consider the business impact statement before taking action to adopt a proposed rule, the action taken by the governing body is void. This bill also authorized a business to file a petition objecting to a rule on the grounds that the governing body of a local government failed to consider the business impact statement before adopting the rule.

Finally, this bill also required the governing body to take action to readopt the rule after the governing body considers the business impact statement.

**Status:** Referred to Assembly Government Affairs. Heard in committee on April 5, 2019. Amended and passed out of committee on April 11, 2019. It passed the floor on a unanimous vote on April 23rd. It is scheduled to receive a committee hearing today, May 13th. Was voted out of committee on May 17th and voted out of the Senate floor on the 21st. It was signed by the Governor on May 27th.

- **Assembly Bill 486**

This bill created an entirely new division called the Division of Outdoor



# TRI-STRATEGIES

*Government Relations & Public Affairs*

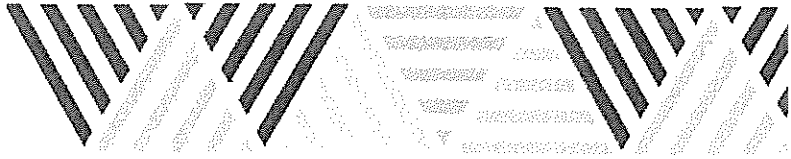
Recreation within the Department of Conservation and Natural Resources. It also lays out the initial staffing and salaries for the division.

Among other things, this newly created division is directed to coordinate all activities relating to marketing and business development for outdoor recreation for the State; coordinate with the Department of Tourism and Cultural Affairs and the Office of Economic Development concerning the promotion and growth of any businesses or opportunities related to outdoor recreation; promote economic development by working with the Office of Economic Development to attract outdoor recreation industries to this State and develop the growth of new business opportunities within this State. In addition to that, the Administrator for Preservation of Natural Resources for Outdoor Recreation shall coordinate: (a) All activities relating to conservation and implementing or interpreting policies regarding natural resources. (b) With the Department, the Department of Wildlife and any other organization, association, group or other entity concerned with matters of conservation and natural resources regarding conservation and the implementation or interpretation of policies regarding natural resources.

Status: Heard in committee on April 4, 2019 and passed out of committee on April 11, 2019. Amended and re-referred to Assembly Ways and Means. Has still not received a vote on the floor but is still alive because it was declared exempt. It received a committee hearing in Assembly Ways and Means on May 23rd. It was voted out of the Assembly Floor on June 3rd. It was delivered to the Governor but as of today it has not yet been signed into law.

- **Senate Bill 10**

This was a bill advocated and presented by the League of Cities that dealt exclusively with General Improvement Districts. Existing law sets the maximum salary a member of a board of trustees of a general improvement district may receive. (NRS 318.085)



# TRI-STRATEGIES

## *Government Relations & Public Affairs*

In its original format, this bill increased the amount a member of a board of trustees of a general improvement district may be compensated from \$6,000 to \$9,000. Alternatively for those GID that have certain powers which permits them to currently pay \$9,000, this bill increases the allowable compensation to be \$12,000. Finally, this bill also defined “compensation” as salary or wages to the exclusion of other potential benefits such as medical insurance.

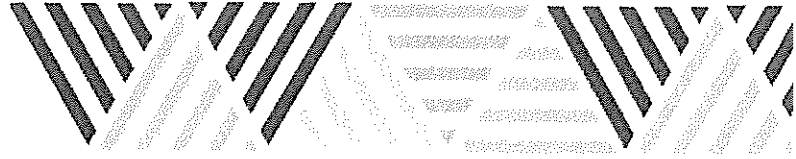
However, the League of Cities agreed to amend the bill in the following manner: It removed the monetary raise and left it at its current levels. The only thing this bill then did was “clarify” that “compensation” did not include any contribution made to PERS on behalf of Trustees. Again, that was the only thing this bill did.

Status: Received a hearing in Senate Government Affairs on February 13, 2019. Received a Work Session on March 1, 2019. Passed out of Committee. Passed out the Senate Floor on an 18-2 vote. Referred to Assembly Government Affairs. It received a hearing on April 19th and a work session on May 17th. It was amended significantly to remove the pay increase and now simply defines the terms “compensation” for the purposes of that existing limit. It was voted out of the Assembly on May 24th and was signed by the Governor on June 1st.

### - **Senate Bill 42**

This bill repealed the provisions of chapter 486A of NRS, relating to the use of alternative fuels in certain public fleets of motor vehicles in counties whose population is 100,000 or more (currently only Clark and Washoe Counties). The provisions that are being repealed under certain circumstances are chapter 486A of NRS, which state that the State Environmental Commission is required to adopt regulations regarding: (1) standards and requirements for alternative fuels; (2) specifications for clean vehicles and motor vehicles that use alternative fuels; (3) the acquisition of clean vehicles and motor vehicles that use alternative fuels by certain fleets; (4) standards for emissions from motor vehicles that are converted to alternative fuels; and (5) the establishment of





# TRI-STRATEGIES

*Government Relations & Public Affairs*

a procedure for approving variances or exemptions from certain requirements. (NRS 486A.150)

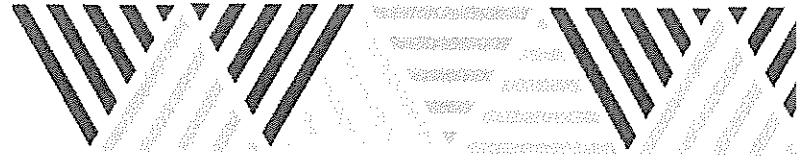
Status: Received a hearing in Senate Growth and Infrastructure on February 7, 2019. Received a Work Session on March 5, 2019 was passed out of Committee, and passed out of the Senate unanimously. Subsequently referred to Assembly Committee on Growth and Infrastructure. It received a committee hearing on April 30th. It received a work session on May 16th and was voted out of the Assembly Floor on May 23rd. It was approved by the Governor on May 29th.

- **Senate Bill 129**

A portion of the impactful sections of this bill included sections 5 and 6 which restate more clearly the existing scope of the statutory ethical standards and their applicability to the conduct of current and former public officers and employees.

Section 6 codified the existing rule of construction that the standards are cumulative and supplement each other and all such standards are enforceable to the extent that they apply to the given set of facts and circumstances. Section 11 of this bill also adds to the statutory ethical standards by prohibiting public officers and employees from using their position or power in government to take any actions or compel a subordinate to take any actions that a reasonable person would find, based on the given set of facts and circumstances, to be a gross or unconscionable abuse of official position or power that undermines the people's faith in the integrity or impartiality of public officers and employees.

Section 35 of this bill revised the contracting prohibition to provide that, with certain exceptions, public officers and employees cannot, directly or through a third party, negotiate, bid on, enter into, perform, modify or renew any government contracts between: (1) the public officers and employees or any business entities in which they have a significant pecuniary interest; and (2) an agency in which they serve or an



# TRI-STRATEGIES

*Government Relations & Public Affairs*

agency that has any connection, relation or affiliation with an agency in which they serve.

Status: Received a hearing in Senate Committee on Legislative Operations and Elections on March 13, 2019. Was amended and passed out of committee on April 12th. Was passed out of committee on April 23rd, and it did so unanimously. It then received a hearing on May 9th, 2019. It was amended and passed on May 16th but never received a vote on the Assembly Floor. Thus this bill died when the session concluded.

- **Senate Bill 175**

Under existing law, a public body may contract with a design-build team for the design and construction of a discrete public works project if the public body has approved the use of the design-build team and the project has an estimated cost of more than \$5,000,000. Furthermore, within a 12-month period a public body may contract with a design-build team for the design and construction of not more than two discrete public works projects which each have an estimated cost of \$5,000,000 or less.

This bill removed the ability of a public body to contract with a design-build team for the design and construction of **two** discrete public works projects each of which have a cost of \$5M or less. This would not go into effect until July, 2021.

Status: Received a hearing in Senate Government Affairs on February 25, 2019. Received a Work Session on March 1, 2019, and passed out of committee. Was voted out of the Senate Floor unanimously. Subsequently referred to Assembly Government Affairs. It received a committee hearing on May 8th. It was amended and passed on May 16th. It was voted out of the Assembly Floor on May 24th and was subsequently approved by the Governor on June 1st.

- **Senate Bill 183**



# TRI-STRATEGIES

*Government Relations & Public Affairs*

This bill dealt with the Open Meeting Law, which sets forth the minimum public notice required of a meeting of a public body including the posting of an agenda. Existing law also specifies certain information that must be included on an agenda. (NRS 244.020)

Among other things, this bill required that if the agenda is revised in any way after it is posted, provided or delivered, the agenda must clearly indicate that the agenda has been revised, what such revisions are and the date that the agenda was revised.

**Status:** Received a hearing in Senate Government Affairs on February 25, 2019. Received a Work Session on March 20, 2019, and passed out of committee. Declared Exempt and referred to Senate Finance Committee. It was never voted out of any house and thus this bill died when the session concluded.

## **Senate Bill 251**

This bill may not directly affect IVGID because it begins by referencing existing law concerning cities and counties. We are including it here out of an abundance of caution.

Existing law authorizes the governing bodies of cities and counties to regulate and restrict the improvement of land and to control the location and soundness of structures. (NRS 278.020) This bill imposed various requirements on the conversion of land used as a residential golf course to any other use. Among other things, this bill defined the term “residential golf course” to mean certain land used for golfing or golfing practice that is located within 2,000 feet of a lot or parcel of land used for residential purposes. Section 3 of this bill required an owner of a residential golf course who wishes to convert the land to any other use to provide notice to certain owners of surrounding land and hold two neighborhood meetings.



# TRI-STRATEGIES

*Government Relations & Public Affairs*

Status: Heard in committee on April 5th, passed out of committee on April 11, 2019. Was voted out of the Senate floor unanimously on April 22, 2019. It received a hearing on April 30th but never received a vote. It died when the session concluded.

- **Senate Bill 287**

This was the big public records bill that received a lot of media attention especially over the final 10 days of session. This bill applies to all state and local governmental entities. As introduced, this bill broadened the definition of a “public record.” It also eliminated the authority of a governmental entity to charge an additional fee for providing a copy of a public record when extraordinary use of personnel or resources is required. Furthermore, it required a governmental entity under certain circumstances to assist the requester to focus the request in such a manner as to maximize the likelihood the requester finds what they are looking for.

It authorized a requester of a public record to apply to a district court for an order if a request for inspection, copying or copies of a public record is unreasonably delayed. Additionally it provided that if the requester prevails in a proceeding involving an unreasonable delay they are entitled to costs, reasonable attorney’s fees an \$100 per day for each day they were denied the right to inspect, copy or receive a copy of the public record AND that they may be entitled to recover a civil penalty if a governmental entity or the person who is responsible for making decisions on behalf of the governmental entity relating to the public record request fails to comply with the existing law governing public records.

This bill received a hearing in Senate Finance on May 31st and was amended and passed. It was further amended during its hearing on June 3rd in Assembly Government Affairs where it was also passed. It was voted out of the floor of the Senate on June 2nd and voted out of the Assembly, with the amendments, on June 3rd. It has been sent to the Governor’s Office where it has not yet been signed.

After the two amendments, the enrolled version of this bill differed in some



# TRI-STRATEGIES

*Government Relations & Public Affairs*

important ways from the bill as it was introduced. First, it includes the word “willfully” to those who failed to comply with the public records request. Secondly, it eliminated the expanded definition of what a public record is. Finally, it also removed the section that applied any financial penalty or fee on the individual responsible for maintaining the records or responsible for answering a public records request.

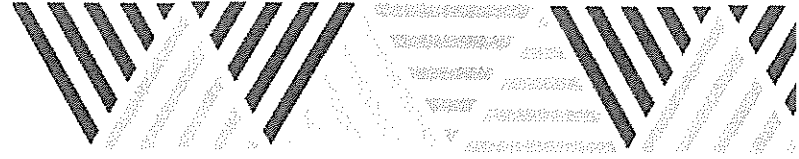
Status: Referred to Committee on Government Affairs. Was heard on April 3rd in Senate Government Affairs. Referred to Government Finance and declared exempt. It received a hearing in Senate Finance on May 31st and was amended and passed. It was further amended during its hearing on June 3rd in Assembly Government Affairs where it was also passed. It was voted out of the floor of the Senate on June 2nd and voted out of the Assembly, with the amendments, on June 3rd. It has been sent to the Governor’s Office where it has not yet been signed.

- **Senate Bill 433**

This bill granted law enforcement officers of the States of California or Nevada concurrent jurisdiction to arrest offenders for certain prohibited conduct on any land mass within 10 miles of Lake Tahoe or Topaz Lake.

This bill also provided that certain claims brought against officers or employees of the States of California or Nevada or an agency or political subdivision thereof are subject to the conditions and limitations on civil actions established by the state of that officer or employee.

Status: Referred to Senate Judiciary. Heard on April 8th, passed out of committee on April 11, 2019. Was voted out of the Senate floor on April 22nd on a unanimous vote. It received a hearing on May 7th and a work session the very next day, May 8th where it was passed out of committee. It then received a vote on the Assembly floor on May 10th where it passed unanimously. It has also now been signed



# TRI-STRATEGIES

*Government Relations & Public Affairs*

by the Governor.

## MEMORANDUM

**TO:** Board of Trustees

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

**FROM:** Tom Beko  
Litigation Counsel

**SUBJECT:** Case No. CV18-01564 Mark E. Smith v. IVGID

- (1) Receive, review and discuss status report from litigation counsel, Tom Beko, Esq., regarding defense of lawsuit initiated by Mark E. Smith under Case No. CV18-01564 against the Incline Village General Improvement District ("IVGID"), IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.
- (2) Review, discuss and possibly approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over current authority of the General Manager).
- (3) Authorize litigation counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).

**DATE:** June 12, 2019

---

### I. RECOMMENDATION

That the Board of Trustees makes a motion to:

Review, discuss and possibly approve legal fees and costs to continue defense of lawsuit (estimated budget \$10,000.00 over the current authority of the General Manager); and

Authorize Litigation Counsel, Thomas P. Beko, Esq., to pursue an appeal of the final disposition of the District Court (estimated budget \$15,000.00).

### II. EXECUTIVE SUMMARY

Mr. Smith made a records request asking for all communications between District Legal Counsel Jason Guinasso and District Clerk Susan Herron and General

Manager Steve Pinkerton for a twenty-two (22) month period beginning January 1, 2016 and ending October 19, 2017.

This records request required an extraordinary amount of time and effort to prepare a response to because it required District Legal Counsel to identify over 13,000 potentially responsive documents, print and Bates stamp these documents, and then individual review each document to determine whether the documents were privileged and confidential. All but 304 of the 13,000 + documents were privileged and confidential.

Therefore, IVGID provided the 304 requested documents at \$1.00 per page. The rest of the documents were not produced because they were attorney-client privileged communication. Mr. Smith was informed of this decision in writing and was provided the appropriate legal authority.

Mr. Smith disagreed with this decision and filed a lawsuit on July 30, 2018, naming IVGID Board Chair Kendra Wong, and District Legal Counsel as Defendants. In his Complaint, his primary claims were:

He should not have to pay anything for the documents.

He should be able to receive the documents in electronic form.

He should be provided a log regarding all communication between legal counsel and staff.

As a consequence of this legal action taken by Mr. Smith, IVGID was forced to retain outside litigation counsel to defend the District, the District Board Chair, and District Legal Counsel. After six months of litigation which required responses to discovery requests, depositions, and preparation and responses to motions, the District Court decided that no trial would be necessary and denied IVGID's Motion for Summary Judgment, but entered an order granting summary judgment in favor of Mr. Smith.

However, in the decision, the Court made a number of findings which were actually favorable to IVGID's position. First, the Court found that Mr. Smith was not entitled to electronic (native) versions of the 304 documents originally produced in hard copy. This was the primary dispute that existed between Mr. Smith and IVGID and likely spawned this entire lawsuit.

With regard for the charge assessed by IVGID for the copies produced, (\$1.00 per page) the Court ruled that Mr. Smith must tender payment to IVGID at the rate of \$.50 per page for these documents. This portion of the order fully vindicates the District's demand that Mr. Smith pay for the records he sought rather than receive them electronically.



Thus, despite the Court denying IVGID's motion for summary judgment, the Court actually supported IVGID's actions vis-à-vis the documents requested which IVGID has always admitted were not privileged, and were otherwise available to Mr. Smith if he only tendered the requested payment. Rather than make the reasonable payment of \$299.00 for the documents he requested, Mr. Smith instead chose to file a lawsuit costing himself and the District tens of thousands of dollars so that he could ultimately pay \$149.50 for the documents he requested.

Moreover, with regard to whether IVGID was legally obligated to provide Mr. Smith with a Privilege Log under the Nevada Public Records Act pre-litigation when it withheld documents based upon the attorney-client privilege, the Court did not rule that IVGID had any such obligation pre-litigation. However, post-litigation the Court exercised its authority to order IVGID to produce a privilege log.

In summary, for the most part, the Court's ruling was a win for IVGID in that:

- 1) it affirmed IVGID's right to require payment for documents despite the fact that they are readily available in electronic form;
- 2) IVGID need not produce the document in digital form; and
- 3) pre-litigation, IVGID was not required to prepare and serve a privilege log.

Stated another way, the 304 documents produced in hard copy were produced in accordance with the law and must be paid for by Mr. Smith (Smith had argued he did not have to pay anything). Further, the attorney-client privilege was asserted correctly pre-litigation under the NPRA (no pre-litigation privilege log required).

Although the Court specifically ruled that IVGID was required *post-litigation* to produce a privilege log, the Court never specifically held that *pre-litigation* IVGID had any such obligation. However, because the Court seemingly entered an order finding in favor of Mr. Smith (which impliedly would have found that IVGID had a pre-litigation obligation to produce such a log), IVGID has asked the Court to clarify the ruling on this issue. That motion remains pending today and represents the need for additional litigation in the underlying matter.

I have opined that the Court's ruling on the post-litigation privilege log is also contrary to existing Nevada law in that the Court found that IVGID could not assert a "blanket" privilege over the withheld records and instead IVGID was required to provide a more detailed explanation of the withheld documents. The law clearly supported the manner in which IVGID asserted the privilege (albeit in a "blanket" form) because the privilege clearly and unmistakably applied to every document withheld. Under such circumstances, the "blanket" assertion of the privilege was

fully justified under existing law. If left intact, this aspect of the Court's ruling would again impose an enormous financial burden upon IVGID in that when future public records requests are received, IVGID would not be permitted to generally assert a privilege against production without providing what amounts to a privilege log individually describing each record withheld. Thus, I believe this aspect of the Court's ruling should be challenged in order to obtain appellate review and clarification of this key issue.

### **III. STATUS REPORT**

This agenda item arises out of ongoing defense of a lawsuit filed by IVGID resident Mark E. Smith against IVGID, IVGID Board Chair Kendra Wong, and District Legal Counsel Jason Guinasso.

#### **A. BACKGROUND**

On October 19, 2017, Mr. Smith submitted a request to IVGID's Public Records Officer, Susan Herron to "access, inspect and copy" the following records:

All communications by any form including email between Jason Guinasso (the District's attorney) on the one hand, and both yourself and Steve Pinkerton on the other, for the period of January 1, 2016 to the date of this request, excluding any privileged communications but including a list of all excluded communications including the nature of each, as required by law.

Due to the nature of the request for communications between IVGID General Counsel and its General Manager, Mr. Pinkerton, and its Executive Assistant and District Clerk, Ms. Herron, IVGID's initial response on October 19, 2017, was that no public documents would be provided due to the privileged and confidential nature of attorney-client communications.

Later Mr. Smith clarified his request and explained that he was seeking documents outside the attorney-client privilege such as those that included Mr. Guinasso and Ms. Herron and a member of the public. Mr. Smith and Mr. Guinasso also met on October 31, 2017 to further discuss the request.

After receiving clarification from Mr. Smith about his request, IVGID began working on the request and sent an email to Mr. Smith on November 7, 2017. In that email, Mr. Guinasso confirmed Mr. Smith's request and the clarification that Mr. Smith expected that documents responsive to the request would include communications wherein a member of the public was included in the communication. Mr. Guinasso further informed Mr. Smith that, since the communications at issue covered nearly a two-year span, it would necessarily

take significant time and resources to locate, review, and produce the requested documents. Mr. Guinasso advised that he anticipated that it would take approximately 60 days to complete the request and that he anticipated providing the records on or before January 8, 2018.

On January 9, 2018, Mr. Guinasso provided an update to Mr. Smith and advised that, due to the volume of emails that have to be reviewed in response to Mr. Smith's request, an additional two weeks would be needed.

On February 2, 2018, Mr. Guinasso sent a letter to Mr. Smith to provide an update on the records request. Mr. Guinasso explained that the request required significant manpower to process it and that the request was still in process. Mr. Guinasso provided additional information as to the steps taken to date to satisfy the request including: (1) use of Staff and IT departments to search and obtain emails from the IVGID email server and General Counsel's email server; and (2) review of identified emails by IVGID General Counsel to ensure documents protected by the attorney-client privilege or work product doctrine were not inadvertently disclosed. *Id.* Mr. Guinasso further advised Mr. Smith that there are at least 1,000 additional emails that require review by General Counsel and that it was estimated to take until the end of February 2018, to complete that review.

Following a thorough and exhaustive review of the communications at issue, Mr. Guinasso provided a final response to Mr. Smith on April 27, 2018. Mr. Guinasso informed Mr. Smith of the applicability of the attorney-client privilege found at NRS 49.095 and the application of that privilege to the majority of the identified communications. Mr. Smith was also informed that the search and review of these documents took 120 hours of General Counsel time in order to determine the application of the attorney-client privilege, plus significant additional time of the IT department spent retrieving the communications. Mr. Guinasso stated that although it could be argued that Mr. Smith be responsible for paying for 13,000 pages of printed privileged communications, no such charge would be assessed.

To be clear, there was never any charge assessed to Mr. Smith for the entirety of the 13,000 pages of documents.

However, Mr. Guinasso did explain that copies of the records that were retrieved, reviewed, and determined to be non-privileged would be provided as a cost of \$1.00 per page after the first five pages. The non-privileged documents totaled 304 pages, and Mr. Smith was advised that the cost would be \$299 as provided by IVGID's Policy and Procedure 137. Mr. Smith was advised that upon receipt of his payment of \$299, the non-privileged records would be

provided to him. If the time of staff and General Counsel, as well as the technological resources used to complete the request were monetized, the \$299 fee would amount to a fraction of the cost incurred by IVGID in responding to Mr. Smith's request.

Mr. Smith objected to Mr. Guinasso's April 27, 2018 letter on the basis that he did not feel that the potentially privileged documents needed to be printed and that he should not be charged \$299 because he preferred to inspect the electronic files. Mr. Smith argued that Policy and Procedure 137 stated that documents available in a digital form will be provided at no charge, and he objected to the charge.

Thereafter, on July 30, 2018, Mr. Smith filed a lawsuit against IVGID, Kendra Wong, in her capacity as Chairwoman, and Mr. Guinasso, "individually and as counsel" and allegedly as, "de facto records officer for IVGID." The Complaint requested "Declaratory and Injunctive Relief to Compel Disclosure of Public Records."

The Nevada Public Agency Insurance Pool declined to provide coverage for the lawsuit because there is no coverage for lawsuits seeking declaratory and injunctive relief under the Nevada Public Records Act.

General Manager Pinkerton approved the defense against the litigation under the authority given to him under IVGID Board Resolution No. 495 Policy and Procedure 098), NRS Chapter 41, and Policy 3.1.0 (f) &(g) (the expenditure of public funds for contracted legal fees and costs, as well as the value of the law suit, was less than \$50,000, which was within the authority delegated to the General Manager).

The General Manager selected Litigation Counsel to defend against the lawsuit because of his history with IVGID defending against the lawsuit of Mr. Aaron Katz.

The Court set a trial date for April 8, 2019.

## **B. DISCOVERY AND MOTIONS FILED DURING LITIGATION**

Mr. Smith engaged in aggressive discovery, including the submission of interrogatories, requests for production of documents, and requests for admissions. Mr. Smith also deposed General Manager Steve Pinkerton, District Clerk Susan Herron, Trustee Phil Horan, and Kendra Wong. Notably, Mr. Smith did not depose Mr. Guinasso who, quite frankly, was the only individual who possessed information relative to the issues in dispute in the matter.

After the foregoing discovery was completed, IVGID Legal Counsel filed a Motion for Summary Judgement.

Mr. Smith opposed this motion.

Mr. Smith file a motion for in camera inspection of all the records sought in the case. IVGID opposed this motion.

On or about April 5, 2019, the District Court provided notice to the parties that it was going to deny IVGID's motion for Summary Judgement and grant summary judgment on its own terms.

### **C. DISTRICT COURT ORDER**

On May 10, 2019, the Court ordered that "summary judgment is granted in favor of Mark Smith and against Defendant Incline Village General Improvement District pursuant to Rule 56(f)..." Following that, the Court ordered that "summary judgment is not granted at this time against Jason Guinasso..." and that "summary judgment is not entered against Kendra Wong..." The Court noted that Chair Wong and Mr. Guinasso are not dismissed from the action but can seek dismissal by way of a separate motion. Therefore, the order was entered against IVGID only and not as to Ms. Wong and Mr. Guinasso.

The Court denied IVGID's motion, but entered an order granting summary judgment in favor of Mr. Smith. However, in the decision, the Court made a number of findings which were actually favorable to IVGID's position. First, the Court found that Mr. Smith was not entitled to electronic (native) versions of the 304 documents originally produced in hard copy. Due to security reasons, IVGID rejected Mr. Smith's demand for this information as it was concerned that allowing any person access to the native form of an email could result in alterations of the original email, or it could allow the recipient of the email to take subsequent actions (such as forwarding the email to others) in a manner in which it would appear to the recipient of the email that it had actually be sent by a representative of IVGID. This was the primary dispute that existed between Mr. Smith and IVGID and likely spawned this entire lawsuit.

With regard for the charge assessed by IVGID for the copies produced, (\$1.00 per page) the Court ruled that Mr. Smith must tender payment to IVGID at the rate of \$.50 per page for these documents. This portion of the order fully vindicates Mr. Guinasso's demand that Mr. Smith pay for the records he sought rather than receive them electronically. This would be true despite IVGID

resolution which purports to require IVGID to produce electronic copies of records when available.

Thus, despite the Court denying IVGID's motion for summary judgment, the Court actually supported IVGID's actions vis-à-vis the documents requested which IVGID has always admitted were not privileged, and were otherwise available to Mr. Smith if he only tendered the requested payment. Rather than make that payment, Mr. Smith instead chose to institute the current action.

A second key issue which was raised in the litigation related to the question of whether IVGID was legally obligated to provide Mr. Smith with a Privilege Log when it withheld documents based upon the attorney-client privilege. In order to respond to Mr. Smith's public records request, IVGID's staff was forced to individually review more than 13,000 pages of email communications. This task fell primarily upon Mr. Guinasso as the decision as to whether the document fell within the attorney-client privilege entailed a legal determination.

Because he believed that this public records request was instituted for the specific purpose of providing a platform upon which to commence litigation against IVGID, Mr. Guinasso undertook the exhaustive task of preparing a privilege log as it was believed that if litigation was actually commenced, the Court might require IVGID to then prepare such a log. As noted herein, the process of reviewing and cataloging the requested communications took over 120 hours.

While the Privilege Log was prepared, it was not produced to Mr. Smith pre-litigation as Mr. Guinasso was concerned that it would set an unwanted precedent which might spawn other disgruntled individuals to make incredibly burdensome records requests solely as a means by which to disrupt IVGID's operations.

As Mr. Guinasso suspected, **post-litigation** (meaning after a lawsuit is filed), the Court did order IVGID to produce a privilege log of the remaining records which were withheld. Notably, the Court did not rule that IVGID had any such obligation **pre-litigation** which, as set forth above, was one of the key issues which spawned this litigation and effectively forced IVGID to vigorously defend against the claims asserted. When the Court ordered IVGID to produce the privilege log, the Court required the log to include only the date of the communication, the author and recipient of the communication, whether a third party is party to the communication, and "a one word identifier for the property or outside entity involved."

When Mr. Guinasso originally prepared his privilege log, it contained all the information required by the Court, save and except the “one word identifier.” As a result, IVGID’s retained counsel were required to go back through the remaining 13,497 pages of withheld documents to add this additional identifier. That process is in the final stages of completion and the revised log is expected to be delivered to Mr. Smith’s counsel in the next few days. At the present time, it remains unknown whether Mr. Smith will take further action to ask the Court to find that any of the withheld documents do not fall within the asserted privilege. This appears to be all that remains with regard to the underlying litigation.

As detailed above, one of the primary reasons why IVGID has taken a firm position in this case is because of a concern that an adverse ruling might set a precedent for future matters which could impose an enormous financial burden upon IVGID. In entering its ruling, the Court did make it clear that the ruling was limited to the unique facts of this matter and as such should not be considered a precedent for blanket access to documents maintained by IVGID. However, despite this explicit holding, IVGID remains concerned that the Court’s actual rulings will have an adverse future impact upon IVGID’s operations.

In summary, for the most part, this ruling is a win for IVGID in that: 1) it affirmed IVGID’s right to require payment for documents despite the fact that they are readily available in electronic form, 2) IVGID need not produce the document in digital form, and 3) pre-litigation, IVGID was not required to prepare and serve a privilege log. Stated another way, the 304 documents produced in hard copy were produced in accordance with the law and must be paid for by Mr. Smith (Smith had argued he did not have to pay anything). Further, the attorney-client privilege was asserted correctly pre-litigation under the NPRRA. (no pre-litigation privilege log required).

This case also involved a procedural issue never before presented in any Nevada Court due to the fact that the Court’s ruling was only allowed due to a 2019 amendment to Nevada’s Rules of Civil Procedure. Under this recent amendment, a district court is allowed to grant summary judgment to a non-moving party (in this case, Mr. Smith) despite the fact that he never sought a pretrial ruling in his favor. While IVGID always maintained that this case raised only issues of law which must be decided only by the Court, it was a bit surprising that the Court took the opportunity to issue a ruling which, on its face, appeared to favor Mr. Smith in that it denied IVGID’s motion for summary judgment and found in favor of Mr. Smith.

As noted above, although the Court specifically ruled that IVGID was required *post-litigation* to produce a privilege log, the Court never specifically held that *pre-litigation* IVGID had any such obligation. However, because the Court seemingly entered an order finding in favor of Mr. Smith (which impliedly would have found that IVGID had a pre-litigation obligation to produce such a log), IVGID has asked the Court to clarify her ruling on this issue. That motion remains pending today and represents the need for additional litigation in the underlying matter.

IVGID's retained counsel has opined that the Court's ruling on the post-litigation privilege log is also contrary to existing Nevada law in the Court found that IVGID could not assert a "blanket" privilege over the withheld records and instead IVGID was required to provide a more detailed explanation of the withheld documents. IVGID's counsel believes that the law clearly supported the manner in which IVGID asserted the privilege (albeit in a "blanket" form) because the privilege clearly and unmistakably applied to every document withheld. Under such circumstances, the "blanket" assertion of the privilege was fully justified under existing law.

If left intact, this aspect of the Court's ruling would again impose an enormous financial burden upon IVGID in that when future public records requests are received, IVGID would not be permitted to generally assert a privilege against production without providing what amounts to a privilege log individually describing each record withheld. Thus, IVGID's counsel believes this aspect of the Court's ruling should be challenged in order to obtain appellate review and clarification of this key issue.

#### **D. POST-JUDGEMENT LITIGATION**

Mr. Smith paid the \$149.50 for the 304 documents that had been produced in hard copy to him in response to his original request for public records. IVGID provided Mr. Smith with a post-litigation privilege log.

Several post-judgment motions have been filed by Mr. Smith and IVGID, including the following recently filings:

Plaintiff's Memorandum of Costs: (whereby the plaintiff seeks his litigation costs, not including attorney's fees)

IVGID's Motion to Retrax Costs: (IVGID's challenge to the request for costs)

IVGID's Motion to Amend or For Additional Findings: (seeking the clarifications detailed above)

IVGID's Motion for Leave to File Motion for Reconsideration (also seeking clarification of the Court's ruling)



Plaintiff's Opposition to Motion to Retax Costs  
Plaintiff's Motion for Attorney's Fees & Costs  
IVGID's Reply in Support of Motion to Retax Costs

All of the forgoing motions are tied one way or another to the apparent inconsistency between the Court's *sua sponte* order granting summary judgment to Mr. Smith, while at the same time, issuing an order which effectively denied him much of the relief he sought. The plaintiff's motion for attorney's fees and costs are dependent upon the Court finding that he was the prevailing party in this case. And, while the general nature of the Court's rulings appear to favor Mr. Smith, when one reviews the actual Court rulings, the decisions mostly favor IVGID. Thus, it is upon this basis that IVGID will oppose these motions.

**E. MERITS OF POTENTIAL APPEAL:**

As set forth above, IVGID has two pending motions which seek clarification of the Court's ruling. There exists a possibility that the Court will revise its decision to make it clear that IVGID was not required, *pre-litigation* to serve Mr. Smith with a privilege log. If the Court does not, or if the Court enters a ruling which provides that pre-litigation IVGID had such an obligation, I believe that ruling would be entirely inconsistent with Nevada law and because of the enormous future burden that would place on IVGID thus a recommendation that such a ruling be appealed.

Additionally, regardless of the pending motions, it appears that the Court's ruling which would require IVGID to provide a detailed description of the privilege for each withheld document is contrary to existing law. If the Court's ruling continues unaltered, Litigation Counsel believes this issue should be appealed. However, such an appeal would be very simple, straightforward and inexpensive to pursue.

**IV. LEGAL FEES AND COSTS**

To date, I have accrued \$45,608.62 for legal fees and costs for the period of August 2018 to present. These costs included all the preparation for trial which was vacated (by the Court's ruling on IVGID's motion) just days before the trial was set to commence

Litigation Counsel estimates that \$15,000.00 will be needed to complete post-judgment litigation. This cost could be substantially less depending upon the two motions identified above, but could also increase if Ms. Smith seeks to further

challenge IVGID's assertion of the attorney-client privilege to any withheld document.

Mr. Smith has asked the Court for an award of attorney fees and costs of in the amount of \$23,065.00. This motion has not yet been opposed by IVGID and while there certainly exists a possibility that the Court might award Mr. Smith some of his fees and costs (for the matters upon which he did prevail, namely reducing the cost per page by \$.05), Litigation Counsel believes he will not be awarded the entirety of his claimed fees and costs.

I estimate that an Appeal of the District Court order, should it become necessary, will be \$15,000.00.

#### **V. ALTERNATIVES**

Do not approve continued defense of litigation beyond the General Manager's current authority.

Do not authorize litigation counsel to pursue an Appeal of the District Court's final disposition of the case.

#### **VI. BUSINESS IMPACT**

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

## MEMORANDUM

**TO:** Board of Trustees

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

**SUBJECT:** General Manager's Status Report  
Prepared for the meeting of June 19, 2019

**DATE:** June 11, 2019

---

### Financial Transparency

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

Through the first ten months of the Fiscal Year, District-wide revenues are \$3,484,561 ahead of projected budget and District-wide operating uses are \$701,049 below projected budget. In total, we are \$4.2 million to the good for year to date budget. For the month of April, we were \$566,369 to the good due to the extended season at Diamond Peak. Skier visits continued to trend above average, and yield per skier continued to exceed expectations.

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

Also please note that the 2019-20 adopted budget is now available for detailed viewing on the District's OpenGov.com portal, which is accessible from the Financial Transparency page.

In addition, based on feedback received at the May 22, 2019 Board of Trustees Meeting, saved views for the Hyatt Sports Shop are now accessible in the OpenGov.com toolbar. Interested parties can click on pre-saved views of the Combined Golf and Ski budget, or click on budgets for either the Golf or Ski Budget Divisions. Other recent saved views include "Charitable Allowances (4270)" and "Charitable Allowances by Venue."

### Venue Status Reports

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

These reports are used to provide the Board of Trustees and the community with a summary of the activities for each venue, including significant expenditures performed under the General Manager's authority. For example, the Public Works status report for April notes that there were no new Public Works contracts issued in April. It also provides updates on the three construction contracts that were issued that month in March.

This report also includes monthly updates on Public Works benchmarks. For example, customer service requests in March numbered 85, slightly below the three-year average for April of 93. For the Fiscal Year-to-Date, customer service requests are ten below the three-year average of 882.

There were five Trash Complaints (actual call-outs) in April. For the Fiscal Year-to-Date, complaints are 31 versus 334 the previous year.

Wastewater flow was at 35 million in March, which was consistent with the three-year average. For the Fiscal Year-to-Date, total flows are at 292 million, below the three-year average of 306 million.

The Business Office had another busy month with 60 accounts delinquent, 252 owners with potential water leaks, and one shut off for non-payment. Of the 4,588 accounts billed monthly, 1,274 now receive their bills online.

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

The Human Resources Status Report included updates on employee recruitment, training, community relations and worker's compensation.

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

### **Bidding Opportunities**

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

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

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

## **Capital Projects Update**

### **Design**

#### **WRRF Aeration System Improvements**

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six 200,000-gallon aeration basins with two jet aeration clusters per basin. These clusters utilize pressurized air to mix and recirculate the wastewater and provide the necessary oxygen to the microorganisms. The pressurized air is delivered by multistage centrifugal blowers that are metered by electronically operated valves in order to keep the correct balance of oxygen in the aeration basins at all times. This project funds the design and replacement of the aeration system equipment at the WRRF. The age of the equipment, the number of hours of operation, and condition assessment indicates the existing centrifugal blowers are at the end of their serviceable life. Additionally, the blowers are no longer supported by the manufacturer and replacement parts are difficult to acquire. Jacobs Engineering is working on the designs documents and final bid level documents are scheduled to be completed in the July 2019 to replace aeration blowers and associated piping, valves and control system. The Engineering staff will then bid the construction project in August 2019, with construction beginning in September 2019 and substantial completion in May 2020.

#### **SPS #1 – (Overflow Parking Lot)**

The District owns 18 sewer pumping stations in Incline Village and Crystal Bay. Sewer Pump Station #1 collects and transports 50 percent of the raw sewage and transport to the wastewater treatment plant on Sweetwater Road. If something were to happen to Sewer Pump Station #8 there is a direct bypass that would send all of the raw sewage to Sewer Pump Station #1, thus accounting for 75 percent of the raw sewage in the District. Constructed in the early 1970s this station has provided reliable service. The station contains the mechanical and electrical equipment to pump sewage to the wastewater treatment plant. The equipment in the station to be replaced as a part of this project are the variable frequency drives for the three pump sets. Jacobs Engineering is working on the design for the replacement of the three variable frequency drives (VFD's) and replacement of the motor control center (MCC). Final bid level documents are expected in July 2019. The Engineering staff will then bid the construction project in August 2019, with Construction anticipated for the fall/winter 2019-20.

### WPS 2-1 Incline – (Burnt Cedar Beach)

Water Pump Station 2-1 (WPS 2-1) is located at the Burnt Cedar Water Disinfection Plant (BCWDP) and pumps the disinfected potable water into the water distribution system to serve Incline Village and Crystal Bay. WPS 2-1 was largely constructed in 1972 with minor upgrades in 1995 and 2012. The electric motor control centers (MCCs) and switchgear at WPS 2-1 date to the original 1972 installation. This equipment does not meet modern OSHA requirements for Arc Flash safety and the MCCs and switchgear is at the end of its service life and no longer supported by the respective manufacturers. Jacobs Engineering is working on the design for the replacement of the three water pump motor soft starts and replacement of the motor control center (MCC). Final bid level documents are expected in June 2019. The Engineering staff will then bid the construction project in June 2019, with construction beginning in August 2019 and substantial completion in April 2020.

## **Construction**

### Repair Deck, Stairs, and Powder Coat all Patio Deck Railings

This project will replace the railings and southern stairway on the eastside deck at the Recreation Center. The Board awarded the contract to Bruce Purves Construction on April 10, 2019. Project is in construction and stairwell removal has been completed.

### Water Reservoir Safety and Security Improvements

This project would replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices. The exterior access to the roof area is required to meet the needs of the District to monitor the water quality in the reservoirs and perform routine repairs to radio communication equipment. The ladders also need to be secured from access by the public. The reservoir ladders, fall protection, platforms, and protective railings will meet the current Occupational Safety and Health Administration (OSHA) safety standards. The Board awarded the contract to Resource Development Company on April 10, 2019. Construction will begin this summer and is expected to be substantially complete by June 30, 2020.

### ADA Access to Golf Course Bathrooms (Mountain Course)

The Mountain Golf Course on-course bathrooms at holes #6 and #13, and the site surrounding the restrooms are not in compliance with current American Disabilities Act (ADA) requirements for access due to excessive cross slopes between the golf cart parking and the restrooms entryway. This project will re-construct the cross slopes and pave access from the golf cart parking to the restrooms entryway. The project was awarded to Colbre Grading and Paving at the January 23, 2019 Board

Meeting. Construction began the week of the June 3<sup>rd</sup> with the delivery of temporary restrooms.

#### Incline Park Ballfields Renovations

The project was awarded to Rapid Construction at the March 18, 2019 District Board meeting. The project was reduced in scope to only improvements at Field #3 to include:

- New Baseball specific Turf Infield, Drainage, and Irrigation
- New outfield specific French Drain
- New Scoreboard with naming rights panel
- New Modular Batting Cages with retaining/seating wall
- New Foul Poles
- Expansion of outfield dimensions, fencing replacement, and renovated outfield warning track
- New Backer Board at Backstop/Includes padding
- New enclosed custom modular Dugouts with equipment storage
- Site Signage Improvements

The project will begin late June as the weather allows and will be substantially completed by August 30, 2019.

#### Other Projects

The grant funded Incline Creek Restoration project located on the Hole 14 of the Championship Golf Course was awarded to Aspen Developers with construction slated for post-Labor Day 2019. Pavers are being installed at the Chateau.

#### IVGID Quarterly

The April edition has now been distributed. This Quarterly includes the Spring-Summer Recreation Guide along with features on the Incline Village Library and the IVGID Appreciation Days. The June quarterly is at the printers and should be released shortly. The next quarterly includes a number of features on our Public Works department, our summer event calendar and an update on our current construction projects.

#### Tahoe East Shore Trail Debut

The June Quarterly also has a feature on the Tahoe East Shore Trail. The 3-mile stretch of trail, starting near Tunnel Creek Café and terminating at Sand Harbor, is expected to open at the end of this month.

Staff is working with other stakeholders to ensure that parking, operations and maintenance all run smoothly from day one. I will be attending an all-hands meeting on June 20<sup>th</sup> to discuss logistics for the opening.

A formal grand opening ceremony is scheduled for June 28, 2019 at 3:30pm.

**Washoe County Federal Lands Bill**

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

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

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

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

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

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

In the meantime, based on Board input, staff is reviewing alternate means for securing use of the property.



## MINUTES

### **REGULAR MEETING OF MAY 22, 2019 Incline Village General Improvement District**

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Chairwoman Kendra Wong on Wednesday, May 22, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

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

The pledge of allegiance was recited.

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

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

Also present were District Staff Members Director of Finance Gerry Eick, Director of Public Works Joe Pomroy, Director of Golf/Community Services Darren Howard, and Director of Parks and Recreation Indra Winquest.

Members of the public present were Elyse Gut, Joanne Sheehy, Cliff Dobler, Ellie Dobler, Pete Todoroff, John Isaacson, Anne Isaacson, Sara Schmitz, Steve Price, Aaron Katz, Judith Miller, Mike Hess, Steve Dolan, Dale Smith, Jim Croley, Linda Newman, Denise Davis, and others.

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

#### **C. REQUIRED PUBLIC HEARING ON THE DISTRICT'S OPERATING AND CAPITAL IMPROVEMENT PROGRAM BUDGETS, FISCAL YEAR 2019-2020 (this public hearing will be held no earlier than 6:00 p.m. and as soon thereafter as practicable)**

Trustee Horan made a motion to open the public hearing; Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was unanimously passed.

Chairwoman Wong asked District General Manager Steve Pinkerton if Staff had complied with all the required notices; District General Manager Pinkerton said yes.

Director of Finance Gerry Eick gave a brief overview of the submitted materials.

Chairwoman Wong stated that the public comment advisory statement applies to the public comments for this public hearing and opened the matter for public comment.

Linda Newman read from a prepared statement which was submitted.

Cliff Dobler read from a prepared statement which was submitted.

Judith Miller said whereas IVGID fails to provide its Board or the public with a clear financial review of its venue and just how many of its residents/homeowners each venue serves, it is not performing its basic duty to provide for the residents of the District and the State of Nevada. Budgeting that requires financial support from District property owners for facilities scaled to serve tourists and the public, as a whole, violates the purpose of a general improvement district. Such facilities should be financed by tourists' occupancy taxes or other sources derived from tourism. Until such time as the Legislature makes the necessary changes to support those facilities in this manner, IVGID's Board should require a budget that is not dependent on an invalid fee that puts an unfair burden on property owners and consequently on their tenants. Instead user fees for overcrowded venues like ski and beaches should be significantly increased for non-resident, non-property owning individuals to discourage use by outsiders and decrease the need to expand those facilities or alternatively if the right pricing balance is achieved, they would pay for the amenities we have been forced to subsidize for so long. She objects to a budget that allows enterprise type activities to continue running at a deficit year after year. Also, in the budget document, Staff refers to the Rec and Beach fees as charges for services. They are not, what services. I may or may not choose to use IVGID services but she knows many people who choose not to use them at all. The Rec Fee does not provide any services not available to the public, a discount is not a recreational service. The Rec Fee is not charged to the general public only to the property owners. The Rec Fee is a tax and she objects to this budget.

Aaron Katz said it is so refreshing to hear public comment from people who actually know what they are talking about, who have studied the documents, and know more than two and a half on the Board. The chicken has come home to roost and he would like to go through the time it will take to burn through the fund balance - have \$4.945 million to spend from fund balance and Staff tried to do an installment purchase for \$800,000 but they lost that one so there is a reduction by \$800,000.

The Tennis Center has been irresponsibly estimated to take \$500,000. The Burnt Cedar Pool repairs, again irresponsibly estimated to be \$700,000 so that leaves \$2.945 million in reserves. Now Staff wants to do the renovation of the Mountain Clubhouse, which we learned at the last meeting was \$1.464 million and it is not going to be that because Staff hasn't calculated the \$45,000 in design costs and the \$1.23 million in Staff costs. So that drops it from \$2.945 million and you are left with \$220,000 as your reserves and you haven't talked about all the other costs. This District has been playing around and not cut costs. You hire 1,000 employees and then you act dumb. Don't pass this budget.

Elyse Gut read from a prepared statement which was submitted.

Joanne Sheehy from a prepared statement which was submitted.

Hearing no further comments, Chairwoman Wong asked for a motion to close the public hearing. Trustee Horan made a motion to close the public hearing; Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was passed unanimously.

**D. REQUIRED PUBLIC HEARING ON THE REPORT FOR COLLECTION OF RECREATION STANDBY AND SERVICE CHARGES, FISCAL YEAR 2019-2020 (this public hearing will be held no earlier than 6:00 p.m. and as soon thereafter as practicable)**

Trustee Horan made a motion to open the public hearing; Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was unanimously passed.

Chairwoman Wong asked District General Manager Steve Pinkerton if Staff had complied with all the required notices; District General Manager Pinkerton said yes.

Director of Finance Eick gave a brief overview of the submitted materials and pointed out one change which didn't affect the report.

Linda Newman read from a prepared written statement which was submitted.

Cliff Dobler read from a prepared statement which was submitted.

Judith Miller said whereas IVGID's facilities are scaled; she objects to the standby and service charges. They are not services charges as already explained, they are

not standby fees. Those types of standby fees don't use the facilities rather they pay for infrastructure until such time as a property is hooked up to a service. They should not be collected on the rec roll. Object to the collection of these fees which are designed to encourage facilities and effect our quality of life.

Aaron Katz said it was refreshing to hear from people who really know what they are talking about and that he is submitting a one page placeholder as he is working on his full statement; Mr. Katz then read from his one page placeholder.

Hearing no further comments, Chairwoman Wong asked for a motion to close the public hearing. Trustee Horan made a motion to close the public hearing; Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was passed unanimously.

#### **E. PUBLIC COMMENTS**

Linda Newman read from a written statement which was submitted.

Cliff Dobler read from a written statement which was submitted.

Aaron Katz read from a placeholder written statement that he will finish tonight.

Judith Miller said she thinks she will start with a positive word; although she has never asked for a verbatim transcription of her comments with few exceptions, that's what we have in the meeting minutes for the last two meetings so bravo. Unfortunately, other than that, there is little in the packet to celebrate. Understands why the ladies from the Mountain Golf Course came up and why they would like to have their project given priority but we are just about to take a look at that Community Services Master Plan (CSMP) and you have got a whole line up of probably more deserving projects so how can we put this in the budget tonight and say that is what we are doing when we haven't really looked at all those other projects because maybe there is something a little bit more important to our community than that. She used to be a Niner and she understands about standing up for what you want but we have to think about the community as a whole and that's your job. She objects to agenda item L.1.a. regarding an Open Meeting Law complaint that puts the words "No Violation" in great big font and bold print. When there were fifteen actual violations of the Open Meeting Law the word "violation" didn't even appear and no, the statute law doesn't require IVGID to put it on this agenda because there were no findings of fact and conclusions of law. On that same item, in each of the affidavits submitted by our legal counsel that were prepared in defense of the complaint, IVGID is referred to as quasi-public, which

you know is one of her favorites. The definition of quasi-public organization is one providing public services but under private ownership or control. We are certainly not privately owned and hopefully not privately controlled but sometimes one wonders especially after the last Trustee election. Please stop using this inaccurate and deceptive term to describe this public agency. Finally, now that the Grille is open, we can all have a little refreshment. She knows we can't bring in our own booze but maybe just this once as she didn't see the sign on the door so you know, would anybody like a little splash as it looks pretty good, umm, yeah, good times, good times and have a nice evening. Anybody else want some cranberry juice?

Margaret Martini read from a written statement which was submitted.

Mike Abel read from a written statement which was submitted.

Pete Todoroff said he brought this up at his Community Forum meeting – it is about the bike park. There are a lot of people who like to sue. He went by the bike park and there were people riding in the bike park and there were three dogs there. Let's put a sign there as we own it. Put a sign on Incline Way and have a sign at the entrance of the bike park because what if someone kills a dog on their bike. It is not a place for dogs to play around and we need a sign on Incline Way to prevent a lawsuit. Washoe County Commissioner Marsha Berkgigler has decided to attend his community meeting this Friday if anyone wants to attend.

Joe Harrigan said he is the Vice President of Incline Village Golf Club and that he represents two hundred residents that are members. We play a lot of rounds especially on the Championship Golf Course where we hold over thirty events with two hundred people at a time so we are looking forward to a great relationship. A lot comes from working with your staff who deal with a group that has high expectations as about 80% are country club members with about 30% having Tahoe country club membership so we have lots of comparisons as well as choices. Our goal is to increase golf rounds and increase revenues for food and beverage. He would like to offer some simple recommendations – invest in this golf course, improve conditions, improve facilities and this staff. They do a great job and we all appreciate that. We all look to Incline as a premier golf venue that others benchmark against.

Brad Johnson read from a written statement which was submitted.

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

Trustee Callicrate asked to move the one Consent Calendar item to General Business Item I.0. which Chairwoman Wong agreed to and asked to move General Business Item I.11 up on the agenda. Chairwoman Wong declined that request and said if we need to move it, we can do so. Trustee Callicrate said he had a hard 11 p.m. stop for tonight's meeting.

Hearing no further suggestions, Chairwoman Wong approved the agenda as revised.

**G. REPORTS TO THE BOARD OF TRUSTEES\***

**G.1. Verbal Ski Wrap Up Report – Season 2018/2019 – General Manager Diamond Peak Ski Resort Mike Bandelin**

General Manager Diamond Peak Ski Resort Mike Bandelin gave a PowerPoint presentation which is incorporated herewith by reference. Chairwoman Wong said overall, it was a great ski season and the yield analysis slide tells us that we are hitting our sweet spot. Trustee Horan said that he agrees and complimented the management of pricing, product and on time staffing. Trustee Morris said he really appreciates these slides because it brings clarity and shows you are measuring; compliments on this presentation. Trustee Callicrate said he enjoyed the photos sent to him by Mike Abel when he was stuck in Florida. Trustee Dent asked that the Board Clerk send the Trustees the presentation and asked for more snow next year. Chairwoman Wong also thanked Staff for a great year.

**H. CONSENT CALENDAR (for possible action)**

**H.1. Review, Discuss and Possibly Authorize the District General Manager to extend the Hyatt Sport Shop lease with the Hyatt Regency Lake Tahoe for a period of three (3) years at a rate of ten percent (10%) of gross sales (Requesting Staff Member: District General Manager Steve Pinkerton) (*moved to General Business Item I.0*)**

**I. GENERAL BUSINESS (for possible action)**

**I.0. Review, Discuss and Possibly Authorize the District General Manager to extend the Hyatt Sport Shop lease with the Hyatt Regency Lake Tahoe for a period of three (3) years at a rate of**

**ten percent (10%) of gross sales (Requesting Staff Member: District General Manager Steve Pinkerton) *(moved from the Consent Calendar H.1.)***

Chairwoman Wong said that since Trustee Callicrate asked that this be pulled from the Consent Calendar that she was turning it over to him.

Trustee Callicrate said he had a couple of questions – what were the annual gross sales in 2016, 2017, and 2018 and income for those same years and what were the costs associated, etc. with the lease and how do we measure this with our other leases in order to determine success such that it is a good deal for the District and the Hyatt as well as the partnership. District General Manager Pinkerton said we gross roughly four hundred thousand dollars generating about forty thousand dollars in rent. In the summer, breakeven proposition and in the winter, last year, not this year, we had about three hundred and thirty thousand in sales with eighty nine thousand in costs; net of about two hundred and forty two thousand. For the summer, we will be shifting to more of our own merchandise and hoping to get a better margin. We will be doing more bike rentals which we see as a profitable relationship. Also, if we didn't have the lease, another ski resort would move right in. It is helpful to us to capture the folks staying at the Hyatt before we open the ski resort because we do get those rentals. It has been under the same conditions for the last nine years and Staff would like to see it continue for another three years. As the bike path comes forward, we might come back with changes but right now we are proposing status quo.

Trustee Callicrate said he is not opposed rather it is just that folks asked him about salaries, benefits, etc. and having that information would have made it a little clearer as well knowing if it works out to our benefit. Including that information in the memorandum would have made it clearer up front.

Trustee Dent asked the District General Manager to provide that information to the Trustees; District General Manager Pinkerton said he would do so.

Trustee Morris made a motion to authorize the District's General Manager to extend the existing Hyatt Sport Shop lease between the Hyatt Regency Lake Tahoe and the District for a period of three (3) years beginning on June 1, 2019 and ending on May 31, 2022 at a lease rate of ten percent (10%) of gross sales each calendar month throughout the Term and authorize Staff to execute all documents based on a review by General Counsel and Staff. Chairwoman Wong

asked comments, receiving none, called the question – the motion was unanimously passed.

**I.1. Review, discuss, and possibly provide input and guidance on legislative matters for the 2019 State of Nevada Legislative Session following a verbal presentation on legislative matters provided by Tri-Strategies representative(s)**

Eddie Ableser, along with Victor Salcido, said that there are twelve days left in the 2019 Legislative Session and that there is a lot of talk about a special session because there is still a lot of work to be done. Senate Bill 279 – currently in the Assembly, heard in Government Affairs, passed out of work session, bill was amended with combination of two highest appraisals, will have to go back to the Senate before it goes to Governor. Talked to individuals who said they will take into consideration the letter sent.

Chairwoman Wong called for a break at 7:22 p.m.; the Board reconvened at 7:30 p.m.

**I.2. Review, Discuss and Possibly Adopt Resolution 1872 to augment the District's Operating Budget for Fiscal Year 2018-2019 budget by \$430,000, through the use of additional revenue of \$2,800,000 for Community Services Special Revenue Fund to cover additional expenses incurred providing a higher volume of services at the Diamond Peak Ski Resort during the 2018-19 season (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Eick gave an overview of the submitted material.

Chairwoman Wong said, just to clarify, we are filing this because it is required by law. Director of Finance Eick said yes, it is required by law. Chairwoman Wong said we are over budget because we had a great ski season. Director of Finance Eick said yes and we were over our budgeted skier visits because it is related to food and beverage and the extended days.

Trustee Morris said we are required to complete the augmentation on the cost side but not on the revenue side. Director of Finance Eick, referencing agenda packet page 69, identify as a line item as a resource that was not budgeted and noted that there is not budgetary compliance on revenue.



Trustee Horan said that the revenue is increasing at a greater rate because the revenue per skier visit was greater. Director of Finance Eick said yes as there has been tremendous realization because of dynamic pricing, etc. and noted that there are a lot of contributing factors.

Trustee Dent said, referencing agenda packet 69, where does the shortfall come from. Director of Finance Eick went over agenda packet page 69 and said that the difference is between the projection and actuals. Trustee Dent asked for the \$869,000, did we over project revenue. Director of Finance Eick said it was a variety and the timing of capital expenditures and said that this was an adjustment to fund balance not revenues. District General Manager Pinkerton said that fund balance was based on a certain assumption at the end of the fiscal year and then we get an audit done on capital projects. Trustee Dent asked if the Board could get a list of those projects; Director of Finance Eick said it is already prepared and in the audit report.

Trustee Morris made a motion to adopt Resolution 1872 augmenting the 2018-19 Incline Village General Improvement District Budget, including \$430,000 for the Community Services Special Revenue Fund by utilizing additional resources from the increased revenue of the Community Services Special Revenue Fund for the express purpose of providing resources for costs incurred providing a higher volume service over that included in the May 2018 authorized budget and authorize Staff to execute all documents and directing the District Clerk to file notice of the augmentation within the State of Nevada Department of Taxation Guidance. Trustee Horan seconded the motion. Chairwoman Wong asked comments, receiving none, called the question – the motion was unanimously passed.

- I.3. Review, Discuss, and Possibly Accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publically advertise for construction bids the Mountain Course Clubhouse Renovation Project; 2019/2020 Capital Improvement Project: Mountain Clubhouse Improvements Project; Fund: Community Services; Division: Golf; Project # 3299BD1902 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

District General Manager Pinkerton gave an overview of the submitted materials.

Trustee Callicrate said that Staff first started to address this after the fire last year and it was renovation versus new facility. He brought up his concerns about this being one of the oldest buildings in the District and that we did the surveys and Global Golf and BJG we both pushing for Option 5 which the Board agreed to move forward with getting an idea of the cost of renovations, which we can discuss, so this was supposed to be \$861,000 and now it is at \$1.4 million dollars and we are getting a nightmare of a building. It will probably be closer to \$1.7 million as that building is a wreck as he worked there. We have an opportunity to build a new facility with a new kitchen and take some of the burden off this facility [Chateau] and we can add decking. This would be new construction which hasn't yet gone out to bid and all the estimates have been wildly off so he can't support a rehabilitation option. He has been pushing for a new facility up there and this is doing a disservice to the golfing community and to the entire community. To have a flexible facility that serves the Mountain Golf Course and lessens the burden on this facility and is another opportunity to capitalize on that spectacular venue. We are shorting ourselves by not building a new facility and that is what he would like to go for as he can't support the rehabilitation option. Thought that there might have been an opportunity which he knows was well intended but that this is not utilizing our resources in the best way we can. District General Manager Pinkerton said that with all the options we contemplated everything. We looked at a new building and the scope of what would be built which would have been similar because of what has been scoped out and what had been done. Trustee Callicrate said he is not looking at a mini-Chateau but there is opportunity with new construction and we don't know if it is fifty to seventy five percent more. He is not a builder but when he thinks it through and looks at the long range, stretching out the existing facility just isn't feasible. District General Manager Pinkerton said no one is hoping for another fire and Staff's goal is to go out to bid and then the Board has the option to tell the insurance company to go fix the kitchen; we are asking for the opportunity to test this cost. Trustee Callicrate said since Option 5 was preferred, he would like to see that option go out to bid. District General Manager Pinkerton said then Staff needs eight or nine months to do that work. Chairwoman Wong said that we can't do that tonight as it is not on the agenda. Trustee Callicrate said that is why he asked for it to be on an earlier agenda.

Chairwoman Wong said that she appreciates the work that has been done as well as the Mountain Niners coming out tonight and noted that she does enjoy the environment at the Mountain Course. She recently had lunch with Staff and she loves the ideas for programs and social aspects to be added. Space is the key aspect related to doing that; she appreciates the work put in so far on this project.

Trustee Dent asked what the design costs were to date; what have we spent. Director of Public Works Pomroy said \$112,000. Trustee Dent asked if that was included in the \$120,000 that was unbudgeted; District General Manager Pinkerton said yes. Trustee Dent said that his concern is the process. We were told in December, the cost was eight hundred thousand dollars and it would be done in May. In May, we were not told that the \$1.5 million doesn't include the fuel tank, exterior repair and/or the roof so that makes it \$1.8 to \$1.9 million which is a huge expenditure for the District. From a process standpoint, this should have been brought to the Board sooner as Trustee Callicrate voiced his concern in December. Chairwoman Wong said that she is not sure if we were sitting in the same meetings as Staff has been giving us updates at every single meeting starting with our meeting in December. We have discussed insurance and the cost of construction and that she is not surprised because the District General Manager has been giving us updates. Trustee Dent said this is an eight to ten percent increase and the costs are doubled. We started with a bad number to begin with and that is all he is saying.

Trustee Morris said that as he looks back on the estimate on agenda packet page 152, he would think, in Option 5, it is \$165 per square foot and in Option 1, it is \$225 per square foot. Given all that he has heard, focus groups that were held, and the approach the golfers wanted and appreciated, he can't substantiate ever spending four million dollars on a building up there because it won't deliver the value or revenue. He likes the creativity and approach, it is a really sensible use of our money, it is irresponsible to build a new facility up there, and thank goodness we didn't do it a couple of years ago given the changes in technology. Given that this agenda item is about going out to formal bids and if we don't like the bids, it is a wise and prudent step to take to see how much it is going to cost us; he is in support of this particular item.

Trustee Horan said that he appreciates Trustee Callicrate's desire to go in a different way, he is more inclined to go with what is proposed as the world

has changed and it will continue to change. It is the appropriate way to go and acknowledge/appreciate Trustee Callicrate's concerns.

Trustee Callicrate said, as of 2017, referencing agenda packet page 152, those were the estimates at that point and now we are being given a twenty percent increase. The different between renovation and new build, and a second alternative, is we need real time, current numbers and he understands others on their reasoning. Putting in this kind of money for what will be a temporary fix for a building that is a dump and should be torn down, the redemptive value is nothing. We have to put a lot of money into it and we are not re-doing the bathrooms and dicing up the interior so it will be close to two million dollars when it is done. When we open the walls, who knows what nightmares are going to spring forward. He will not be supporting this and he will support the number 2 alternative. We will have a trailer up there and he wants to give us the time to find a true, workable option and that is his concern.

Chairwoman Wong said that there is a member of the public who wants to make comment; is that okay with the Board – the Board unanimously said yes.

Sara Schmitz thanked the Board for the opportunity to speak. In listening to the ladies who were the Mountain Niners, she heard that at least two of them said let's gets a temporary fix but we do need a new building and that does need to be changed. Speaking in support of working in the here and now as it really does need a new facility.

Trustee Morris made a motion to accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publically advertise for construction bids for the Mountain Golf Clubhouse Renovation Project. Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Horan said he will support the motion and that he realizes that we will have to wait until we get the bids before moving forward.

Trustee Dent said he will not be supporting this as the Board needs to be involved with the process and we need to slow down on throwing out numbers and do accurate numbers and not make promises we can't keep.

Chairwoman Wong said that this matter has been included in the General Manager's Status Report and that she disagrees as the Board has had ample time to give input and that this is just to go out to bid and then we decide from there.

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

**I.4. Review, Discuss and Possibly Adopt Resolution Number 1873: A Resolution Approving the Residual Equity Transfer of \$174,356 from the Workers Compensation Internal Services Fund to the General Fund in the Fiscal Year 2018-2019 (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Eick gave an overview of the submitted materials.

Trustee Dent said that the District has done this two times before and with past allocations didn't we put it in the Community Services Fund and not in the General Fund. Director of Finance Eick said that the monies that we returned along with other funds which were paid fees over twenty plus years which we accumulated in the retention reserve that we said were excess payments and that we still had a self-insurance liability until last July, that this was the first time we could identify a remaining exposure. The past monies were returned because we didn't need it and returned it to the operating funds and was not a residual equity transfer.

Trustee Horan said that this particular Nevada Revised Statute of which one of our members of the public commented that it was about embezzlement wasn't relevant as we are following the law.

Trustee Morris made a motion to adopt Resolution Number 1873 such that the Board of Trustees finds that the balance of \$174,356 remaining in the Worker's Compensation Internal Services Fund is deemed no longer required to provide self-insured worker's compensation benefits, and therefore in accordance with NRS 354.6215 authorizes a residual equity transfer to the General Fund effective June 30, 2019; and the Board directs Staff to provide notice to the Nevada Department of Taxation Local Government Finance within the requisite 30 days from execution. Trustee Horan seconded

the motion. Chairwoman Wong asked for comments, receiving none, called the question – the motion was unanimously passed.

**I.5. Review, Discuss and Possibly Approve Fiscal Year 2019/2020: Budget, Capital Improvement Project Budget, Recreation Facility Fee, Beach Facility Fee and Central Service Cost Allocation (Requesting Staff Member: District General Manager Steve Pinkerton)**

Director of Finance Eick gave an overview of the submitted materials.

Chairwoman Wong said thank you to Staff because she knows how many hours go into the preparation of this budget and that Staff has worked hard for months so thank you to all of our Staff for all your hard work.

Director of Finance Eick said thank you for the recognition and you are welcome as there are thousands of hours that go into this effort.

Trustee Callicrate said, referencing agenda packet page 183, in the next to the last paragraph and about midway, it is a little alarming that in 2015 when Chairwoman Wong was first on the Board and the District went from Special Revenue Funds to Enterprise Funds that he brought up earlier about three buckets and now we are changing it again which he doesn't remember the Board giving Staff that direction or voting on that. This is the third change in accounting procedures so how do you compare year to year when these changes keep coming up. Optics are everything and all years are different so this raised some concerns for him as does the inactive fund. Also, he and Trustee Dent have been requesting a line item budget as part of the whole process and once again he doesn't remember seeing that or being directed to where that might be. There is a lot of information on opengov which has been aggregated and is an arduous process to get to that information. Some have said that not all of the financials are listed which is an ongoing concern that he shares. In more recent times, it has been about the increases in the Tennis Center, Mountain Clubhouse, and the Burnt Cedar pool. Every year we come to this point and he gives his little speech. He doesn't agree with this particular process because of the things he has requested. Alternatives are as broad as they should be and we can do a better job. That's just him and he will not be supporting this budget once again.

Director of Finance Eick said that he acknowledges that Trustee Callicrate has a different perspective. On agenda packet page 194, Schedule B-13,

please look in the description on the left hand side which is the Championship Golf Course. This form is prescribed by the State of Nevada and there is an opportunity in the new budget format which is repeated in each of the functional areas of individual line items which again is in accordance with State requirements. We changed from using remaining inactive if there are no new bonds. The State likes all in the Special Funds as it eliminates transfers, etc. If you look in the other reports, it is aggregated and put into Community Services and Beach which is really a simplification. He agrees they don't look the same but look at the statistical tables as there is a ten year historical table regardless of the fund structure.

Chairwoman Wong said that internal reporting has change that much and just take a look at their form 10-K. Form 4404 is the State mandated form versus financial statements which the District uses and manages to. The only person who appreciates Special Funds is probably her and that she finds it really interesting to see the money come in. We must all recognize that the public is not the audience that was meant for.

Trustee Dent said that when the Board voted on Resolution 1838 which authorized the change and that resolution is still in place, when will there be another resolution. Director of Finance Eick said there won't be one as they are not going away just not using them at this time.

Trustee Dent asked when the five year capital improvement plan was put on the website. Director of Finance Eick said the same day as the Board meeting and that yes, Staff can send an e-mail to the Board alerting them of that posting.

Trustee Dent said, regarding three projects – Mountain Clubhouse, Tennis Facility, and the Burnt Cedar pool – with each of these projects having significant cost increases and the huge legacy projects, the Board is approving this budget authorizing spending the money on these projects. For the Burnt Cedar pool, there was five hundred thousand for a fix and that fix is now eight hundred thousand dollars and our consultant, that we hired, said it would be nine hundred and fifty thousand dollars and we have been told by Staff it will cost \$1.5 million dollars – these numbers are crazy. For the Tennis Facility, budgeted at three hundred and fifty thousand dollars last year and now it has jumped up to seven hundred thousand dollars and now, as of three weeks ago, it is at \$1.3 million dollars which is sixteen hundred dollars a square foot. We need to do a better job of estimating our costs well in advance. With this five year plan, and the Diamond Peak Master Plan in

there, then out, there are now no funds for design so how do we finish. Director of Finance Eick said that there is a carryover project for entitlements and there is no design monies so the carry over project that is part of the budget that covers that. Trustee Dent said thank you. If the Mountain Clubhouse gets three hundred thousand dollars from the insurance and it is now \$1.3 million dollars in costs yet the community wants us to focus on the beaches. We can get a brand new pool for one million dollars or fix the one we have for eight hundred thousand dollars; we need to look at alternatives. Trustee Callicrate came up with a really good idea about allocating a fee, draw that down, and get some of these projects that the community would like to see get done be done. We are missing the opportunity to put money towards the Incline Beach building and doing the Burnt Cedar pool correctly so we are missing that boat. District General Manager Pinkerton said that when we talked on Tuesday, we mentioned the dollars to give us the options for short, medium and a long term fix. One million dollars was a very preliminary number and he is not sure why they put that out there as one million dollars is highly unrealistic. Staff is hoping to get the final report from Terracon and we hope to discuss it. Staff has been giving the Board updates and he looked at the minutes. Burnt Cedar does need to have a discussion. In the budget, as we go through the due diligence, we are making sure that the Board has the money for whatever options you choose and Staff will bring it back during the summer so that the Board can have that discussion. We needed the dollars in the budget at this time.

Trustee Callicrate said, regarding the \$705 and \$125, that he has brought this up several times, there is an opportunity to draw down the Recreation Facility Fee with a corresponding bump up. A member of the public brought up an interesting idea, but we can't borrow from one fund as we have to keep them separate whether it is borrowed or not. We have a Recreation Fee of X and a Beach Fee of X and not having to deplete our eight million dollars in excess of our reserves and we are still able to accommodate legacy projects and attack the Burnt Cedar pool, etc. He knows there is stuff later on but this is an opportunity to put it into this year instead of next year as the District has a great way of putting things off. We always want to push them down, do a temporary fix, and then we are screwed. Because it is set in stone, he won't be support anything but five.

Trustee Horan said a lot of points have been raised and he would like to get the crystal ball and know our costs. We always want to do better and to Trustee Callicrate's point, we have had the discussion about the allocation, but it could be an opportunity. He said he might be amenable to entertain



that but that he wanted to get through the CSMP so he will not support this year but might support next year. We have a very professional Staff that works hard to get estimates, do I agree with everything in this budget, no. Will I support it – yes and that is because we have a fiduciary responsibility to do this and his constituency is the District and doing what is right for the District. The plan is well put together and he is going to support it.

Trustee Morris made a motion to approve the District's Fiscal Year ending June 30, 2020 budget comprised of:

- a. Incline Village General Improvement District's Final Operating Budget for Fiscal Year 2019-2020 (Form 4404LGF as prescribed by the State of Nevada Department of Taxation);
- b. Incline Village General Improvement District's Capital Improvement Project Budget for Fiscal Year 2019-2020 (Year 2019-20 from the 5 Year Capital Improvement Plan Summary);
- c. The Capital Improvement Project Carryover to 2019-2020 from the Capital Project Report for Fiscal Year 2018-19
- d. 2019-2020 Recreation Facility Fee of \$705 and Beach Facility Fee of \$125.
- e. Approve the Central Services Cost Allocation Plan for Fiscal Year 2019-2020 indicating a total of \$1,367,400 in charges from the General Fund to the Utility Fund, Community Services Special Revenue Fund and Beach Special Revenue Fund.

Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Morris said that we have a debate every year and we have a responsibility and duty for oversight for government requirements even if there are things that he doesn't like as an individual, there is a budget that we have to present to the State; this is a very good budget and he will vote for it.

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

**I.6. Review, Discuss and Possibly Adopt Resolution Number 1871: A Resolution Approving the Report for Collection on the Washoe County Tax Roll of Recreation Standby and Service Charges, Fiscal Year 2019/2020 (Requesting Staff Member: District General Manager Steve Pinkerton)**

Director of Finance Eick gave an overview of the submitted material.

Trustee Dent said, referencing agenda packet page 255, typically, in years past, we get to see a breakdown and what is being spent in each of the venues. This was not done this year so why the change. Director of Finance Eick said we went over that in the budget process and Staff was challenged a year ago to focus on having stability and not looking to it as a revenue while retaining individual functionality. District General Manager Pinkerton added that there is a lot of variance and we had that dialogue last year. Trustee Dent said he can't see it. Director of Finance Eick said rather than implying to a specific venue, last year the Board said identify an amount per venue per year, that occurred on March 18, so Community Services has a pot of money, not specific to a venue, rather than per parcel for capital. District General Manager Pinkerton said for cash flow, we show you what is the capital fund and show you the availability.

Trustee Dent said it is strange that it has been wiped out and why is that financial transparency; what happens if the Board moves forward with the Tennis Center. Director of Finance Eick said that four million dollars more is being spent than is allocated to the fee; that is not what we are doing. Chairwoman Wong said that the change was made by the Board and asked what the Board wants to see that is different. Trustee Dent said before we got to this point do we have an example. Director of Finance Eick said that this format was presented twice. Chairwoman Wong said that this was the schedule that we landed on. District General Manager Pinkerton said we haven't changed the money as the capital projects are a flow over a series of years and going per parcel is confusing as it is present versus past dollar allocated. As you look at the budget forms, the format is much cleaner as it is more confusing to break it up in individual venues. This was Staff's recommendation but we are always at the pleasure of the Board. Trustee Dent said comparing it to past years, he doesn't remember having the discussion at the Board level and he doesn't remember having seen these forms or a discussion. Staff moved forward, it happened in December, and it is not a big deal rather he was just curious. Trustee Dent then asked if

Staff could provide a breakdown for him. Director of Finance Eick said it would be informational only and not correlated to the budget; District General Manager Pinkerton said that Staff can provide something that is informational only.

Trustee Callicrate said he has a basic question – we went to Special Revenue from Enterprise and the reason was potential of bonding. Director of Finance Eick said no, that is not it and directed the Board to agenda packet page 202 and observe that there are operating revenue and categories. Now go back to agenda packet page 194 and there are functional expenditures and this is the amount we are spending on a venue type. It is Governmental accounting over Enterprise and that is what we spend by function. The driver was in 2015 where there was a tangled web and the new format gives us the best of both worlds and see what it all costs.

Trustee Morris made a motion to adopt Resolution Number 1871 to include consideration of any comments or protests made at the hearing held May 22, 2019, a finding of the equity of the report, a finding on the completeness of the report including any actions that might revise, change, reduce or modify any charge therein, and sets for the collection of recreation standby and services charges (also known as the Recreation Facility Fee and Beach Facility Fee). It further states a finding of benefit to the parcels covered there under as a part of the action considering the public hearing date of Wednesday, May 22, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, hearing none, Chairwoman Wong called the question – Trustees Callicrate and Dent voted opposed and Trustees Horan, Morris, and Wong voted in favor; the motion passed.

- I.7. Review, discuss and possibly approve an item for the 2019/20 Fiscal Year allowing the District to enter into an agreement for media buying services for 2019/20; Venues: Diamond Peak, Championship Golf Course, Mountain Golf Course, Facilities, Recreation Center and Tennis Center; Vendor: EXL Media; Contract Amount: \$272,500 in paid media spending, \$87,100 in trade media spending and \$65,000 in agency fees – a grand total of \$424,600 (Requesting Staff Member: Marketing Manager Paul Raymore)**

Marketing Manager Raymore gave a brief presentation. Trustee Dent said he had no questions and thanked Staff for listening to their direction.

Trustee Morris made a motion to authorize Staff to enter into an agreement (prior to the start of the Fiscal Year 2019/2020) with EXL Media for 2019/2020 Fiscal Year media buying services for Diamond Peak Ski Resort, the Incline Village Golf Courses, Facilities and the Recreation and Tennis Centers for a total amount of \$424,600 consisting of \$272,500 in paid media spending, \$87,100 in trade media spending and \$65,000 in agency fees. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question, the motion was unanimously passed.

Chairwoman Wong called for a break at 9:00 p.m., the Board reconvened at 9:10 p.m.

**1.8. Review, Discuss and Possibly Authorize an amended cost share funding agreement with the State of Nevada – Division of Environmental Protection (NDEP) to provide assistance and funding of up to an additional \$65,000 for the Incline Creek Restoration Project – Upstream of SR-28 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Director of Public Works Joe Pomroy gave an overview of the submitted materials.

Trustee Callicrate said that she commends Staff for their environmental excellence and that this is a continuation of that exceptional work so he will be supporting both of these items as these are the types of projects that the community supports and it is an opportunity for the younger generation to learn about all our work. If we have to come up with additional money, he has no issue with that, and he hopes we get the money.

Chairwoman Wong asked what is happening with the Burnt Cedar project. Director of Public Works Pomroy said that was for storm water runoff and the construction costs were over four hundred thousand dollars so Nevada Department of Environmental Protection (NDEP) monies were basically stalled because grant applications have failed. Chairwoman Wong asked what happens now. Director of Public Works Pomroy said we will do it in the future when the grant funding opens up. Chairwoman Wong asked what the risks of not doing the project are. Director of Public Works Pomroy said Staff

will perform temporary fixes until we can fund the project and manage it in the short term while looking to a long term solution.

Trustee Morris made a motion to authorize an amendment to the cost share funding agreement with the State of Nevada – Division of Environmental Protection (NDEP) to provide assistance and funding of up to an additional \$65,000 for the Incline Creek Restoration Project – Upstream of SR-28 and authorize Staff to execute the amendment. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question, the motion was unanimously passed.

**I.9. Review, Discuss, and Possibly Authorize Multiple Contracts for the Incline Creek Restoration Project – Upstream of SR-28 – 2018/2019 Capital Improvement Project: Fund: Community Services; Division: Parks; Project # 4378LI1504B; Vendors: Aspen Developers in the amount of \$273,000 and Cardno in the amount of \$45,000 (Requesting Staff Member: Director of Public Works Joe Pomroy)**

Director of Public Works Pomroy gave a brief overview of the submitted materials.

Trustee Dent asked for the thought process behind the fifteen and twenty percent contingency as this one has fifteen percent and others have had ten percent. Director of Public Works Pomroy said it is due to the nature of the construction. Trustee Dent said that a contractor would be excited about this contingency as this is creating a slush fund for the contractor. The standard has been ten percent and now we are doing fifteen percent or twenty percent and anyone that bids this job knows we have a twenty percent contingency and that we should be sticking to the standard ten percent. It would behoove this Board to bring it back to increase the contingency when needed and that Staff really should re-evaluate and throw out the extra ten percent. Director of Public Works Pomroy said that Staff takes pride and typically doesn't even go up to ten percent however this does allow us to award a change order and we don't award gifts. Trustee Dent said then we really should put it back to ten percent as we are really increasing the slush fund for the contractor. As someone who has been there, this is something fun to go after and now that it is twenty percent, he will guarantee that the Project Manager will do whatever he can do to get it. We have a standard ten percent contingency instead of a giant slush fund for contractors to go after.

Trustee Horan asked if Staff could give him a feel for contingency management. Director of Public Works Pomroy said it is less than ten percent and probably more around six percent. Trustee Horan said then let's cut this back to ten percent as he is sympathetic to Trustee Dent's point and if Staff is managing to below ten percent then there is no reason to put twenty percent in.

Trustee Morris asked what is the estimated time for this project and if it is a brief period of time and there is something that will exceed the ten percent contingency because we have to stop work to wait for a Board meeting does that compound the issue. If it is a long project, then we can plan for that. Director of Public Works Pomroy said it is a thirty to forty five day project.

Chairwoman Wong said that anything that exceeded it could be done under the General Manager's authority and we have worked with both contractors. Director of Public Works Pomroy said that is correct and we have worked with them on several projects. Chairwoman Wong said she is not in construction and that she trusts the judgment and opinion of this recommendation so she is fine with twenty percent. She would like to evaluate a policy for the future but it is not a lot of dollars so she is fine with it. Director of Public Works Pomroy said if it was a lower contingency, we would lower total cost shares with all parties and this is split amongst the agencies and so it would have to be modified with all the agencies. Chairwoman Wong said so it is not all ours. Director of Public Works Pomroy said twenty percent is IVGID with forty percent for two other partners.

Trustee Morris said so our number includes the contingency shared three ways. Director of Public Works Pomroy said yes and that table is on agenda packet pages 325 and 326. District General Manager Pinkerton said that is \$11,000 of the contingency amount. Trustee Morris said given that information, he would definitely want to follow your professional recommendations. When is it scheduled to be done and what is the estimated start date. Director of Public Works Pomroy said it will be constructed after Labor Day as one of the main items is ordering the bridge which automatically makes it a Fall project. Trustee Morris said he is inclined to go with the recommendation and to have Staff come back to the Board with the actuals as we are only at risk for \$11,000. Director of Public Works Pomroy said Staff will report back on the dollars, protect the contingency, and only do value added work. We want to get the best product for the fairest

price with the contractors being compensated for the work performed. Trustee Morris said he would like to get that reporting back.

Trustee Horan asked if lowering our contingency to ten percent would impact the paperwork. Director of Public Works Pomroy said it would not affect NDSL paperwork and we would respond to NDEP to modify the agreement. Trustee Horan asked if it would complicate and delay the project. Director of Public Works Pomroy said it shouldn't but there would be a new final budget so that would mean an amendment to the agreement.

Chairwoman Wong said that if our grant amount is \$65,000 and we don't end up spending that, what happens to the rest of the funds. Director of Public Works Pomroy said if we don't draw it down, he doesn't know that answer. Chairwoman Wong said so we are reimbursed for what we spend.

Trustee Horan said that we are managing at ten percent or under so going forward, he agrees with Trustee Dent as that is what we have historically put in unless there are extenuating circumstances.

Chairwoman Wong confirmed that the feedback has been heard and received.

Trustee Morris made a motion to:

1. Award a construction contract to Aspen Developers in the amount of \$273,000 for construction of the Incline Creek Restoration Project – Upstream of SR-28.
2. Authorize Chair and Secretary to execute the contract with Aspen Developers based on a review by General Counsel and Staff.
3. Authorize Staff to approve change orders to the construction contract for additional work not anticipated at this time of up to 20% of the project bid – \$55,000
4. Authorize Staff to enter into an Additional Services Addendum with Cardno totaling \$37,000 for services during construction of the project.

Trustee Horan seconded the motion. Chairwoman Wong asked for comments.

Trustee Horan said that he wants a report back on this project.

Trustee Morris said he has sympathy for the contingency numbers and that he is supporting this because while the percentages are high, the dollars are not. It will be fairly easy to run into that number given this project and given the small numbers as well as the larger contracts agree with contingency.

Trustee Dent said thank you for the discussion and regardless of the size of the project, we don't need a slush fund because the contractor will be looking for it. He will be supporting this and moving forward for having a ten percent contingency. He understands that could be different on some projects but we need to have a serious discussion about that as we need to really figure this out.

Hearing no further comments, Chairwoman Wong called the question and the motion was unanimously passed.

**1.10.A. Review, Discuss and Possibly Receive Input from the Board of Trustees on the 2019 Final Draft of the Community Services Master Plan (Requesting Staff Member: Director of Parks and Recreation Indra Winquest)**

Chairwoman Wong said that Trustee Callicrate had left the meeting when we put these items on the agenda so as a brief overview this is about lining up all the master plans and saying what is our laundry list and then get into compilation of all the plans.

Director of Parks and Recreation Winquest gave a brief recap.

Trustee Callicrate said, referencing agenda packet page 330, in going down the different things, we have deferred maintenance at the Mountain Golf Course and he understand the time frame. Agenda packet page 330 is time specific and what they were at that time. We need to go back through our numbers and tweak them. We have to be more cognizant about putting draft on the pages, etc. Chairwoman Wong said hopefully people can read the header. Trustee Callicrate continued that it is about picking out the headlines which is the point he is trying to make. He appreciates his colleagues putting



this on the agenda as he was having some personal issues; he is looking forward to the discussions.

Director of Parks and Recreation Winquest said he had a conversation with the consultant and has requested a breakdown of prioritization and they will get that to us in a more digestible way and do so in the next seven to ten days.

Chairwoman Wong said we have the laundry list and this is the opportunity to see what is rising to the top and so what information do we need from either the community or staff.

Trustee Callicrate said in talking about the numbers, which are almost like shapeshifters, we need to provide have some idea of (1) what the aggregate is if the community wanted to move forward and have real time costs within ten to fifteen percent on what they are going to cost; (2) renovate versus build new; and (3) hammer that down on doing our due diligence. Chairwoman Wong said she would like to get a little specific on having our Staff go through and update costs; what would satisfy this in your mind. Trustee Callicrate said it would be the entire Beach Master Plan as the number one draw for people are the beaches so this is real time for all three beaches and costs for doing the complete master plan. Chairwoman Wong said so you want to spend the money to update the plan. Trustee Callicrate said yes because if we want to increase the beach fee and provide justification, we need to know if all the numbers are real or reasonable. Chairwoman Wong asked the District General Manager what it would take to have our Staff go through and re-access all of the Beach Facility Master Plan numbers. District General Manager Pinkerton said it is sensitive as our former Director of Asset Management spent the money and the time on that so as to find out if these were real numbers and there was about a thirty percent difference because of special purpose buildings. We can hire experts for an order of magnitude and noted that it would be very difficult to go beyond an order of magnitude. The construction index doesn't really apply to the lake and Staff can give you a guess but there is a caution and that is when the design is at zero to twenty percent, it is purely a guess at an order of magnitude and when you go beyond that, it gets very expensive; we are talking between thirty and fifty thousand dollars to get beyond where we are and estimates are difficult. Chairwoman Wong said we all know that the numbers are out of date and to update them today, you are saying here is our best guess but that until we start design, we won't have good numbers so is it appropriate to be updating the numbers. District General Manager

Pinkerton said we have no scope of work or drawings of any kind right now so the caveat is that it is an estimate. Trustee Callicrate said the beaches haven't been given the attention they deserve as they are the front and back doors of our District. The beaches are important and would be in the top five and his focus so it is time to bite the bullet and clean them up – they are his number one priority. Chairwoman Wong said that Trustee Callicrate is skipping ahead and asked what the data we need to get to prioritization is. What information would you help you to decide the order of the projects – for her, it is the capacity to issue debt without having to change the Recreation Fee and what could be the total funding to help us pay for these projects. District General Manager Pinkerton said it is two separate tasks – what costs are and what is the capacity. Showing one simple scenario, there are unlimited ways to do that particularly if you aren't going bond. A better way is to say here is the total fund balance between the funds, here is the range from all cash and other funding, and then your priorities. Chairwoman Wong said please show us the fund balance without debt capacity as she wants a number from the fund balance, then if we issue debt, here is what we could spend. There is a long term list of projects so let's use estimated costs and say here is the funding pool and can we do this or that and it will provide us with a magnitude. District General Manager Pinkerton said it can't be just about the dollars but it has to include the timing and the capacity to deliver the projects as we may have three four hundred thousand dollar projects that take more time than one larger project and then there is sequencing. Chairwoman Wong said she would like to start with funding and then with sequencing.

Trustee Callicrate said we have a good idea of what the community wants and in looking at funding, the dog park is number one, and there is opportunity for private funding there; we need to figure out the priorities of the community. Chairwoman Wong said let me stop you there and ask you how we go about getting that information. We have them on individual projects and do you feel comfortable with the surveys we already have. Trustee Callicrate said yes, he feels comfortable with the top priorities and he has a good idea of the top five and then there are public/private partnership opportunities and then move down the list. We have to have the money and then we tweak the Recreation Fee. This is tough and we can't do it in one night. We have been out in the community and he thinks we have a decent idea of what the priorities are.

Trustee Horan said that one of the driving forces is our capacity to get things done. In looking at the beaches, etc. there are two or three things that we

could reach agreement on and our capacity is going to drive this. His top three at the Incline Beach House, Dog Park, and Ski Way.

Trustee Callicrate said for him it is the Dog Park, Incline Beach house and then some things at Burnt Cedar such as restroom replacement and then the picnic areas.

Trustee Dent said it is the Incline Beach house but not in its current plan form, Incline Beach entrance and access, and the Dog Park.

Trustee Morris said he can't answer this question and this is the first time that he has all the pieces together and he needs to consider them in the light of the other plans. He would also like to see if there is some simple assessment of the community as he doesn't feel equipped, at this time, to do a top three. Chairwoman Wong asked what you help to make that identification. Trustee Morris said a simple survey of the community and rank these projects in the order of what you would like to see us do and get that information back which would help him make a decision; an instant snapshot of all of this laundry list.

Chairwoman Wong asked if it would be possible to get out a survey before the next meeting. Director of Parks and Recreation Winqest said it is a new starting point with a high level starting point being about costs. On the beach related items, we have a very good study that we have made some operational decisions and changes so it would be extremely intelligent to do another assessment and it is something we want to do and something we need to do because of operational changes. There is value in going out to the community and generating a lot of information. Staff does want to do some reassessing and get to a new starting point. Given this dialogue, he does understand what that means. Chairwoman Wong asked what needs to be reassessed and what is that cost. Director of Parks and Recreation Winqest said Staff has made some operational improvements at Burnt Cedar and that he would like to see if the existing need meets the recommendations in 2016 and see if they are the same. District General Manager Pinkerton said Staff needs to mesh all of this together and get into a position to be ready to hit the ground running in 2020. When the Board adopts a budget three hundred and sixty four days from now, the first round of projects will be put into design so we need to have a conversation now. For the Dog Park, the Federal Government has some say and while it is within our priorities, there is still some juggling to be done and to have a good discussion about how to get there.

Trustee Morris said we are all anxious to get something going as we want to start doing stuff so you are saying start in 2020 with decisions being made this Fall. District General Manager Pinkerton said more like in about five or six months. As we start floating these things, some will get panicked about a particular project so he is not worried at all about community feedback because as we test these things we will know within a day or two of what the community thinks.

Trustee Horan said that we have gotten an abundance of input and we want our facilities to be better so cross off Diamond Peak Master Plan as it is off in the horizon. The beaches need to be our focus and the Dog Park we really need to work hard to push to get that done. It is important to reassess the changes we have made in operations to understand the subset that is remaining that we can pick off. A couple of major projects is all we can do. Chairwoman Wong said we can only do probably one or two. Trustee Horan said between debt and what we have, we can do them. District General Manager Pinkerton said one caveat is we have to watch the operational impact when we are replacing existing facilities and then with the new beach house there will be a factor in operational changes. Trustee Horan said that is correct and that's what the community wants.

Trustee Dent said, regarding the CSMP, what about the sprung structure as we don't know when we might get this and are we going to be stuck storing some giant structure for twenty years. Director of Parks and Recreation Winqest said that the opportunity might be there and that's why we asked the consultant to add it. It is an opportunity that may pass us by and that needs to be fully vetted to know what that would look like. Operational costs need to be looked at so our community understand they could be increased costs, reduction in costs, or cost neutral. Staff would not accept something like that unless we were positive we were going to move forward with it. Trustee Horan said and we need to decide that; Director of Parks and Recreation Winqest said that is correct. Trustee Dent said so for gathering feedback it is worth having it in the CSMP but it is at the bottom. Director of Parks and Recreation Winqest said that this is the exact dialogue he was hoping to have and if it doesn't make sense then Staff will ask the consultant to remove it. Trustee Dent said he thinks it is weird to have it in there. Chairwoman Wong said this is about all the possibilities that could be there for us and to have it in the plan. Trustee Dent said it is obsolete. Chairwoman Wong said it is in the Diamond Peak Master Plan and who knows if we will ever get to it but the option is in there for the future. Trustee Dent said sure.

Trustee Morris said it is important to attempt to prioritize everything if for no other reason than to let the community know and keep things in front of us. Given we are going to pursue public/private partnerships because if the money comes forward, that project could move up the list. Director of Parks and Recreation Winqest said that is a great point and in looking at donor funding, it is really hard to have someone look at it, such as the Dog Park, when you don't have something for them to look at. District General Manager Pinkerton said it is more of a sales brochure because it is a tool for visualization for donations.

Chairwoman Wong said so Trustee Morris is not ready to commit and she doesn't know if she is either and there are some projects that are rising to the top but in addition to this list, we have the Administration Building. She would like Staff to take a look at the projects that have risen to the top and see if they can get us a better estimate and a scope of work that could be involved. Trustee Morris added that he would like to include giving us some magnitude for operational costs. Chairwoman Wong said also identify the capacity with debt and combining fund balance and holding the Recreation Fee to \$830. Trustee Callicrate said look at keeping it at \$830 and then look at a modest increase, an inflationary index, and then tweaking the allocations. Chairwoman Wong said she would like to stay at \$830. District General Manager Pinkerton said that Staff can show you what each dollar amount get to it and noted that operational costs are getting harder to keep in check.

Chairwoman Wong asked if Staff could identify some prime targets for potential partnerships and then also what is our timeline (decision to undertake, pre-design, design, bid, shovel goes in the ground, and completion) as this will help us to see the capacity. Also on the Dog Park, when we get the land, what that timeline would be. Trustee Morris said with regard to the Dog Park specifically, a more complete timeline could be valuable because if we decide it to be our number one priority and we can't get the land then we have to decide what would become our new priority project. Chairwoman Wong said that she thinks we are talking about four years with that land. District General Manager Pinkerton said the goal would be July for our special use permit. Trustee Morris said on the basis of perception that happens in this community, he wants to keep these pages before the Board but that he would like to get more clarity that this is an overall wish list and that nothing is committed with desk estimates on changes in costs.

**I.10.B. Review, Discuss and Possibly Receive Input from the Board of Trustees on Master Plans/Capital Plans and Board Work Plan (Requesting Staff Member: District General Manager Steve Pinkerton)**

Included with I.10.A. above.

**11. Review, Discuss and Possibly Provide Direction on the consideration of the proposed shift in allocation of Facility Fee for 2021 and 2022 (Requesting Trustee: Chairwoman Kendra Wong)**

Chairwoman Wong gave an overview of these two items. District General Manager Pinkerton distributed an updated version that adds a bottom line and noted that this was done at a very high level and that you can see what happens with the Community Services Fund – it drops below the target fund balance in 2021/2022. The balance in the Beach Fund swings above and below. The existing allocations of the Recreation Fee supports our operations but won't support any other projects.

Trustee Morris said so the only difference is the additional totals line. Director of Finance Eick said no numbers have changed rather it is the relationship to the target and it is one example of one variation. This is the same data the Board looked at on May 1 and Staff tried to cover all the possibilities at the beach. This was a stress test as to what we could tolerate and the reference is the five year project sheets.

Chairwoman Wong said that the Board needs to mull this over and bring it back to really look at the fund balance and debt capabilities. Trustee Morris said his immediate reaction is that this is a great exercise with one potential option. As he reads this, the prior conversation is moot. Without reducing fund balances, we can't do what we planned to do nor nothing new. Director of Finance Eick said it is an important exercise to understand how deep the hole is and it is about giving you the information and letting you decide. This was just one possibility and if you have a suggestion, that is a task we can take on.

Trustee Callicrate said there are a couple of things; the Burnt Cedar pool needs to be adjusted based on the earlier conversation and Ski Way and the K rails etc., the \$3.2 million dollars should be a separate bond. Director

of Finance Eick said it does contemplate using a bond. Chairwoman Wong said that this is an illustrative exercise on a change in the Recreation Fee. Trustee Dent said if you remove \$1.45 million and this whole thing works. Trustee Callicrate said thank you for doing this and for agendizing this item as there are a lot of variables. There is an opportunity and that is what we are going to have to discuss. Director of Finance Eick said that Staff sees it as an opportunity as well because it gives us ideas/direction because we, as Staff, try and offer possibilities to what you are after and this is a step in that. Part of the early message was that paying cash for everything is not going to work. Trustee Callicrate said if he gave that impression, he didn't mean to because there are things that we are going to have to bond for because there are things that are going to last a long time. He wanted to get all of us to discuss this. The conversation prior was in depth and one of our best which showed commonality and our priorities. District General Manager Pinkerton said it is about \$10 million dollars in cash and \$13 million dollars in debt. Trustee Dent said thank you for facilitating this conversation and that our former Asset Manager brought up the idea about borrowing from one fund to another. Director of Finance Eick said that a number of years ago it was just the idea about buying from ourselves and we explored that with the Department of Taxation and we have to negotiate to the extent of what the market is and then offer it to ourselves and yes, we could issue to ourselves. It would have to be a medium-term bond so not over ten years and have a fixed rate of interest. We can do this with both being winners so it is possible. A financial consultant is familiar with setting market terms. Chairwoman Wong said she is more open to that option as it is a good thing. Let's all mull this over and include the schedule with the next Board packet.

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

**J.1. General Manager Steve Pinkerton**

District General Manager Pinkerton said he had nothing to add to his submitted written report; the Board had no questions or comments.

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

**K.1. Regular Meeting of April 10, 2019**

Chairwoman Wong asked for any changes; none were submitted so the minutes were approved as submitted.

## **K.2. Regular Meeting of May 1, 2019**

Chairwoman Wong asked for any changes; Trustee Dent asked about the one we got from Ms. Newman. District Clerk Susan Herron said that she had not yet researched that question and if it was an oversight, it would be corrected. The minutes were approved pending research notation. [Post Meeting Notation: The attachment submitted by Ms. Newman was updated.]

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

### **L.1. District General Counsel Jason Guinasso**

#### **L.1.a. Possibly review and discuss Office of Attorney General (OAG) File No. 13897-313 Findings of Fact and Conclusions of Law – Open Meeting Law Complaint filed by Mr. Jim Smith – *Finding by OAG of no violation***

This item is included on this agenda in accordance with NRS 241.0395 which reads as follows:

***NRS 241.0395 Inclusion of item acknowledging finding by Attorney General of violation by public body on next agenda of meeting of public body; effect of inclusion.***

1. *If the Attorney General makes findings of fact and conclusions of law that a public body has taken action in violation of any provision of this chapter, the public body must include an item on the next agenda posted for a meeting of the public body which acknowledges the findings of fact and conclusions of law. The opinion of the Attorney General must be treated as supporting material for the item on the agenda for the purposes of NRS 241.020.*
2. *The inclusion of an item on the agenda for a meeting of a public body pursuant to subsection 1 is not an admission of wrongdoing for the purposes of a civil action, criminal prosecution or injunctive relief.*

*(Added to NRS by 2011, 2384)*

District General Counsel Jason Guinasso gave a brief overview of the submitted materials and gave a reminder about not talking about Board business and, not that it occurred here, but the public sees you out they



make certain assumptions and that this is just an important reminder to talk about social things.

**M. BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA\***

Trustee Morris said that he is a member of the Washoe County Debt Commission and that they had a meeting last Friday. Our Director of Finance came before us, at our request, and talked to us about IVGID's debt position. He would like to thank our Director of Finance for doing that and for doing a great job.

Trustee Dent said that the Nevada League of Cities has a Board meeting on June 18 and that it is in the morning.

Chairwoman Wong said that after this meeting, she will have no Internet access until June 10.

Trustee Callicrate said he will be unavailable from June 4 to July 2.

**N. PUBLIC COMMENTS\* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.**

There were no public comments made at this time.

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

District General Manager Pinkerton went over the calendar. Chairwoman Wong asked the meetings for 2020 be added to the calendar.

**P. ADJOURNMENT**

The meeting was adjourned at 10:51 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.

Public Hearing – Agenda Item C.

Submitted by Linda Newman (2 pages): IVGID 5-22-19 Board of Trustees Meeting  
Public Comment #1

Submitted by Clifford F. Dobler (2 pages): Public Comment May 22, 2019 IVGID  
Board Meeting to be included in the next Board packet – Re: Utility Fund Budget

Submitted by Elyse Gut (7 pages)

Submitted by Joanne Sheehy (1 page): Mountain Golf Course Club House

Public Hearing – Agenda Item D.

Submitted by Linda Newman (1 page): IVGID 5-22-19 Board of Trustees Meeting  
Public Comment #2

Submitted by Clifford F. Dobler (2 pages): Public Statement – May 22, 2019 Board  
Meeting Re: Resolution 1871 approving the Rec and Beach Fee

Submitted by Aaron Katz (17 pages): Written Statement to be included in the  
written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda  
Items D and I(6) – Opposition to proposed Resolution 1871 which adopts/orders  
collection of 2019-20's Recreation ("RFF") and Beach ("BFF") Facility Fees on  
the County Tax Roll

Public Comments – Agenda Item E.

Submitted by Linda Newman (2 pages): IVGID 5-22-19 Board of Trustees Meeting  
Public Comment #3

Submitted by Clifford F. Dobler (2 pages): Public Comment – IVGID Board Meeting  
May 22, 2019 Re: IVGID Consideration of a Proposed Shift in Allocation of the  
Facility Fee for 2021 & 2022

Submitted by Aaron Katz (4 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item E – Public Comments – What do we do with an attorney who misrepresents to the Board/local parcel/dwelling unit owners/the office of the Attorney General (“OAG”) what IVGID really is, and by implication, the powers it may legitimately exercise?

Submitted by Aaron Katz (22 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item H(1) – Extension of Hyatt Sport Shop Lease

Submitted by Aaron Katz (24 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item I(3) – Authorize the expenditure of an additional \$1.464 million to renovate/repair the Mountain Golf Clubhouse

Submitted by Aaron Katz (5 pages): Written statement to be included in the written minutes of this May 22, 2019 Regular IVGID Board Meeting – Agenda Item I(4) – Transfer of remaining Workers’ Compensation self-insured retention reserves to the General Fund rather than refunding them to the local parcel/dwelling unit owners who made payment

Submitted by Margaret Martini (1 page): For the minutes of the BOT meeting of 5-22-2019

Submitted by Mike Abel (1 page): Two poor decisions

Submitted by Brad Johnson (2 pages)

IVGID 5-22-19 Board of Trustees Meeting Public Comment #1

By: Linda Newman – To be included with the Minutes of the Meeting

I object to the District's Operating and Capital Improvement Project Budgets for Fiscal Year 2020. Based on the packet information, there is no foundation here that supports any Board member's approval.

First, take note of 3 capital projects with a current \$3.5 million price tag. Although our paid consultants and our citizens advocate for a NEW Mountain Golf Clubhouse and Burnt Cedar Pool you are willing to spend almost three million dollars on repairs. The Tennis Facilities, which you approved last year at \$350,000 is now estimated to cost \$1,285,000. In fact, all of these estimates have been rather fluid, in some cases doubling or tripling in a matter of weeks. I don't see the plans for the tennis center or the independent estimates for the pool repairs or the documentation to support Staff's assertion that the \$800,000 in repairs will extend the life of the pool for 5 to 7 years. Did the Board discuss these projects with the new estimates and approve them? Not to my knowledge. Instead, staff has made the decision for you and our community.

Secondly, the budgeting for the Utility Fund is extremely problematic. You do not have adequate working capital to support a \$600 million water and sewer infrastructure and you have failed to commit the \$2 million you collect annually for the \$23 million future replacement of 6 miles of our aging pipeline. This appears to allow staff to use this money for operating expenses, unbudgeted projects and cost overruns on existing projects. Here too, the capital projects are not only fluid in terms of budgeted estimates but they vary from whatever report the District presents. The capital projects in the Utility Rate Study differs from the budget, the 5 year capital plan as well as what you have submitted to the Army Corps of Engineers for the pipeline replacement and liner for the emergency effluent pond. Then there is the additional problem of financial transparency. Although the Utility Fund is comprised of water, sewer and trash – there is no clarity on the revenues and expenses related to trash service. There is also no notice of whether all of staff costs and benefits are part of operating expenses or if you are capitalizing some of these expenses.

As IVGID is not a privately held family business and you are in fact elected officials with statutory and fiduciary duties YOU have a responsibility to determine how every dollar of public money you collect is spent. You also have a responsibility to ensure that funds collected for specific purposes are in fact used for those purposes. What you have before you are sheets of paper with lots of

numbers that you would have extreme difficulty verifying along with expenditures that you have not actually discussed or approved.

Re: Public Comment May 22, 2019 IVGID Board Meeting to be included in next Board packet  
by Clifford F. Dobler

Re: Utility Fund Budget

The Utility Fund is in horrible financial condition.

The Board mandates a policy and practice of maintaining reserves calculated in two parts

The First Part is Working Capital reserves consisting of

- 45 to 90 days of operating expenses

- One year average of depreciation expense

- One year of interest expense

The total amount required for reserves should be between \$4,000,000 to \$4,900,000

The Second Part is setting aside the accumulated savings for multiyear projects which as of June 30, 2018 was \$9,703,000 mostly for the Effluent Pipeline Phase II project.

The combined amount, using the higher end of working capital, should have been \$14,600,000 at June 30, 2018, the actual amount which is called the Unrestricted Net Position was only \$10,091,000. A shortage of \$4,500,000.

The shortage only leaves \$388,000 in reserves to take care of a \$600,000,000 water and sewer infrastructure.

The shortages actually began in 2013 and have been growing since.

Since only a pittance was in reserves, the only money to grab was the money set aside for the Effluent Pipeline project. Those funds have become the piggy bank and have been drastically raided.

NOT ONE INCH OF THE NEW EFFLUENT PIPELINE HAS BEEN INSTALLED IN HWY 28, YET OVER \$5.2 MILLION FROM THE PIGGY BAND HAS BEEN SPENT

REPARING BREAKS IN THE PIPELINE,

RESOLVING EPA MANDATED REQUIREMENTS

REPLACING AIR PRESURE RELEASE VALVES

\$788,000 WAS SPENT ON MAINTENANCE ITEMS BUT STATED AS BEING SPENT ON A WASTEWATER STORAGE POND NONE OF WHICH WAS FOR THE NEW PIPELINE.

ANOTHER \$1,000,000 WAS SPENT TO REFURBISH A PUMP STATION

The Effluent Pipeline Phase II replacement project was originally budgeted in 2012 for \$23,000,000 and the amount was to be collected from customers over 10 years at \$2,000,000 per year and saved.

Seven years have passed and \$14 million has been collected but there is only \$9.7 million left

So simply put, not only has the District depleted the minimum reserves of \$4 million to \$4.9 million but has also wacked the Pipeline for another \$5.2 million. The hole is deep.

A big concern of mine is that according to Pinkerton, construction costs have risen by 50% to 75%; the past few years, yet Pomroy is sticking with the original \$23 million Pipeline project estimate which only has a 4% inflation factor and was done in 2012. A fear is that the Pipeline will cost a lot more.

The District has been chasing rainbows with the Tahoe Transportation District and the US Army Corp of Engineers in the hope of finding some help and a pot of gold at the end. There may be some small amounts from the Army.

They are venturing with the Tahoe Transportation District which might reduce the cost of the Pipeline but could never proceed unless that district finds some money. They just got turned down on a grant last December.

Marcus Faust, our lobbyist is trying to scrap up some funds from the Army Corp of Engineers for left over money turned back in from other completed projects

Pulling Rabbits out of hats. Maybe

Meanwhile we operate on a shoe string, but brag about having the lowest customer rates in the Tahoe Basin and just do not want to raise utility rates above 4% per year. This is not a proper budget as no provision is being made to establish prudent reserves.

May 22, 2019

Good evening:

My name is Elyse Gut; I have been a homeowner since 1994 and full-time resident since 2007.

I am here tonight to provide comments on the 2019/2020 IVGID Budget. Referencing agenda packet page 216, I am very happy to see and wholeheartedly support the Mountain Clubhouse Remodel Project as a part of the one-year Capital Improvement Plan which is part of the overall budget.

As a member of the Mountain Niners, and as I have stated before to this Board, the Mountain Golf Course is our home course. We are proud of being over 100 members strong; the only ladies golf club with membership being open to all, regardless of their ability.

We value and appreciate the work that IVGID has done to date to keep the Mountain Golf Course open and operating since the fire. I, along with other Niners, appreciated being involved in the focus group established for the remodel of the Clubhouse, and hope to continue. We are in support of the current plan design standards as shown on agenda packet page 93. Please, let's move forward now so that we have a viable, welcoming club house for the 2020 golf season.

I am certainly in support of a completely rebuilt clubhouse, but not at this time. It should be well researched and discussed with the community. As we all know, this takes years. In the meantime, we urge this Board of Trustees to support and approve this budget as written & submitted, as it includes what the Mountain Niners, the golfing community at large, and our visitors need.

In conclusion, I am submitting this document as my own written statement along with six (6) exhibits from other members of the Mountain Niners who could not be present tonight. I request that these documents be attached to the minutes. Thank you for your hard work for this community; it is truly appreciated.

Respectfully,

Elyse Gut

Mountain Niners Board of Directors Treasurer 2016-present



May 22, 2019

FOR THE IVGID BOARD

IVGID Board of Trustees,

I am writing on behalf of the Mountain Niners Golf Club as the club's President. We have 100+ women members who enjoy a full season of golf at our beloved Mountain Course each year. We experienced the sadness of the fire last year as if it were our own home! We were told the clubhouse would be a bit of a phoenix in that it would be rebuilt/repared and the end result would be greater than anything we had previously. We are sure you can understand our concern when we found out the work wouldn't start until September of this year. We urge the board to approve the plans as presented for the remodel. With over 100 members annually, playing twice a week, hosting many tournaments, including with our sister clubs in Reno and serving as one of the, if not THE largest customer of the Mountain Course, we are requesting this decision to be *seriously reconsidered*.

The course has always played second fiddle to the illustrious Champ course but our members tax dollars are paying for both, equally. We have continued to get the "hand me downs" of the Champ course, having weak and outdated carts, cart paths in need of desperate repair and now no restaurant or clubhouse. It is time IVGID make the investment necessary to take care of the "other" course in it's realm of responsibility and look after the deferred maintenance that existed even before the fire of last season.

We have a gem in the Mountain Course, which we will lose if we do not take responsible action. Further the Mountain Niners will begin to fade as the care for our course continues to wane. On behalf of the Mountain Niners, we ask that you strongly reconsider the fallout of yet another deferred action at our "home" course.

Respectfully submitted,

Michelle Jezycki  
President  
Mountain Niners Golf Club  
202-468-0265

May 22, 2019

IVGID Board of Trustees,

As a member of the Mountain Niners Golf Club and a participant of many other programs offered at the Mountain Course, I am writing to urge you to reconsider any further delays regarding the reconstruction of the Mountain Course clubhouse.

The Mountain Niners pride ourselves on being one of the most accessible golf clubs out there and we cultivate a love of golf in many women who are new to the sport. This doesn't happen without the hard work of many of our members to foster that open and friendly environment, and it's hard to do that work when there is no place for it to be conducted. Without a functioning clubhouse, our golf members do not have a convenient location to congregate and socialize before and after golf, leading to decreased connection among our members and ultimately decline of the club.

In addition, as a parent of children who have learned to golf in Incline, the Mountain Course is a critical resource. Both of my children have participated in PGA Junior League golf with Incline in past years and I have spent countless hours at the Mountain Course clubhouse while kids were out on the course. Dozens of other parents from golf clubs across Tahoe have appreciated seating and amenities while waiting hours for their young golfers to complete their tournament rounds.

Nine & Wine is one of my favorite programs at the Mountain Course. Heroic efforts were involved to keep it going in light of no clubhouse at the end of last year and the team admirably pulled it off. I'm concerned the program cannot be continued without a clubhouse however and all the equity built up in a sustained program like this would be lost. Food and beverages have an important association with golf overall. Without a clubhouse, the lack of freshly prepared and warm food and a comfortable place to consume it leaves basic needs unmet for our members and other golfers using the course. The limited selection of cold items offered after the fire last year was again admirable in light of the circumstances, but a poor substitute for a long-term solution.

I believe Incline Village does an outstanding job of offering services and amenities to its community overall. I urge you to consider the needs of the many parts of our community that depend upon the Mountain Course and its amenities before creating a long-term void without them.

Sincerely,

Jeannie Reeth  
Mountain Niners Golf Club  
408-234-0961

May 22, 2019

Dear Incline Village Board General Improvement Board of Trustees:

This letter is written to encourage the Incline Village General Improvement Board of Trustees ("The Board") to make a motion to accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publicly advertise for construction bids for the Mountain Golf Clubhouse Renovation Project as recommended in the May 9, 2019 Memorandum to The Board from Joseph E. Pomroy, P.E., Director of Public Works.

I am a second-year member of the Mountain Niners Golf Club ("the Niners") and as such, write in support of the Mountain Course Clubhouse Renovation Project on the Niners' behalf. I mention that I am a second-year member because my first year at the Mountain Course ("the Course") was very memorable and the Course became my second home. When the fire occurred in the kitchen last year, the Niners (and I) experienced a deep loss.

As you know, the Niners play at the Course on Mondays and Thursdays throughout the golfing season, as well as hosting many tournaments. Not having the Course's Clubhouse available to the Niners for an extended period of time (years) would be an injustice. The Niners were originally told that the repairs to the Clubhouse would be made during the winter of 2018-2019. Then the Niners were told that the renovation would commence September of 2019 and the Clubhouse would be available for the 2020 golfing season. The Niners (and I) were looking forward to this.

On behalf of the Mountain Niners Golf Club, and as stated in the opening paragraph of this letter, I once again encourage the Board to, at this meeting tonight, move to accept the Mountain Course Clubhouse Renovation Project final design and authorize District Staff to publicly advertise for construction bids for the Mountain Golf Clubhouse Renovation Project as recommended in the May 9, 2019 Memorandum to The Board from Joseph E. Pomroy, P.E., Director of Public Works. Should the Board determine in the future that further enhancements to the renovation be warranted, then the Board can discuss that at a later date.

Respectfully submitted,

*Karen A. Gotelli*

Member of the Mountain Niners Golf Club

5/22/19

RE: Mountain Course Building

Dear IVGID Board of Trustees:

I am a Mountain Niner and am requesting that you stay with the plan to repair the Mountain Course building so that it is functional again! Should you decide to go for a complete teardown and rebuild, golfers will most likely be without an on-site gathering place for years. If you decide to repair the building we may be inconvenienced but at least we will continue to have a place to call "home".

We Niners have a very large and active golf group of typically 100-plus members. We rely heavily on the Mountain Course building for our board meetings, golf tournaments, rules clinics, informal after golf gatherings and so much more. AND we contribute significant revenue to IVGID through our golf and other purchases there.

If we lose our core gathering place I have no doubt that fewer Niners would participate in golf at the Mountain.

Please think very carefully before you make your decision on this extremely important issue.

Thank you,

Blaine Foltz

2015-2017 Mountain Niners President

DATE: May 22, 2019

TO: Incline Village General Improvement District

FROM: Al and Judy Cabito (Fulltime Residents)  
305 Second Creek  
Incline Village, NV 89451

We have been homeowners since 1984 and full time residents beginning in 2007.

First and foremost, we'd like to say thanks to the board for their efforts.

Our main request to IVGID is to require maintenance of the current Incline Village ventures: Diamond Peak, the Beaches and the Golf Courses.

Abandoning any one would be going backwards not forward. Incline Village hosts hundreds of volunteers who support the community. Take away any current venture and Incline will lose.

Al and Judy

May 22, 2019

To the IVGID board;

Our Mountain Niner group of women golfers enjoy playing at the Mountain course. The Championship course is OK once in a while, but we really feel more comfortable at the mountain course. The fairways are not as long. We really need a club house where we can check in, purchase clothes and food, etc. and gather for our meetings. It is our golfing home! It would be very disappointing for us, as well as for a lot of the public to have to wait for a club house to be completed. Please make this a priority for this year.

Thank you.

Nancy Manter

Mountain Niner

## Mountain Golf Course Club House

My name is Joanne Sheehy and I live in Third Creek.

Full disclosure, I am a golfer. In my nine years living here, I have enjoyed playing both courses for the different and very unique challenges they each pose.

As a Niner for several years I do play the Mountain Course regularly.

The Club House plays an important role in welcoming golfers and saying Incline Golf is a class act.

The fire was an unfortunate experience. The short term solution for this summer, new paint and carpet, is a good one. Thank you for your quick solution!

Moving forward, I understand the carefully researched Second Stage encompasses further renovations to the existing Club House and an expansion of the deck beginning in September. The details are on page 93 of the Agenda Packet.

Importantly, this option ensures the availability of a working club house at the Mountain Course for several years.

In contrast, tearing down and rebuilding the club house could take years of planning, architectural designs, community approval, budget reviews and budget re-reviews.

I strongly support the proposed renovation beginning in September so we have a working club house while exploring a completely new club house option down the road.

We want a viable club house, not a trailer in the parking lot as a substitute.

Thank you for listening.

Joanne Sheehy  
929 Northwood Blvd., Unit #40  
May 22, 2019

IVGID 5-22-19 Board of Trustees Meeting Public Comment #2

By: Linda Newman – To be included with the Minutes of the Meeting

*first*

I cannot support the collection of the \$705 Recreation Fee and the \$125 Beach Fee because this Budget does not account and report these fees in compliance with Nevada Statutes, Generally Accepted Accounting Principles and the Board's own Resolution.

In 2015 Trustee Wong supported changing the Community Services Fund and the Beach Fund from Enterprise Funds, like the Utility Fund, to Special Revenue Funds, Capital Projects and Debt Service Funds. Instead of having two separate funds, we would now have six. We were told that this would ensure greater financial transparency and ease of understanding. The dollars from our Rec Fee and our Beach Fee would all be allocated to the "right buckets" also known as the Special Revenue Funds for operations, the money for capital projects in the capital projects funds and the money for debt service in the debt service funds. She was one of the 4 Trustees approving Resolution 1838 establishing these funds. Suddenly, in this year's budget, all of the Rec Fees and Beach Fees are being collected and expended through the Special Revenue Fund for operations. So now, we are back to one fund for each in violation of the Board's own resolution as well as the District's failure to comply with Nevada Statutes and Generally Accepted Accounting Principles.

In addition, there is close to \$8 million of surplus money above the Board's targeted Community Services Special Revenue fund balance. This not only means that no money from the Rec Fee is needed for operations and shouldn't be allocated but that the \$8 million should in fact be committed to the Capital Projects Fund with a portion committed to the Debt Service Fund to pay the principal and interest on outstanding debt. That is where the money is needed and should be available to improve our existing facilities based on our community's priorities. Another option was presented by Trustee Callicrate and Dent and dismissed by three Trustees. They either didn't understand the proposal or simply decided that the minority should not have a voice in decision making. Simply stated, the Rec Fee could be reduced and the Beach Fee could be increased by the same amount to fund a new Incline Beach house and a new Burnt Cedar Pool. The \$830 combined Rec and Beach Fee would remain the same. All that would change is the timeline for the still unapproved and unpermitted Diamond Peak Master Plan's zip lines, canopy tours and mountain coaster which would need to be funded, if approved, by an increase in the Rec Fee or bonded. That could be three years from now, five or never.



Public Statement - May 22, 2019 Board Meeting

By Clifford F. Dobler

Resolution 1871 approving the Rec and Beach Fee

On page 255 of the Board Packet is an accounting of what the Rec Fee will be used for. What is presented is far less information than presented in previous years

I note that \$127 of the Rec Fee is needed for the Community Services Administration which based on 8,203 parcels is \$1,041,781

Whoa - 31% of the Rec Fee is going for administration. For what?

The budget on Pages 193 and 194 indicates the money is needed to pay \$244,000 in salaries and benefits, \$199,000 for services and supplies and a Whooping \$740,000 for a negative Revenues labeled Charges for Services.

NEGATIVE REVENUES - on Page 193 it stands out like a sore thumb.

WHY WOULD WE PAY \$740,000 TO REDUCE REVENUES? HUMM!

Well let me tell you.

Starting in 2013, IVGID decided that even though a punch card was paid for when the Rec Fee was paid, any amount taken off the punch card would be recorded as an additional sale amount at the recreational venue. A doubling booking of revenues. Since IVGID receives no money when a punch card is used where do they get the money to pump up the sales? From the Community Services Administration which gets over \$700,000 annually from our Rec Fee.

Last year according to Note 18 of the Audited Financial Report \$781,000 in sales was recorded using punch cards and \$548,000 was transferred to the Beach Fund all of which was paid by the Community Services Administration which in turn got the money from our Rec Fee. Most punch cards are used at the Beaches.

Wrong. Phony accounting - No kidding

So in approving the REC Fee assessment tonight, you as a Board, will tell us that \$2,050,000 is needed to support operations at the Community Services venues but in reality 27% will be shoveled off to the Beaches.

Now how bad is this.

455 parcel owners in Crystal Bay who pay the Rec Fee but cannot use the Beaches will cough up \$66.80 each or \$30,000 which will be used at the beaches. This baloney accounting is in its 8th year. They have been bilked out of almost \$250,000

In 2018, the \$548,000 transferred to the Beaches from Community Services Administration represented almost 50% of ALL guest entry fees which is actually our Rec Fee.

Why all this razzle dazzle?. IVGID needs money to cover operating expenses at the Beaches which have doubled since Pinkerton arrived.

Material misstatement - You can bet on it.

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS D AND  
I(6) – OPPOSITION TO PROPOSED RESOLUTION 1871 WHICH ADOPTS/  
ORDERS COLLECTION OF 2019-20'S RECREATION ("RFF") AND BEACH  
("BFF") FACILITY FEES ON THE COUNTY TAX ROLL**

**Introduction:** On April 10, 2019 the IVGID Board of Trustees ("the Board") passed Resolution No. 1870 which preliminarily adopted the RFF/BFF for the upcoming 2019-20 fiscal year. The Board labeled the RFF/BFF "service and standby service charges" purportedly paying for nothing more than the mere "availability to use" IVGID's *public* recreational and beach facilities as well as the services offered thereat. Resolution No. 1870 not only preliminarily adopted 2019-20's RFF/BFF, but it preliminarily ordered their involuntary collection on the county tax roll against all nonexempt parcels/residential dwelling units within IVGID's boundaries. This agenda item seeks to adopt final RFFs/BFFs and to order their collection on the tax roll. As a resident and local property owner proposed to be assessed, I protest and object. And that's the purpose of this written statement.

**Because IVGID Staff Will Offer No Evidence Which Supports Any of the Findings the Subject of Proposed Resolution No. 1871, the Board's Adoption Will Represent a Voidable Abuse of Discretion:** A careful examination of proposed Resolution No. 1871<sup>1</sup> reveals that a series of factual findings will presumably be made. For instance, that:

1. "Said charges (ar)e equitably distributed among the parcels of property contained" in the non-existent report;
2. "The properties within the District that will be benefited by being charged" the RFF/BFF are set forth in the non-existent report;
3. "Each parcel assessed pursuant to this Resolution...is specially benefited;"
4. "The availability of the use of" public recreational facilities more particularly described therein "are all benefits which inure to the owners of properties assessed;"
5. "The owners of the parcels set forth herein are directly benefited in a fair and reasonable way;"
6. The RFF/BFF represent "rates charged...in their relation to the object of the charges imposed;"

---

<sup>1</sup> See pages 250-253 of the packet of materials prepared by staff in anticipation of the Board's May 22, 2019 meeting [[https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf) ("the 5/22/2019 Board packet")].

7. The RFF/BFF "have been apportioned in relation to...natural, intrinsic, fundamental and reasonable distinctions among said rates;"

8. "All of the charges" in the non-existent report are liened "in the amount set opposite their description in said (non-existent) report; and,

9. The RFF/BFF are capable of refund pursuant to all laws applicable to the levy, collection, and enforcement of general taxes of the District" even though the Board has been put on notice that those laws have no application to charges neither based upon assessed valuation nor levied by the Washoe County Assessor or Department of Taxation.

But IVGID staff will fail to present *any* evidence whatsoever in support of any of those findings, notwithstanding its burden to do so. Without such evidence any adoption of proposed Resolution No. 1871 will be arbitrary, capricious and an abuse of discretion.

Notwithstanding, let's begin by understanding exactly what IVGID staff represent.

**According to IVGID Staff the RFF/BFF Are "Recreation Standby and Service Charges (Also Known as the RFF and BFF)<sup>2</sup>...For the (Mere) Availability of Use of the (Public's) Recreational Facilities:"<sup>3</sup>** This is what IVGID staff label the RFF/BFF because these are the *only* charges general improvement districts ("GIDs") are arguably authorized to *involuntarily*<sup>4</sup> assess<sup>5</sup>.

**According to IVGID Staff, Once Adopted, the RFF/BFF Can be *Involuntarily* Collected Against Property<sup>6</sup>, Much the Same as if They Were Taxes<sup>7</sup>:**

---

<sup>2</sup> See page 250 of the 5/22/2019 Board packet.

<sup>3</sup> See ¶I at page 259 of the 5/22/2019 Board packet.

<sup>4</sup> NRS 318.201(10) states that "the...charges [elected to be collected on the tax roll pursuant to NRS 318.201(1)] shall constitute a lien against the lot or parcel of land against which the charge has been imposed."

<sup>5</sup> NRS 318.197(1) states that "the board may fix, and from time to time increase or decrease...recreational facilit(y)...rates, tolls or charges...including...service charges and standby service charges, for services or facilities furnished by the district (or) charges for the availability of service."

<sup>6</sup> NRS 318.201(1) states that "any board which has adopted rates pursuant to this chapter may...elect to have such charges for the forthcoming fiscal year collected on the tax roll."

<sup>7</sup> NRS 318.201(11) states that "the county treasurer shall include the amount of the charges on bills for taxes levied against the respective lots and parcels of land...(and they)...shall become delinquent at the same time as such taxes and are subject to the same delinquency penalties."

**According to IVGID Staff, the Reason the RFF/BFF Can be Assessed Against Real Property Parcels (Rather Than Persons) is Because They Represent "Rates" That Pay For "Services" or "Facilities" Delivered to or Capable of Being Received by Those Parcels:** Although NRS 318.201(1) allows the Board to elect to have any *rates* it adopts collected on the County tax roll, this procedure is *only* available where "each parcel of real property (assessed is capable of actually) *receiving...services and facilities*" [in addition to NRS 318.201(1), see NRS 318.201(9)].

**According to IVGID Staff, Those "Services and Facilities" Are "Recreation Privileges" as That Term is "Described in IVGID Ordinance No. 7:"**<sup>8</sup>

**According to IVGID Staff, "the Amount of Money Required (Merely to Make Those Privileges Available to be Used by Those Parcels Which are Assessed) for the (2018-19) Fiscal Year (is)...About \$5,783,115 for the RFF, and \$968,500 for the BFF:"**<sup>9</sup>

**According to IVGID Staff, "All Laws Applicable to the...Refund...of General Taxes of the District (Are Expressly)...Applicable to" the RFF/BFF**<sup>10</sup>:

Now let's understand exactly what I and others I know assert is *untrue* about some/all of these representations.

**The RFF/BFF Are Not "Standby Service Charges:"** Although NRS 318.197(1) permits a GID Board to fix "standby service charges," *nowhere* in the NRS is this term defined. Just because IVGID staff affix this "label" to the RFF/BFF doesn't necessarily mean that is what they are. Remember IVGID staff's motivation; standby service charges are the *only* charges GIDs are arguably authorized to *involuntarily* assess.

I submit the RFF/BFF are not standby service charges because standby service charges pertain to the ability to become a customer for a municipal corporation's health or sanitation services<sup>11</sup> which are capable of being delivered to real property, where those services are immediately available because that property is either physically connected or immediately adjacent to the corporation's public health or sanitation system and its owner(s) elect to not become an actual customer for those services.

Given the RFF/BFF purportedly pay for the availability to use recreational facilities, they are not "standby service charges." And if not standby service charges, the Board cannot elect to have them *involuntarily* collected on the tax roll pursuant to NRS 318.201, et seq.

---

<sup>8</sup> See ¶I(E) at page 259 of the 5/22/2019 Board packet.

<sup>9</sup> See ¶II at page 260 of the 5/22/2019 Board packet.

<sup>10</sup> See ¶VI at page 261 of the 5/22/2019 Board packet.

<sup>11</sup> Namely public water, sewerage and solid waste disposal services.

**Moreover, the RFF/BFF Are Not NRS 318.197(1) "Rates:"** Although NRS 318.197(1) permits a GID Board to fix "rates, tolls or charges," what exactly is the definition of a "rate?" Obviously there must be a difference between "rates, tolls and charges" because if there were not, there would be no reason to differentiate between these different types of exactions.

The only place I can find in the NRS where the term "rate" is defined is NRS 704.065 which defines the term to "mean...any individual or joint rate, toll or charge *imposed by a public utility*<sup>12</sup> for a service performed or product *furnished by the public utility.*" Thus the term "rate" is limited to charges for products or services assessed by public utilities. Given IVGID is a "public utility" to the extent it is authorized to furnish "*light, power in any form...water for...household use, or sewerage service,*" and it in fact furnishes water and sewerage services in Incline Village and Crystal Bay, the term "rate" is limited to *water and sewerage charges* furnished to property.

**Because the RFF/BFF Do Not Pay For the Ability to Receive Water or Sewerage Services, They Cannot be *Involuntarily* Collected Against Property:** Although NRS 318.201(1) states "any board which has adopted rates pursuant to this chapter may...elect to have such charges for the forthcoming fiscal year collected on the tax roll," conspicuously, it does *not* grant this power insofar as the "tolls" or "charges" a board adopts. This conclusion seems to comport with NRS 318.201(4) which limits the Board's right to elect to have such charges collected on the tax roll "with respect *only* to delinquent charges" (in other words, delinquent water or sewerage rates).

Given the RFF/BFF purportedly pay for the availability to use recreational facilities, they do not pay for delinquent water or sewerage rates. And if neither rates nor delinquent rates, the Board cannot elect to have them collected on the tax roll pursuant to NRS 318.201, et seq.

**The RFF Does Not Pay For the "Availability" to Use *Any* Public Recreational Facility:** Notwithstanding IVGID staff's assertion to the contrary, *all* of IVGID's recreational venues except possibly the beaches during the four or so months when access is restricted, *are public facilities*. In other words, they are just as "available" to be used by any member of the public as those whose properties/dwelling units are involuntarily assessed (the RFF/BFF).

Although user fees are charged at many of the public's recreational facilities, they are not at the public's parks, athletic fields, disc golf course, skateboard park, mountain bike park, fitness track and other recreational venues. So where do the monies come from to pay for the administration, maintenance, repair and capital improvement of these venues? On March 3, 2016 Mr. Eick provided the answer in his "executive summary" to the Board which was intended to allegedly give Board

---

<sup>12</sup> NRS 704.020(2)(a) defines a public utility as "any plant or equipment, or any part of a plant or equipment, within this State for the production, delivery or furnishing for or to other persons, including private or municipal corporations, *heat, gas, coal slurry, light, power in any form or by any agency, water for business, manufacturing, agricultural or household use, or sewerage service,* whether or not within the limits of municipalities."

members the "context...need(ed) for (then upcoming 2016-17) budget deliberations." In that summary Mr. Eick presented a series of descriptive slides. For purposes of this discussion, the reader is directed to pages 127 and 129 of the packet of materials prepared by staff in support of the Board's special March 3, 2016 meeting<sup>13</sup>. Here these slides depict Mr. Eick's testimony as to the alleged benefits, importance of and reliance upon the RFF/BFF. Insofar as recreational venues where no user fee is assessed, Mr. Eick testified that because there is essentially no other "user fee process to generate a source" of revenue *other than the RFF*, those whose properties are assessed should consider the RFF/BFF to be a user fee substitute<sup>14</sup>.

In other words, rather than being a legitimate standby service charge for the mere "availability to use" the public's recreational facilities as well as the services offered thereat, at venues where no user fees are charged, just like a tax, the Board has budgeted the RFF at a level which is *higher than necessary* to pay the costs associated with these public venues which are "available" to the general public as a whole rather than just those parcels/dwelling units which are assessed.

I submit these facts prove the RFF is really not a standby service charge.

**The BFF Does Not Pay For the "Availability" to Use the Beaches:** Have you ever read the deed to the beaches through which IVGID asserts its ownership? Once you do you will discover that all property that was within IVGID's boundaries in June of 1968 when the beaches were purchased, as well as their owners, successors and assigns, have a beach use easement which runs with the land. In other words, the owners, successors or assignees of properties with beach access have the right to access and use the beaches *not* because of their payment of the BFF, but rather, but because of beach deed easements.

Moreover, on May 7, 2015 Mr. Eick prepared a Memorandum in support of the Board's adoption of Resolution No. 1837 (which adopted the 2015-16 RFF/BFF and ordered their collection on the tax roll) where he admitted that parcel/dwelling unit owners with beach access were paying a \$63 "Punch Card Allowance" from their RFF for Punch Card usage at the beaches (see discussion below). In other words, the BFF does *not* pay for "free access to District beaches."

Moreover still, NRS 318.015(2) bars IVGID from using "the provisions of this chapter (NRS 318)...to provide a method for financing the costs of developing private property." Given at least three courts have determined that IVGID's beaches are "private property," the Board has no power to adopt the BFF where its proceeds are destined to develop the beaches.

---

<sup>13</sup> See [https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Special\\_3-3-2016.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Special_3-3-2016.pdf) ("the 3/3/2016 Board packet").

<sup>14</sup> The Board livestreams its meetings (<http://new.livestream.com/accounts/3411104>). This portion of the Board's March 3, 2016 meeting can be viewed at <https://livestream.com/IVGID/events/4912422/videos/114195041> ("the 3/3/2016 livestream").

I submit these facts prove the BFF is really not a standby service charge.

**The RFF/BFF Do Not Pay For Any Recreation "Facilities" or "Services" Delivered to Those Parcels/Dwelling Units Which Are Assessed:** Because the Board relies upon NRS 318.201(1) to collect the RFF/BFF on the County tax roll, by definition, it represents these "fees" pay for recreation "*services and facilities*" actually "received" to the properties which are assessed. Ask yourself: what recreation "services" or "facilities" does IVGID furnish *to your property/dwelling unit*? Given the answer is *none*, I submit this fact proves IVGID cannot collect the RFF/BFF on the tax roll.

**None of the Parcels/Dwelling Units Which Are Assessed the RFF/BFF is Capable of Receiving the Public's Recreational "Facilities," Nor the "Services" Offered Thereat:** For these same reasons, ask yourself: what recreation "services" or "facilities" is IVGID capable of furnishing/making "available" to your property/dwelling unit? Given the answer is *none*, I submit this fact proves IVGID cannot collect the RFF/BFF on the tax roll.

**The "Recreation Privileges" Made "Available" to Those Whose Parcels/Dwelling Units Which Are Assessed Benefit Persons Rather Than Parcels of Property:** ¶4(b) of proposed Resolution No. 1871 declares that the RFF/BFF pay for "Services or Facilities Furnished by the District." But exactly what "services or facilities?"<sup>15</sup> ***Reduced Rates for Season Passes and Reduced Daily Rates.*** In other words, benefits to persons rather than those properties allegedly specially benefited.

**In Point of Fact, the Real "Services or Facilities Furnished by the District" in Consideration of Payment of the RFF/BFF are Nothing More Than a Combination of Up to Five Pre-Paid Resident Picture Passes and/or Punch Cards Furnished to People:** Consider ¶4(a) of proposed Resolution No. 1871 which declares that "Ordinance No. 7 sets forth in detail the specifics of the benefits" received in consideration of forced payment. What is Ordinance No. 7? On paper<sup>16</sup> it is an "Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards." But more to the point, what are the specific benefits or "privileges" Ordinance No. 7 provides? The answer appears at Article III of Ordinance No. 7. Commencing at ¶27, Ordinance No. 7 declares the "recreation privileges...each District parcel which is assessed a recreation fee...is eligible to receive" in consideration of payment<sup>17</sup>. And what are those "privileges?" ¶30 describes them to be "up to five (5) Recreation Passes or Recreation Punch Cards." What are "Recreation Passes?" ¶24 describes them as "non-transferable photo identification pass(es) issued by the District for free access to District

---

<sup>15</sup> See page 252 of the 5/22/2019 Board packet.

<sup>16</sup> Ordinance No. 7 appears at [https://www.yourtahoeplace.com/uploads/pdf-ivgid/rec\\_ordinance\\_7\\_1998.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/rec_ordinance_7_1998.pdf). The description of what the Ordinance represents appears above the Index on "page 1 of 15."

<sup>17</sup> ¶28 of Ordinance No. 7 states that "all property taxes, special assessments and recreation fees on a parcel *must be paid* for the current and prior years to maintain the parcel's eligibility for recreation privileges."



beaches and for hourly, daily, and seasonal discounts at District-owned recreation facilities." What are "Recreation Punch Cards?" ¶22 describes them as "transferable...card(s) issued by the District... bear(ing) a face value established by the Board (i.e., \$166)...that can be used to pay the difference between the resident rate and the retail or nonresident rate for access to various District recreation facilities." In other words, the benefits *which inure to the owners* of properties involuntarily assessed are really nothing more than a combination of up to five *pre-paid*<sup>18</sup> resident picture passes and/or punch cards!

**Moreover, Listen to Mr. Eick's May 23, 2018 Budget Letter "to the Board of Trustees and Citizens of Incline Village and Crystal Bay"**<sup>19</sup>: "What...Parcel Owners (*rather than* their parcels which are involuntarily assessed *really*) Get for Paying their Facility Fees:"<sup>20</sup>

"Five cards issued in the form of picture passes and/or punch cards or a combination of both...Picture Passholder(s) get...preferred pricing and/or preferred access to the District's major venues or programming...Punch Card Holder(s) receive...the opportunity, at designated venues, to reduce their user fees from the rack rate to (the) Picture Passholder rate based on an allocated value assigned" by the Board.

Thus rather than being a legitimate standby service charge for an assessed property's mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat, the RFF/BFF really represent forced pre-payment for nothing more than up to five (5) membership/access cards, similar to Costco or Sam's Club Cards, which themselves offer nothing more than discounts and preferred access redeemable upon subsequent purchases/visits, if any. ***In other words, benefits to people securing reduced user fees rather than the properties where they reside.***

---

<sup>18</sup> Why do I say "pre-paid" Resident Picture Passes and/or Punch Cards? Because according to Article VIII, ¶69 of Ordinance No. 7 "any owner (may)...purchase (*an unlimited number* of) additional Recreation Passes or Recreation Punch Cards (simply)...by paying an additional fee equal to one-fifth of the current District Recreation Fee (\$166) for each Pass or Card for the parcel in question." Given an unlimited number of resident picture passes and punch cards are readily available for purchase, the RFF/ BFF represent nothing more than *forced pre-payment* for up to five of a combination of either or both.

<sup>19</sup> See pages 40-48 of the packet of materials prepared by staff in anticipation of the Board's May 23, 2018 Meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-23-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-23-18.pdf) ("5/23/2018 Board packet")].

<sup>20</sup> See pages 46-47 of the 5/23/2018 Board packet. Interestingly, staff's Budget Letter for 2019-20 (see pages 180-184 of the 5/22/2019 Board packet) has now deleted this admission.

**The Amount of Money Required (Merely to Make Recreational Privileges Available to be Used by Those Parcels Which are Assessed) for the (2019-20) Fiscal Year is Considerably Less Than "About \$5,783,115 for the RFF, and \$968,500 for the BFF:" Why?**

**Because On April 7, 2016 Mr. Eick Admitted to the Board of Trustees and the Public That Part of Every Assessed Parcel's/Dwelling Unit's RFF Funds a Hidden "Discretionary Reserve" for All Recreational Venues:** At pages 14-15 of the 5/21/2015 Board packet the reader will see where Mr. Eick told the public that \$57 of each assessed parcel owner's 2015-16 RFF (7.8% of the total RFF) allegedly went to pay operational and capital costs associated with "Comm(unity) Services Administration." But on April 7, 2016 Mr. Eick admitted this representation was *false*. In testimony before the Board as a prelude to its adoption of a 5 year Capital Improvement Plan, Mr. Eick revealed that this entry was really nothing more than a discretionary "reserve" or "cushion" vehicle intended to accumulate funds which can be used for unforeseen expenses assigned to "recreation," or future CIPs. Listen to Mr. Eick's admission and answer to Trustee Hammerel's questions pertaining to this entry<sup>21</sup>:

Mr. Eick: "I have used that venue title...as *our discretionary fund*...to make it clear...what we've accumulated through operations or will accumulate through operations to finance future expenditures."

Trustee Hammerel: "I understand *it's kind of a built in cushion*...(But) more importantly, I think we talked before about not only having a reserve fund for each (recreation) venue but then having an (additional) umbrella (reserve) fund for *all* community services (venues)...*Is that what you're intending here for this Community Services Admin (entry)?*"

Mr. Eick: "That is correct."

What Mr. Eick has admitted is that for 2015-16, rather than being a legitimate standby service charge to cover the costs staff incur for the mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat, just like a tax, this entry represents *more than necessary* to create a discretionary "cushion" or umbrella "reserve." So just like smoothing (see discussion below), staff has a vehicle to accumulate funds to spend on future unidentified, unbudgeted and unappropriated pet projects that arguably benefit the general public as a whole.

**Because Prior to Mr. Eick's April 7, 2016 Admission, He in Essence Made the Same Admission Identified by a Different "Reconciliation by Dwelling Unit" Label:** If the reader examines Mr. Eick's May 7, 2015 Memorandum in support of the Board's adoption of Resolution No. 1837<sup>22</sup> (adopting the 2015-16 RFF/BFF and ordering their collection on the tax roll), it will see where Mr. Eick represented

---

<sup>21</sup> This portion of the Board's April 17, 2016 meeting can be viewed at 43:37-53:28 of the 4/17/2016 livestream (<http://livestream.com/IVGID/events/5144683>).

<sup>22</sup> See pages 13-15 of the packet of materials prepared by staff in anticipation of the Board's regular May 21, 2015 meeting ("5/21/2015 Board packet").

what the proposed 2015-16 RFF would allegedly pay. One of the elements was a \$63 "Punch Card Allowance" for Punch Card usage at the beaches. In other words, the BFF did *not* pay for "free access to District beaches" as the Board represents at ¶24 of Ordinance No. 7. Rather, an *additional* \$63 was involuntarily exacted from the RFF for the loss of guest fee revenue suffered at the beaches when Punch Cards are used in lieu of cash currency to pay guest fees. This is more evidence that rather than being a legitimate standby service charge for the mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat, the Board has budgeted the RFF at an artificially higher level than necessary to make up for the loss of cash revenue whenever beach guest fees are paid with punch cards<sup>23</sup>.

And more bothersome, since this \$63 comes from the RFF rather than the BFF, it is being paid by the owners of approximately 438 parcels (the difference between the then 8,181 parcels/dwelling units which were assessed the RFF, and the then 7,743 parcels with beach access) *without beach access*! In other words, Mr. Eick came up with a way to latently assess parcels/dwelling units without beach access, for nearly ⅓ of the cost/assessed parcel/dwelling unit to make the beaches available to be used by those with beach access.

**Armed With This Knowledge, How Much of the Upcoming Fiscal Year's (2019-20's) RFF/BFF Are Earmarked for This "Discretionary Fund?"** At page 138 of the 5/23/2018 Board packet Mr. Eick has prepared another "Reconciliation by Dwelling Unit per Parcel and Venue Component" spreadsheet in conjunction with the current fiscal year's budget. There Mr. Eick has inserted a "component" labeled "Comm. Services Administration," as well as its \$161 "per parcel facility fee" as well as the "Total 2018-19 Facility Fee" of \$1,321,810. Ladies and gentlemen, **22.84% of the RFF pays for absolutely no costs whatsoever associated with "the (represented<sup>24</sup> costs for the) proper servicing of (recreation general obligation) bonds ("GOBs") and...the administration, operation, maintenance and improvement of (the public's recreational facilities)...equipment and facilities."** This number has been fabricated by Mr. Eick as the product of "smoothing" or "repurposing" (see discussion below).

**Because the Source of Funding Which Fuels "Smoothing" - Non-Existent Servicing Costs on Retired GOBs:** Since local property owners want to know where the RFF/BFF their properties/dwelling units are *involuntarily* assessed are spent, for fiscal year 2012-13 Mr. Eick responded at page 75 of the 2013 "Comprehensive Annual (Audited) Financial Report"<sup>25</sup> ("CAFR"). The reader's attention is directed to the row labeled "Golf/Tennis/Ski Bonds." There the reader will see that according to Mr. Eick, for the ten fiscal years 2003-04 through and including 2012-13, \$85 of each assessed parcel's/

---

<sup>23</sup> This is the very same thing the Board did between fiscal years 2011-14 when IVGID faced the loss of some \$1.3M or more in *ad valorem* tax revenue collected by the County, the County required be repaid to reimburse IVGID's share of court mandated property tax refunds.

<sup>24</sup> See ¶III of page 260 of the 5/22/2019 Board packet.

<sup>25</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2013cafreport\\_11\\_4\\_2013\\_final.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2013cafreport_11_4_2013_final.pdf).

dwelling unit's RFF went to pay the servicing costs on a 2003 \$5.5 million "Recreation Golf Imp." Bond<sup>26</sup>. And for the five fiscal years 2008-09 through and including 2012-13, \$110 of each assessed parcel's/dwelling unit's RFF went to pay the servicing costs on a 2008 \$7 million "Recreation Imp. (Ski)" Bond. And since we knew at the time there was an outstanding 2004 \$4.445 million "Recreation Refunding" bond, we knew that some additional portion of each assessed parcel's/dwelling unit's RFF went to pay the servicing costs on this bond. What portion?

Until 2013 IVGID published a document titled "About the...Recreation...and Beach Facility Fee(s)." This document told the public where the RFF/BFF were allegedly spent. Of the \$273 which represents the "debt service component...to pay for bonds used for capital purchases," we know \$85 was spent on the servicing costs for the 2003 \$5.5 million "Recreation Golf Imp." bond, and \$110 of was spent on the servicing costs for the 2008 "Recreation Imp. (Ski)" bond. That leaves \$78 for the servicing costs on the 2004 "Recreation Refunding" as well as 2002 \$6.205 million "Recreation Facilities and Recreation Refunding" bonds.

a) **The Servicing Costs Associated With the Retired 2003 \$5.5 Million Recreation GOB:** The 2003 "Recreation Golf Imp." bond matured on March 1, 2013. In other words, *this bond did not exist as of fiscal year 2013-14.*

But if you examine page 75 of IVGID's 2014 CAFR<sup>27</sup> you will see where Mr. Eick has represented that \$85 of 2013-14's RFF went to pay this retired GOB<sup>28</sup>! In other words, when Mr. Eick made the representations he did in the 2014 CAFR, he knew that ***the 2003 bond had been retired prior to fiscal year 2013-14.*** And given ¶III of the Reports for Collection on the County Tax Roll which are attached to and incorporated by reference into every resolution which orders collection of the RFF/BFF on the county tax roll, such as the Report which is the subject of Resolution 1870<sup>29</sup>, represents that the RFF adopted therein "is required(, in part)...for the proper servicing of...identified bonds," hopefully the reader now sees that the 2013-14 RFF was *not* required to pay the servicing costs on the 2003 "Recreation Golf Imp." bond because it had been retired. ***Why then did Mr. Eick represent that each parcel/dwelling unit owner's RFF had paid for this bond's servicing costs as a 2013-14 expense?***

At the Board's regular December 10, 2014 meeting it unanimously approved the 2014 CAFR in its then presented form, *including the aforesaid page 75*, notwithstanding objections were raised

---

<sup>26</sup> We know these are the bonds for which annual RFF payments have serviced because they are identified at page 38 of IVGID's 2012 CAFR.

<sup>27</sup> See <https://www.yourtahoeplace.com/uploads/pdf-ivgid/2014CAFReport.pdf>.

<sup>28</sup> This is one of the many reasons why I and others I know have been asking for this public employee's termination. In any other local government a public employee who lied like this to its governing board and the public would be fired. But in Incline Village, he/she is rewarded with salary increases and bonuses.

<sup>29</sup> See pages 205-210 of the 4/11/2018 Board packet.

during public comment<sup>30</sup> because it *falsely* represented that \$85 of every parcel/dwelling unit owner's 2013-14 RFF had gone to pay the servicing costs on a bond which had been retired. Thus rather than being a legitimate standby service charge "for the proper servicing of...identified bonds," under Mr. Eick's tutelage as the architect of the District's financial reporting system, ever since July 1, 2013 the Board has budgeted the RFF/BFF at levels *higher than necessary* so the excess can be made available to IVGID staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax" benefit the general public as a whole, rather than just those parcels which are assessed.

If you examine page 75 of IVGID's 2015 CAFR<sup>31</sup> you will see where Mr. Eick has *again* represented that \$85 of 2014-15's RFF went to pay this retired GOB! In other words, when Mr. Eick made the representations he did in the 2015 CAFR, he knew that ***the 2003 bond had been retired prior to fiscal year 2013-14. Why then did Mr. Eick represent that each parcel/dwelling unit owner's RFF had paid for this bond's servicing costs as a 2014-15 expense?***

If you examine page 89 of IVGID's revised 2016 CAFR<sup>32</sup> you will see that the subject \$85 charge has finally been removed. But given the RFF was not reduced for fiscal year 2015-16 and Mr. Eick's November 14, 2014 Memorandum (see discussion below) declares this charge "was ('smoothed') to...reserves<sup>33</sup> for future projects" rather than diverted to any of the expense categories represented. In other words, when Mr. Eick made the representations he did in the 2016 CAFR, he knew ***they were false.***

If you examine page 87 of IVGID's 2017 CAFR<sup>34</sup> you will discover that the RFF was not reduced for fiscal year 2016-17. Given Mr. Eick's November 14, 2014 Memorandum (see discussion below) states this charge "was ('smoothed') to...reserves for future projects" rather than diverted to any of the expense categories represented, when Mr. Eick made the representations he did in the 2017 CAFR, he knew ***they were false.***

---

<sup>30</sup> The written minutes of that meeting appear at pages 241-295 of the packet of materials prepared by staff in anticipation of the Board's regular January 14, 2015 meeting ["the 1/14/2015 Board packet" (see [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Regular\\_Packet\\_Jan\\_14\\_2015.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Regular_Packet_Jan_14_2015.pdf))]. Page 246 from that packet reads as follows: "on page 93, there is a statement about the Recreation Fee and where it allegedly goes and that \$85 went to payoff the 2003 bond...*That bond was paid off in March 2013 (and) yet the District is publishing this report...telling the public and the world that this is (an) accurate" representation when it is not.*"

<sup>31</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2015CAFR\\_Report\\_IVGID\\_.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2015CAFR_Report_IVGID_.pdf).

<sup>32</sup> See [https://www.yourtahoeplace.com/uploads/pdf-ivgid/2016CAFReport\\_Revised\\_5\\_11\\_2017.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/2016CAFReport_Revised_5_11_2017.pdf).

<sup>33</sup> Since fiscal year 2013-14 the Board has never budgeted for reserves.

<sup>34</sup> See <https://www.yourtahoeplace.com/uploads/pdf-ivgid/2017CAFReport.pdf>.

**b) The Servicing Costs Associated With the Retired 2004 \$4.445 Million Recreation**

**GOB:** If the reader returns to page 38 of the 2014 CAFR, he/she will see there is another recreation bond which was retired on/or before October 1, 2014; a \$4.445 million 2004 "recreation refunding" bond. Given ¶III of the Report for Collection on the County Tax Roll which was attached to and incorporated by reference into IVGID Resolution No. 1837 and it expressly represents that the 2014-15 RFF adopted therein "is required(, in part)...for the proper servicing of...identified bonds," the reader can see that the 2014-15 RFF was *not* required to service the 2004 bond which had been retired. Yet the 2014-15 RFF was the same amount as the 2013-14 RFF. *What happened to the portion of the 2014-15 RFF which had previously serviced the 2004 bond?* And given the RFF was not reduced for fiscal years 2015-18 by a like portion, they have all gone to "smoothing."

Therefore rather than being a legitimate standby service charge "for the proper servicing of... identified bonds," here is additional evidence that the Board has in essence budgeted the RFF/BFF at levels which are *higher than necessary* so the excess can be made available to IVGID staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax" benefit the general public as a whole, rather than just those parcels which are assessed.

**And For Fiscal Year 2018-19 the Number Was at Least \$110/Parcel Facility Fee or \$901,340**

**MORE From All Parcel Fees Collected:** That's right! Because built into the current RFF is \$110/parcel which is used to pay the servicing costs on a 2008 "Recreation Impr." general obligation "(ski)" bond. But this bond is scheduled to mature on/before June 1, 2018<sup>35</sup>. Which means that unless the 2019-20 RFF is going to be reduced by a like amount (which it isn't), staff's discretionary fund is going to increase by at least another \$901,340. Or stated differently, instead of \$168 of the RFF going into this discretionary fund, the sum is going to be \$278 (or 39.43% of the RFF) for a total of \$2,277,932!

**Mr. Eick's Invention of the Term "Smoothing:"** On November 14, 2014 Mr. Eick authored a Memorandum submitted to Kelly Langley of the State Department of Taxation ("the DOT") in an effort to secure the DOT's "concurrence...as (IVGID's) oversight agency...for (his) planned action" to convert IVGID's recreation *enterprise* funds to *special revenue* funds effective July 1, 2015. The purpose of Mr. Eick's initiative was to use the proceeds as if they were taxes. Listen to what Mr. Eick told the DOT:

---

<sup>35</sup> Page 47 from the 2016-17 CAFR [<https://www.yourtahoeplace.com/uploads/pdf-ivgid/2017CAFReport.pdf> ("the 2017 CAFR")] demonstrates a "maturity date" for this GOB of "06/01/18," and that this bond's servicing costs are "collateralized by a pledge of (RFF/BFF) revenues derived...from the...Community Services or Beach" funds.

"Several years ago, the District began to approach setting (recreational) fees and charges...with a perspective that emphasized (that) the combined...RFF and...BFF ...(which are) fundamental to each operation...*be held at a level, consistent amount* ...The District began to plan the timing of capital expenditures around this concept such that needs could be fit into the flow of (revenue)...if the annual debt service, operation and scheduled capital (expenses) did not consume the entire Facility Fee...(Notwithstanding the fact the Board did not budget for capital reserves, the savings) was (assigned) to...reserves for future projects...Between...2012 through 2018, the District will...retire...three major bond issues...(Since) the (funds) for th(eir) repayment...(a)re components of the Facility Fee...the Facility Fee (can) remain (constant) and (new) capital projects (can)...be considered...Within the District, **the term for this concept is 'smoothing.'**"

In other words, rather than the represented costs IVGID incurs to make its recreation facilities and the services offered thereat merely "available to (be) used" by those *parcels* which are involuntarily assessed, by keeping the RFF/BFF at a "level, consistent amount" notwithstanding GOBs are retired, staff can continue to accumulate their former servicing costs<sup>36</sup> so they can be made available to fund future unidentified, unbudgeted, and unappropriated "pet" capital projects.

**The Public's Outrage Once it Learned of Mr. Eick's "Smoothing:"** When the public learned that the 2003 GOB had been retired and the 2004 GOB was about to be retired, knowing that IVGID had continued to assess the RFF by means of resolution which represented that funds were necessary to service bonds which had been retired, and knowing that IVGID staff intended to continue assessing a RFF which was no longer necessary to service two bonds which had been/would soon be retired, a public firestorm erupted. This was the event which prompted Mr. Eick to write his November 14, 2014 Memorandum (see discussion below) and invent the financial reporting term (see discussion above) he labeled "smoothing." And it was the event which caused Trustees Smith and Callicrate to vote against adoption of the 2015-16 RFF on May 21, 2015<sup>37</sup>.

**The Board's Ratification of "Smoothing:"** Mr. Eick's February 12, 2016 Memorandum to the Board<sup>38</sup> requested that \$5,206,491 of excess accumulations in IVGID's Community Services Fund and an additional \$1,110,286 of excess accumulations in IVGID's Beach Enterprise Fund (both the product

---

<sup>36</sup> Notwithstanding GOBs are retired, in Mr. Eick's mind they continue in his version of "virtual reality." I call this phenomena "virtual bonding."

<sup>37</sup> See page 357 of the packet of materials prepared by staff in anticipation of the Board's regular June 24, 2015 meeting ["the 6/24/2015 Board packet ([https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_6-24-2015\\_Rev\\_1.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_6-24-2015_Rev_1.pdf))].

<sup>38</sup> See pages 151-155 of the packet of materials prepared by staff in anticipation of the Board's regular February 24, 2016 meeting [[https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_2-24-16.pdf](https://www.yourtahoepalace.com/uploads/pdf-ivgid/BOT_Packet_Regular_2-24-16.pdf) ("the 2/24/2016 Board packet")].

of "smoothing" or keeping "the Facility Fee...constant") be transferred to new "special revenue funds" so they could thereafter be used as if they were taxes (what Mr. Eick labels "residual equity transfers"). Thus rather than being legitimate standby service charges for an assessed property's/ dwelling unit's mere "availability to use" the public's recreational facilities as well as the services offered thereat, under Mr. Eick's tutelage as the architect of the District's financial reporting system, after this action was adopted (on February 24, 2016), the Board in essence ratified "smoothing;" the budgeting of RFFs/BFFs at levels *higher than necessary* so the excess could be made available to IVGID staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax," benefit the general public as a whole rather than just those parcels which are involuntarily assessed.

This is more evidence that rather than being a legitimate standby service charge "for the proper servicing of...identified bonds" as IVGID represents, "smoothing" has been accepted to budget the RFF/BFF at levels *higher than necessary* so the excess can be made available to staff as a steady, dependable source of revenue for future unidentified, unbudgeted, unappropriated and unnecessary pet projects which just like a "tax" benefit the general public as a whole, rather than just those parcels which are assessed.

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - User Fees to Make the Public's Parks and Athletic Fields, Which Do *Not* Charge User Fees, "Available" for Access and Use by Those Properties Which are Assessed:** I have already addressed this subject above. Insofar as the public's parks and athletic fields as an example are concerned, Mr. Eick testified that there is essentially no other "user fee process to generate a source" of revenue *other than the RFF*. And for this reason he concluded the RFF/BFF substitute for "user fee(s at)...some venues, such as (IVGID's) Parks(, athletic fields) and the beach(es)" where no user fee is assessed.

In other words, rather than being a legitimate standby service charge for the mere "availability to use" the public's recreational and beach facilities as well as the services offered thereat where user fees are not charged, just like a tax the Board has budgeted the RFF at a level which is *higher than necessary* to pay for public parks and athletic fields which are "available" to the general public as a whole rather than just those parcels which are assessed.

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - Mr. Eick's Representations to the Board That the Public Views the RFF/BFF as Taxes:** On numerous occasions when budget matters are being discussed and Mr. Eick gives testimony to the Board, he volunteers that "most people think the RFF/BFF are taxes." Knowing this is the way the public views the RFF/BFF and he does nothing to educate them to the contrary (assuming there are facts which would educate them otherwise), Mr. Eick is guilty of omitting material facts as to the true nature of the RFF/BFF which thus perpetuates the public's view.

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - Mr. Eick's and Others' Representations to the IRS That the RFF/BFF are Taxes:** It's not just Mr. Eick's representations to the Board and the public which demonstrate he knows the RFF/BFF are not "fees." Mr. Eick



has owned and continues to own (through his wife) Incline Village property which is assessed the RFF and the BFF. Presumably he files federal income taxes, and presumably he claims itemized personal deductions on Schedule A of those returns. One of those deductions is for real estate taxes paid. And what number do you think Mr. Eick has inserted (i.e., the number with or without inclusion of the RFF/BFF)? Assuming it's the number which includes the RFF/BFF, hasn't Mr. Eick declared to the IRS that the RFF/BFF represent real estate taxes paid? Assuming the answer is yes, how can he now assert anything different?

And it's not just Mr. Eick. Chairperson Wong and Trustees Horan and Dent own Incline Village properties which are assessed the RFF. They too presumably file federal income taxes, and presumably claim itemized personal deductions. Do each of you deduct the real estate taxes you pay with or without inclusion of the RFF/BFF? Assuming it's the number which includes the RFF/BFF, haven't each of you that the RFF/BFF represent real estate taxes paid? Assuming the answer is yes, how can you now assert anything different?

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - IVGID's General Manager Admits the RFF/BFF are Taxes:** Sometimes a "slip of the tongue" can reveal the truth. And our esteemed GM has slipped. Agenda item G(5) for the Board's regular April 11, 2015 meeting asks for approval to pay the County Treasurer \$33,177.81 in *delinquent taxes*<sup>39</sup> which were waived against three parcels conveyed by the County Treasurer to IVGID in 2014 pursuant to NRS 361.603(4). But in Mr. Pinkerton's memorandum in support of this action item, he describes how most of this sum (\$31,584) represents delinquent "fees" (i.e., RFFs/BFFs): "IVGID's recreation and beach fees comprise \$31,584 of the total due with the balance of \$1,593.81 owed to the respective taxing entities... Therefore, the net cost (to IVGID will)...be less than \$1,593.81."<sup>40</sup> So what are they Mr. Pinkerton? Taxes or fees? Or to you is there really any difference?

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - IVGID's Auditor Admits the RFF/BFF are Taxes:** Testifying in support of IVGID's Special Revenue fund reporting, on December 16, 2015, Dan Carter, EideBaily Audit Engagement Partner, represented to the Board's Audit Committee that the RFF/BFF are taxes. According to Mr. Carter the fact there's a restriction on their use means they "meet...the definition of...imposed non-exchange revenue."<sup>41</sup> On May 23, 2016, in a memo to the Chairman of the Audit Committee, Mr. Carter "clarified" his prior testimony: "enterprise fund accounting is primarily used when exchange fees (for example, the fee to play a round of golf) support (enterprise)...fund(s)." Special revenue fund accounting on the other hand is used when "imposed non-exchange [fees {for example, property tax or other assessment(s)}]...result from assessments imposed by governments on individuals." Because the payor(s) of these fees receive *nothing* of value in return, Mr. Carter testified that "**classification ...may be more**

---

<sup>39</sup> See page 211 of the 4/11/2018 Board packet.

<sup>40</sup> See pages 212-13 of the 4/11/2018 Board packet.

<sup>41</sup> I have a written transcript of that testimony should it be deemed useful or of interest.

*appropriately accounted for in...Special Revenue Fund(s)*" which again translates into the conclusion the RFF/BFF are taxes.

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented – IVGID's Conversion of Community Services and Beach Enterprise Funds Into Like Named Special Revenue Funds:** At the Board's regular April 11, 2018 meeting I submitted a written statement<sup>42</sup> which made the case that the *only* revenues a public agency can report in a special revenue fund are:

1. Derived tax revenues, which result from assessments imposed on exchange transactions (for example, income taxes, sales taxes, and other assessments on earnings or consumption);
2. Imposed non-exchange revenues, which result from assessments imposed on nongovernmental entities, including individuals, other than assessments on exchange transactions (for example, property taxes and fines);
3. Government-mandated non-exchange transactions, which occur when a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state or local governments are mandated to perform); and,
4. Voluntary non-exchange transactions, which result from legislative or contractual agreements, other than exchanges, entered into willingly by the parties to the agreement (for example, certain grants and private donations).

Since the RFF/BFF represent involuntarily imposed non-exchange revenue against property, totaling twenty percent (20%) or more of the total revenue flow assigned to IVGID's special revenue funds, and it has reported the same to the DOT, I concluded that IVGID must admit these fees represent revenue derived from either property taxes or assessments. In other words, taxes.

**Admissions the RFF/BFF Are "Taxes" Rather Than the "Fees" Represented - Since IVGID Staff Admit the RFF/BFF Represent "Imposed Non-Exchange" Revenue, in Essence They in Essence Admit the RFF/BFF are Taxes:** According to page 54 of the 2016 CAFR, at Note 17, IVGID states as follows: "The District provides recreation functions through two individual *special revenue funds*." Since GASB 33 states that in order to qualify for Special Revenue fund accounting a substantial portion of the fund's revenues must come from non-exchange transactions, the RFF/BFF revenue IVGID assigns to its Community Services and Beach Special Revenue funds must be taxes.

**Because the RFF/BFF are Really Taxes "in Sheep's Clothing" (see discussion above), the Board Should Not Vote in Favor of a Collection Procedure Limited to the Collection of "Fees."**

---

<sup>42</sup> See pages 135-142 of the 4/25/2018 Board packet.

**Conclusion:** For all of these reasons, and given staff represents the Board need not approve the subject item ("the Board can direct staff to revise, change, reduce or modify the" RFF/BFF<sup>43</sup>), the Board should *not* vote in favor of the subject agenda item.

**And You Wonder Why Our RFF and BFF Which Impermissibly Support This And Other Equally Colossal Wastes Are as High as They Are?** I've now provided more answers.

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

---

<sup>43</sup> See page 203 of the 4/11/2018 Board packet.

IVGID 5-22-19 Board of Trustees Meeting Public Comment #3

By: Linda Newman – To be included with the Minutes of the Meeting

To Improve Our Government and Establish a Partnership with our Community, please place the following suggestions as items for discussion on future agendas:

1. Reinstate public comment before each agenda item. Citizens must have a voice in the decisions you make.
2. Include All correspondence in the Board Packet. You have never approved changing the Policy – yet correspondence continues to be omitted. Why do the words of our citizens to our Board need to be hidden?
3. Ensure that Board Meetings only have items that require Board action. Workshops should have agenda items that have Staff Powerpoints and other Presentations. Five hour Board Meetings simply wear down our Trustees, Staff and our citizens. You can do better.
4. All Board packets should include ALL relevant supplemental material to agenda items and if powerpoints or staff narratives are presented –they should be included in the packet. Additional material should not be handed out at the time of the meeting – this deprives Trustees and citizens a chance for advance review.
5. Budgets and other information required by the State for Board approval should be provided to the Board at least a week in advance of the meeting. No matter how fast anyone can read, these are documents that require adequate time for analysis.
6. Provide ALL Financial Information on Open Gov including Capital Project Budgets and Expenditures. Stop aggregating categories and provide line items to drill down. That is Financial Transparency.
7. Enforce compliance with the Public Records Act and post all public records requested on-line in a searchable format. In fact, ALL IVGID documents on the website should be searchable.
8. Schedule regular Town Hall Meetings with Trustees for a real dialogue enabling citizens to ask questions and get answers. We elect our officials and do not find Staff responses an acceptable substitute. After all, you are in charge.

9. Establish Citizen Advisory Committees and leverage the vast knowledge and expertise of our community.
10. We have a \$1 billion infrastructure. We need an independent consultant to evaluate the physical condition of our assets, the timing for replacement and our funding options.
11. Prioritize the hiring of a Director of Asset Management and a Chief Engineer.
12. End NO-BID Professional Services Contracts.
13. Report the Community Services and Beaches as Enterprise Funds.
14. Best yet, HOLD a Workshop or Town Hall with Citizens providing their Solutions to Improve our Government and Establish a Partnership with Our Community

Public Comment - IVGID Board Meeting May 22, 2019

By: Clifford F. Dobler

Re IVGID Consideration of a Proposed Shift in Allocation of the Facility Fee for 2021 & 2022

Several weeks ago, this Board had much discussion on borrowing money to buy equipment. Also projected cash flows were presented for 5 years.

The excess funds in the Community Services Funds is expected to reach almost \$9,000,000 by the end of June and now it's time to decide how it will be spent and when.

Trustee Callicrate believed that no borrowing for equipment should occur and since so much excess funds existed in the Community Services Fund a certain amount of future Rec Fees should be allocated to the Beach Funds in order to complete a new pool at Burnt Cedar Beach and complete a new building at Incline Beach. He also felt that a NEW Mountain Golf Course Clubhouse should be completed rather than rehabbing the existing building.

He stated the three projects were priorities and should be done before any expansion at Diamond Peak is considered.

He asked that an analysis be presented at a future board meeting. Wong put it on tonight's agenda and we will have it.

He asked me to review the cash flows prepared by the District, make the adjustments he suggested and determine if the Community Service Funds and the Beach Funds balances would or would not fall below the Board Policy targets.

I ran the numbers based on the District five year cash flows, considered paying cash for the equipment rather than borrowing, dropped off the Diamond Peak summer amusements, added \$3,211,000 for the Incline Beach Building, considered only \$1,000,000 for a new pool at Burnt Cedar Beach based on the recent consultant report and added another \$600,000 to increase the budget to \$1,500,000 for a NEW Mountain Golf Course Clubhouse based on the 2017 Consultant estimate.

It all worked if the REC Fee was reduced by \$3,300,000 and the Beach Fee increased by \$3,100,000. We would lose about \$200,000 in Beach Fees because 455 parcels do not pay a beach fee. All Board Policy targets for fund balance would remain intact over the next five years.

Now tonight, Eick will lay out and show that Callicrate's plan does not work and the Community Services and the Beaches fund balances will fall below the Board Policy targets by \$711,000.

This is not a sincere presentation and here's why?

Two weeks ago Eick stated that the budget to rehab of the Burnt Cedar Pool was increased from \$500,000 to \$800,000 and the pool would last another 5 to 7 years.

So in order to make sure that Callicrate's suggestion would not pan out, another \$1,450,000 was added to the budget for a new Pool the very next year. Now the budget has \$2,250,000 for the pool that was estimated to cost only \$1,000,000. Remove the extra \$1,250,000 and Callicrate's plan works.

The presentation tonight is just folly.

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM E –  
PUBLIC COMMENTS – WHAT DO WE DO WITH AN ATTORNEY WHO  
MISREPRESENTS TO THE BOARD/LOCAL PARCEL/DWELLING UNIT  
OWNERS/THE OFFICE OF THE ATTORNEY GENERAL (“OAG”)  
WHAT IVGID REALLY IS, AND BY IMPLICATION, THE  
POWERS IT MAY LEGITIMATELY EXERCISE?**

**Introduction:** I read with dismay the four affidavits (from Susan Johnson, Susan Herron, Kendra Wong and Philip Horan) attorney Jason Guinasso transmitted to the OAG in support of IVGID’s opposition to local citizen Jim Smith’s Open Meeting Law (“OML”) complaint<sup>1</sup>. There at ¶4 of each affidavit Mr. Guinasso drafted for these four affiants’ signatures, he stated the following language: “IVGID (is) a quasi-public agency.” No IVGID is *NOT* a quasi-public agency. And that’s the purpose of this written statement.

**What’s a Quasi-Municipal Corporation:** We’ve had this conversation several times in the past. And for those who are not familiar with it, NRS 318.075(1) instructs that once a County Board of Commissioners adopts an ordinance which creates a general improvement district (“GID”), the GID “shall thenceforth be a governmental subdivision of the State of Nevada, a body corporate and politic and a *quasi-municipal corporation*.”

**What’s a Quasi-Public Agency?** Do a word search under the Nevada Revised Statutes (“NRS”) for “quasi-public” and you will find *nothing*. Go to the Merriam-Webster Dictionary and do the same. There you will find the following definition: “essentially public (as in services rendered) although *under private ownership or control*.”<sup>2</sup>

**What’s the Difference Between a Quasi-Public Agency and a Quasi-Municipal Corporation?** Since a “quasi-municipal corporation” provides “municipal-type services to an area which needs them, but which may not need or want the full range of services implied by incorporation,”<sup>3</sup> and a “quasi-public agency” may provide similar services, it is “ownership” which makes the difference. Stated differently, IVGID is 100% “public” whereas a quasi-public agency is 100% private. And insofar as the powers IVGID may exercise, it exists to *only* exercise its expressly enumerated and *limited* powers<sup>4</sup>, and *none other* [see A.G.O. 63-61, p.103 (August 12, 1963)]. Or as stated in NRS

---

<sup>1</sup> See pages 498-505 of the packet of materials prepared by staff in anticipation of the Board’s May 22, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf) (“the 5/22/2019 Board packet”).]

<sup>2</sup> Go to <https://www.merriam-webster.com/dictionary/quasi-public>.

<sup>3</sup> See ¶II, page 1 of Legislative Counsel Bureau Background Paper 83-4 at <https://www.leg.state.nv.us/Division/Research/Publications/Bkground/BP83-04.pdf>.

<sup>4</sup> Unlike the expansive general powers police powers (to provide for the general health, welfare and safety of its inhabitants) counties, cities, and towns (NRS 244, 266, 269) may exercise.



318.055(4)(b), IVGID is limited to exercising “the basic power or...powers...stated in (its)...initiating ordinance (as long as)...one or more of those authorized in NRS 318.116, as supplemented by the sections of this chapter designated therein,” and *none other*.

**Clearly, IVGID is *Not* a “Quasi-Public Agency:”**

**And IVGID’s Assertion to the Contrary on its Web Site is Patently Wrong:** I have printed out a screenshot from the District’s “About IVGID” web page on its web site<sup>5</sup>, and it is attached as Exhibit “A” to this written statement. Note the following description I have placed an asterisk next to: “The Incline Village General Improvement District, commonly referred to as IVGID, is a *quasi-public agency* established under Nevada Revised Statute, Chapter 318.” Now that you the Board know this description is wrong, *why won’t you instruct staff to correct it?*

**IVGID May Not Exercise Whatever Non-Public Powers it Chooses Because it is Allegedly Only “Quasi-Public:”** Being a limited purpose special district, and because Nevada has adopted *Dillon’s Rule*<sup>6</sup>, IVGID exists to *only* exercise those “basic...powers...stated in (its)...initiating ordinance (as long as)...one or more of those authorized in NRS 318.116, as supplemented by the sections of this chapter designated therein,” and *none other* (A.G.O. 63-61, *Id.*). And should there be “any fair, reasonable (or) substantial doubt concerning the existence of power (it) is (to be) resolved ...*against* (IVGID making) all acts beyond the scope of...powers granted...void” (*Ronnow, supra*, at 57 Nev. 343).

**So Why Do Mr. Guinasso and Staff Represent the Contrary?** To justify staff’s *mis*-narrative to the Board and the public that if action is not expressly prohibited by the NRS, IVGID is free to fill the vacuum.

**Which Explains Why I and Others I Know Call Mr. Guinasso IVGID Staff’s “Fixer:”<sup>7</sup>**

**Conclusion:** So now you know the truth. IVGID is *NOT* a “quasi-public agency.” And its powers are *not* so expansive that it may do whatever it pleases as long as not expressly prohibited by the NRS. And what do we do with Mr. Guinasso who is clearly 100% loyal to unelected staff rather than the IVGID Board which hired him, and local parcel/dwelling unit owners he was hired to serve?

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

---

<sup>5</sup> Go to <https://www.yourtahoeplace.com/ivgid/about-ivgid>.

<sup>6</sup> *Ronnow v. City of Las Vegas* (1937) 57 Nev. 332, 341-43, 65 P.2d 133.

<sup>7</sup> Harvey Keitel’s mythical Winston Wolfe character in the iconic movie “Pulp Fiction.” The cleaner who knew how to take care of Jules’ and Vincent’s boneheaded mistakes. A model of efficiency under pressure, a no-nonsense performer, who got the job done with style (see <https://www.indiewire.com/2012/03/being-winston-wolfe-9-reasons-why-pulp-fiction-is-the-management-guide-every-indie-filmmaker-needs-48445/>): The “fixer.”

**EXHIBIT "A"**



https://www.yourtahoeplace.com/ivgid/about-ivgid

HOME VOID ABOUT IVGID

# ABOUT IVGID



The Incline Village General Improvement District, commonly referred to as IVGID, is a quasi public agency established under Nevada Revised Statute, Chapter 318 and chartered to provide water, sewer, trash and recreation services for the communities of Incline Village and Crystal Bay, Nevada. It is governed by an elected Board of Trustees which, acting on behalf of the electorate, sets policy and determines strategies for the accomplishing its charter. Both Incline Village and Crystal Bay, Nevada are located within Washoe County, the entity that had the authority to create IVGID, and they are both unincorporated areas within Washoe County.

Within the limits of the statutes, IVGID is empowered to determine what facilities and services it should offer that will preserve or enhance the general health, safety and welfare of the community. It may set rates, tolls and fees to be charged for the provision of those facilities and services, and it may borrow or raise funds to acquire, construct and/or provide those facilities and services to the community. Finally, IVGID has the power to levy and collect taxes necessary to sustain its operations.

Subscriber\_Statem....pdf    Subscriber\_Outside....pdf    AARON\_KATZ\_BEN....pdf    SecureMessageAt....ht...

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(1) –  
EXTENSION OF HYATT SPORT SHOP LEASE**

**Introduction:** Here staff proposes extending the current Hyatt Lake Tahoe Hotel (“Hyatt”) Sport Shop lease for an additional three years, and on the consent calendar no less<sup>1</sup>! Staff deceitfully represent to the Board and the public that this “collaboration” with the Hyatt “has (allegedly) proved successful in directing hotel guests to IVGID venues.” Based upon this “given,” staff proposes a financial windfall to the Hyatt with no measurable benefit to the local parcel/dwelling unit owners who are financially subsidizing yet another money-losing<sup>2</sup> commercial business enterprise. And that’s the purpose of this written statement.

**What is the Justification For Placing This Matter on the Consent Calendar:** given Policy No. 3.1.0.15<sup>1</sup> states that “a memorandum will be included in the (Board) packet (which)...should include the justification as a consent item?” Because “it is a pre-existing agreement that is simply being extended for a(n additional) three year period of time.”<sup>3</sup> *What justification is this?* Just because staff have gotten the public into a bad deal in the past, doesn’t justify that bad deal being perpetrated for another three years without the opportunity to even discuss the matter.

For this reason on May 17, 2019 I sent an e-mail to the Board asking at least one member ask to have this matter transferred to the general business portion of the agenda<sup>4</sup>. Let’s see how the majority of our “rubber stamp” Board reacts.

**What is the Sports Shop?** A 1,040 square foot retail sports equipment (skis, snowboards, golf clubs, tennis rackets, mountain bikes) rental/clothing, soft goods, IVGID owned user fee, sports equipment (including “demo” skis, snowboards, golf clubs, tennis rackets, etc.) sales business housed in the Hyatt’s shopping mall.

---

<sup>1</sup> Which deprives the Board of even discussing the matter (see Policy 3.1.015 at page 12 at <https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf>).

<sup>2</sup> We’ve had this discussion before. The Recreation Facility Fees (“RFFs”) IVGID involuntarily assesses against local parcels/dwelling units subsidize the difference between revenues and expenses staff assign to “recreation.” Similarly, the Beach Facility Fees (“BFFs”) IVGID involuntarily assesses against local parcels/dwelling units with beach access subsidize the difference between revenues and expenses staff assign to the “beaches.” Without these subsidies the commercial business operations IVGID operates would and do *lose money*.

<sup>3</sup> See page 9 of the packet of materials prepared by staff in anticipation of the Board’s May 22, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf) (“the 5/22/2019 Board packet”)].

<sup>4</sup> A copy of that e-mail is attached as Exhibit “A” to this written statement.

**For Whose Benefit Does the Sport Shop Exist?** Listen to ¶13(a) of the proposed lease<sup>5</sup>: “The premises shall be used for the purpose of operating a first-class sport shop (catering)...to (the Hyatt’s) guests and clients...and *for no other purpose.*” In other words, the Sport Shop exists for the benefit of the Hyatt’s guests *rather than* “the inhabitants...of (Incline Village, Crystal Bay) and of the State of Nevada” as NRS 318.015(1) instructs.

**What Power Does IVGID Have to Operate a Retail Commercial Sales Business Enterprise in a Private Third Party’s Building?** We’ve had this discussion before. IVGID is nothing more than a limited purpose special district. Its basic powers are limited to those expressly set forth in NRS 318.116, and none others. Nowhere will the reader discover that any GID has the basic power to operate “for profit” commercial business enterprises, with all that entails, let alone in someone else’s building (where the GID is required to pay rent). If the reader “buys into” the notion a GID has this power, then why not rent space in a shopping mall? Or the Reno-Tahoe Airport? Or anywhere for that matter? Does anyone believe that when the Washoe County Board of Commissioners (“County Board”) granted IVGID the power to furnish facilities for public recreation, this was a permissible activity it had in mind?

**What Power Does IVGID Have to Rent/Sell a Private Third Party’s Sports Equipment/Clothing, Soft Goods/Merchandise?** And what’s worse, IVGID doesn’t even own the mountain bikes it rents out of the Sport Shop. Nor does it own the clothing and soft goods it sells out of the Sport Shop. Instead, it has entered into a contract with a local third party private business [the Village Ski Loft (“VSL”)] which allows it to rent VSL’s mountain bikes, and sell VSL’s clothing and soft goods. Does anyone believe that when the Washoe County Board of Commissioners granted IVGID the power to furnish facilities for public recreation, this was a permissible activity it had in mind?

**When IVGID Acquired the Basic Power to Furnish Facilities For Public Recreation, it Expressly Represented That if it Were Granted This Power, it Would Not be Used to Acquire and Operate Commercial Retail Businesses Like the Sport Shop:** We’ve had this discussion before. On October 25, 1965 the County Board held public hearings in response to IVGID’s request it “Add Public Recreation Powers,” Harold Tiller, the Secretary-Treasurer of the IVGID Board at the time, was the only person to testify in support of IVGID’s request<sup>6</sup>. The reader can see that Mr. Tiller represented that if this new basic power were granted, IVGID would *not* exercise it to acquire, operate nor presumably finance the costs of any recreational facility other than public parks and the beaches<sup>7</sup>. And based upon this representation, a divided (3-2) County Board voted to grant IVGID the requested basic power<sup>5</sup>.

Mr. Tiller’s testimony was a representation and promise made by IVGID to the public [see *City of Reno v. Goldwater*, 92 Nev. 698, 558 P.2d 532, 534 (1976)]. And as such, that obligation could not

---

<sup>5</sup> See page 21 of the 5/22/2019 Board packet.

<sup>6</sup> The minutes of that meeting are attached as Exhibit “B” to this written statement.

<sup>7</sup> Mr. Tiller’s October 25, 1965 letter testimony to the County Board is attached as Exhibit “C” to this written statement.

later be impaired by legislative (i.e., IVGID Board) enactment [see *City No. Las Vegas v. Central Tel. Co.*, 85 Nev. 620, 460 P.2d 835 (1969); *Town of Milton v. Attorney General*, 314 Mass. 234, 49 N.E.2d 909 (Mass. 1943)]. Yet look what has happened. IVGID has used this basic power to acquire all sorts of money-losing<sup>2</sup> recreational/quasi-recreational facilities in addition to public parks and the beaches, specifically *including the Sport Shop*. Since IVGID is incapable of operating, maintaining and improving these facilities without resort to forced taxation (the equivalent of a municipal law), it has breached its promises to the public. Thus for the reasons stated in *Alberly v. City of Henderson*, 106 Nev. 299, 792 P.2d 390 (1990), *Goldwater*, and Article I, §10(1) of the U.S. Constitution<sup>8</sup>, IVGID has no power to operate the Sport Shop.

For these reasons alone, *the Board should vote to terminate its lease with the Hyatt!*

**Moreover, There's No Financial Justification For Operating the Hyatt Sport Shop:** According to staff, "the Sport Shop provides an outlet to promote and conduct (IVGID owned recreational facility) sales...as well as providing information about other IVGID offerings."<sup>9</sup> Without offering any empirical data to support their assertion of fact, staff tout that "this relationship has (allegedly) proved successful in directing hotel guests to IVGID venues."<sup>9</sup> This assertion is disingenuous for at least two reasons.

**IVGID's Marketing Department:** Notwithstanding no GID has the basic power to operate "for profit" commercial business enterprises with all that entails (see NRS 318.116), IVGID employs: a marketing department which consists of 3.2 full time equivalent employees<sup>10</sup> ("FTEs"); a Marketing Manager, Sales Manager, Marketing Coordinator<sup>11</sup>, and part-time support personnel<sup>12</sup>. In addition, it spends nearly \$435,000 annually on print, digital, television, radio spot, social media, and billboard advertising as well as related paid search campaigns<sup>13</sup> negotiated through a local media agency; EXL Media<sup>14</sup>. According to staff's proposed 2019-20 Budget, marketing costs, all told, are

---

<sup>8</sup> "No State shall...pass any...Law impairing the obligation of contracts."

<sup>9</sup> See page 9 of the 5/22/2019 Board packet.

<sup>10</sup> See page 130 of the 2018-19 Budget (see [https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID\\_Annual\\_Budget\\_FY2018-19\\_03122019.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-19_03122019.pdf)).

<sup>11</sup> See page 134 of the 2018-19 Budget.

<sup>12</sup> See page 138 of the packet of materials prepared by staff in anticipation of the Board's March 13, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_3-13-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-13-19.pdf) ("the 3/13/2019 Board packet")].

<sup>13</sup> See page 271 of the 5/22/2019 Board packet.

<sup>14</sup> See pages 11-15 of the packet of materials prepared by staff in anticipation of the Board's May 19, 2018 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-9-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-9-18.pdf) ("5/19/2018 Board packet")].

estimated to cost *a mind blowing* \$931,322<sup>15</sup>!

According to IVGID's marketing manager, Paul Raymore, the justification for spending nearly \$1 million annually on marketing our venues to the world's tourists is to direct them to our recreational venues. That being the case, and assuming those tourists have chosen to stay at the Hyatt, why would we ever spend *more* money on a facility which "promote(s)...(IVGID owned recreational facility) sales ...as well as providing information about other IVGID offerings?"<sup>9</sup> And why would we waste hundreds of thousands of additional dollars, annually, on a service that helps the Hyatt sell hotel rooms *rather than* benefiting "the inhabitants...of (Incline Village, Crystal Bay) and of the State of Nevada" as NRS 318.015(1) instructs?

**IVGID's Financials:** IVGID doesn't report the Sport Shop's financials as it does essentially every other one of its publicly owned recreational venues. So how does the public know how successful to IVGID its arrangement with the Hyatt has really been<sup>16</sup>? In order to learn the truth, the public is forced to sleuth through financial information IVGID provides elsewhere. Not only does this make the public's search for the truth more difficult, but where the truth is deceitfully reported, it requires "interpretations" which sometimes are unwarranted. Although staff could easily eliminate misstatement by simply reporting the truth, this is not in their nature. So instead of sharing the truth, this puts staff in the position of marginalizing those who are critical. Notwithstanding, what I've discovered on IVGID's opengov tool<sup>17</sup> is summarized below<sup>18</sup>:

**I) Rent With the Hyatt:** According to ¶15(a) at page 24 of the 5/22/2019 Board packet, the reader will see that IVGID is obligated to pay 10% of its gross sales in rent to the Hyatt. According to IVGID's opengov tool<sup>17</sup>, for the current fiscal year, this has averaged approximately \$4,500/month or \$4.33/square foot. Then there are water, scavenger, janitorial (see ¶19 at page 29) and garbage/trash/refuse (see ¶13 at page 32) costs which total approximately \$21/month. Then there are four fully transferrable Diamond Peak season passes per year [see ¶14(a) at page 45], valued at approximately \$3,600/year or \$300/month. Then IVGID must provide free daily shuttle service essentially every half-hour to/from Diamond Peak during ski season for the Hyatt's guests [see

---

<sup>15</sup> See page 135 of the 3/13/2019 Board packet.

<sup>16</sup> We know how successful it has been to the Hyatt based upon the numbers I will share below.

<sup>17</sup> Go to

[https://inclinevillagegidnv.opengov.com/transparency#/13682/accountType=revenuesVersusExpense&embed=n&breakdown=types&currentYearAmount=cumulative&currentYearPeriod=years&graph=bar&legendSort=coa&month=4&proration=true&saved\\_view=32570&selection=0684726A1FB27D072D2D4388961229D3&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2019&selectedDataSetIndex=null&fiscal\\_start=2016&fiscal\\_end=latest](https://inclinevillagegidnv.opengov.com/transparency#/13682/accountType=revenuesVersusExpense&embed=n&breakdown=types&currentYearAmount=cumulative&currentYearPeriod=years&graph=bar&legendSort=coa&month=4&proration=true&saved_view=32570&selection=0684726A1FB27D072D2D4388961229D3&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2019&selectedDataSetIndex=null&fiscal_start=2016&fiscal_end=latest).

<sup>18</sup> On May 17, 2019 I used IVGID's opengov tool to create a spreadsheet of revenues and expenses reported insofar as the Sport Shop is concerned. A copy is attached as Exhibit "D" to this written statement.

¶16(d) at page 27]. And until the 2016-17 ski season (see ¶12 at page 12) when I discovered and shared with the public what IVGID staff had really been up to, IVGID offered severely discounted daily lift tickets (\$10 mid-week and \$20 weekends and holidays) to all 400 or more Hyatt employees [see ¶144(b) at page 45]. Add these components up and the reader will see the public is paying \$5,000/month or more just to have a presence at the Hyatt.

II) **Employee/Operational Costs:** What employee/other related expenses does IVGID incur to operate the Sport Shop? According to opengov<sup>17</sup>, for the current fiscal year roughly \$62,400 (\$5,200/month). What other operational costs does IVGID report? According to opengov<sup>17</sup>, roughly \$6,500 (\$547/month) in communication, equipment, fixture and bank processing charges.

***So far that puts us at about \$11,000/month!*** Now I report other costs staff have intentionally omitted from opengov<sup>17</sup>.

III) **Cost of Goods Sold:** Every retail business I know incurs some cost for the goods and services it sells. Yet according to IVGID, it incurs no cost whatsoever to make the recreation facilities the Sport Shop sells. For this reason the alleged \$304,712 in “profit” opengov<sup>17</sup> reports, makes its financial reporting deceitful at best, and downright fraudulent at worst.

IV) **Cost of Services Sold:** Similarly according to IVGID, it incurs no cost whatsoever to make the services the Sport Shop sells at IVGID owned recreation facilities. For this reason the alleged \$304,712 in “profit” opengov<sup>17</sup> reports<sup>19</sup>, makes its financial reporting deceitful at best, and downright fraudulent at worst.

V) **Cost of Equipment Rented:** Similarly according to IVGID, it incurs no cost whatsoever to make the sports equipment (skis, snowboards, golf clubs, tennis racquets, etc.) the Sport Shop rents. For this reason the alleged \$304,712 in “profit” opengov<sup>17</sup> reports, makes its financial reporting deceitful at best, and downright fraudulent at worst.

VI) **Central Services Costs:** What about the cost of the central services the General Fund allegedly provides to the Sport Shop? After all, staff purport to allocate those costs to every other one of the public’s recreational facilities<sup>20</sup>. So why exclude the Sport Shop? Given IVGID reports *NO CENTRAL SERVICES COSTS* whatsoever, makes its financial reporting deceitful at best, and downright fraudulent at worst.

VII) **Unallocated Staff Costs:** On December 12, 2019 GM Pinkerton told the Board and the public that since staff “spend...the vast majority of its time working on CIP projects, their...

---

<sup>19</sup> IVGID does not report “profit” *per se*. Rather, it reports “Revenues Less Expenses.” But according to Merriam-Webster, the definition of profit is “the excess of returns over expenditure(s) in a transaction or series of transactions” (see <https://www.merriam-webster.com/dictionary/profit>). In other words, profit.

<sup>20</sup> See pages 123-124 of the 2018-19 Budget.



costs are allocated to projects based on the amount of time spent on...particular projects.” There the GM told the Board and the public that \$272,500 of staff time had allegedly been expended on \$325,489 of engineering and other costs incurred with outside vendors because if staff time weren’t provided, we’d have to pay others more for doing the same work. So for the same reasons, *why hasn’t staff reported staff support costs expended on the Sport Shop?*

To get a feel for the kinds of staff cost I’m talking about, take a look at the staff costs expended evaluating and proposing selection of a media buyer. “Starting in June of 2018, the marketing team... with advice from the District’s senior team [consisting of ‘Diamond Peak(s) General Manager... Director of Parks & Recreation...Facilities & Catering Manager...Interim Director of Golf...Marketing Manager (and)...Marketing Coordinator”<sup>21</sup>] and Public Works Contract Administrator...put together a Request for Proposals...published (it) on the District’s web site...at the same time...advertised...(it) in the Tahoe Daily Tribune...and sent out (copies) to seven known media buying agencies in the Lake Tahoe and Reno Area.” Now consider that here, District staff have met with Hyatt representatives, drafted a memorandum to the Board<sup>22</sup>, negotiated terms, and made recommendations. What staff and legal time have been expended on the recommended lease extension, and why haven’t those costs been assigned to the Sport Shop so its true financials can be shared with the Board and the public? Given IVGID reports *NO ALLOCATED STAFF COSTS* whatsoever, other than costs reported for those employees actually working in the Sport Shop, makes its financial reporting deceitful at best, and downright fraudulent at worst.

VIII) **Insurance Costs:** What about the costs of the fire, extended coverage and liability insurance the proposed lease mandates (at ¶17 at page 34 of the 5/22/2019 Board packet)? Given IVGID reports *NONE* whatsoever, this makes IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

IX) **Diamond Peak Shuttle Service Costs:** What about the costs of operating a daily half-hour shuttle service between the Hyatt/Diamond Peak during the winter months the proposed lease mandates [at ¶16(d) at page 27 of the 5/22/2019 Board packet]? Given IVGID reports *NONE* whatsoever, this makes IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

X) **Capital Improvement (“CIP”) Costs:** What about the Sport Shop’s CIP costs? After all several years ago IVGID spent more than \$10,000 on Sport Shop CIPs. Given IVGID reports *NO SUCH COSTS* whatsoever, this makes IVGID’s financial reporting deceitful at best, and downright fraudulent at worst.

XI) **Sales Taxes:** Although IVGID benefits from a sales/use tax exemption insofar as its retail sales on IVGID owned property are concerned, that’s not the case insofar as Sport Shop

---

<sup>21</sup> See pages 265-266 of the 5/22/2019 Board packet.

<sup>22</sup> See pages 8-46 of the 5/22/2019 Board packet.

sales are concerned. Yet according to *opengov*<sup>17</sup>, IVGID fails to list sales taxes as an expense. Given IVGID reports nearly \$423,000 in Sport Shop revenues (resulting in \$36,000 or more in sales taxes), yet *NO SALES TAX COSTS* whatsoever, these facts make IVGID's financial reporting deceitful at best, and downright fraudulent at worst.

XII) **All Told:** Ignoring *all* of the glaring expense omissions described above, IVGID still reports \$185,798 in yearly operational expenses associated with the Sport Shop. Even if this were an accurate number, this would mean that the Sport Shop needed to generate nearly \$200,000 in sales *which would not have been generated absent the Sport Shop*, before the public realized *any* financial benefit as a result of the Sport Shop. Yet here there's no evidence the Sport Shop generated one penny in revenue IVGID would not have generated if the sale of access to the public's recreational facilities and rental of the public's sports equipment took place at an IVGID owned recreational facility rather than the Sport Shop.

Moreover, assuming the Sports Shop's costs were really \$300,000 higher than IVGID reports, it means this endeavor has been another wasteful money-losing<sup>2</sup> commercial business enterprise that the public has no business engaging in.

Let's examine the revenues IVGID represents the Sport Shop generates?

XIII) **VSL:** According to *open.gov*<sup>17</sup>, the revenues the Sport Shop generated from the rental of VSL's mountain bikes and the sale of VSL's clothing and soft goods, for the current fiscal year, totaled roughly \$62,000 (\$5,200/month). But after deducting the gross rent portion of this sum due the Hyatt (see above), and the costs IVGID is obligated to absorb by acting as the insurer of VSL's merchandise which is lost or stolen, IVGID is left with a paltry \$8,250 at best.

XIV) **User Fees:** According to *open.gov*<sup>17</sup>, the Sport Shop sold \$196,000 in user fees (labeled "admissions and fees") at IVGID owned recreation venues. But what were the "costs" assigned to the Sport Shop for the user fees it sold? *ZERO!* Given there are obviously costs to make the recreation facilities the Sport Shop sells available to those paying user fees, and IVGID has reported *NONE*, its assertion of \$196,000 in revenue with no associated costs whatsoever is deceitful at best, and downright fraudulent at worst.

XV) **Service and User Fees:** According to *open.gov*<sup>17</sup>, for the current fiscal year the Sport Shop sold nearly \$185,800 in service (aka equipment rental) and user (ski/snowboard and golf lessons) fees. But what were the "costs" assigned to the Sport Shop for the sports equipment it rented? Or the ski/snowboard or golf and swimming lessons it sold? Again, *ZERO!* Given there are obviously costs to make the services the Sport Shop sells available to those paying rent and user fees, and IVGID has reported *NONE*, its assertion of \$185,800 in revenue with no associated costs whatsoever is deceitful at best, and downright fraudulent at worst.

XVI) **Discounted User Fees at Diamond Peak and IVGID's Two Golf Courses:** Since IVGID already offers the Hyatt discounted user fees to Diamond Peak and its two golf courses, Sport Shop sales generate less revenue than comparable sales at IVGID owned facilities themselves?

**XVII) Lesser Revenue Diamond Peak and IVGID Owned Golf Course User Fee**

**Sales Made at the Sport Shop:** Since IVGID must pay the Hyatt at least 10% in rent on user fee sales made through the Sport Shop, such sales generate even less revenue than comparable sales at IVGID owned facilities themselves.

**XVIII) Taxable Diamond Peak and IVGID Owned Golf Course User Fee Sales**

**Made at the Sport Shop:** Since IVGID must pay the County sales taxes on those sales made at the Sport Shop, such sales generate even less revenue than comparable sales at IVGID owned facilities themselves which are free of tax.

**XIX) All told:** Notwithstanding all of the glaring deficiencies described above, IVGID reported roughly \$410,000 in yearly revenues associated with the Sport Shop. Yet here there's no evidence the Sport Shop generated one penny in revenue IVGID would not have generated if the sale of access to the public's recreational facilities and rental of the public's sports equipment took place at an IVGID owned recreational facility rather than the Sport Shop.

**XVII) Summary:** Given the reader can see how IVGID reports \$304,712 of gross profit operating the Sport Shop, however, it has intentionally neglected to report all the costs associated therewith, and one soon comes to the conclusion that the Sport Shop is just another example of an unnecessary money-losing<sup>2</sup> IVGID staff operation.

**There's No Evidence the Sport Shop Generated Any Recreational Facility Net Revenue it Would Not Have Generated Were There No Sport Shop Sales:** What evidence does staff have that Hyatt guests wouldn't have frequented IVGID owned venues to make direct purchases the Sport Shop has reported if there were no Sport Shop? I predict the answer will be NONE.

Nor is it reasonable to speculate that most if not all the sales accommodated through the Sport Shop would not still be made if there were no Sport Shop. Let me list some of the reasons why:

**We've Already Spent \$1M or More in Marketing Costs to Attract the World's Tourists:**

So if our marketing has been successful in getting those tourists to actually visit Incline Village and stay at the Hyatt, why does IVGID need to replicate the marketing effort by operating the Sport Shop? Or is staff really telling the Board and the public that the marketing money we spent was ill or wastefully expended because we still need to promote IVGID owned recreational facilities and provide information about other IVGID offerings because the tourists staying at the Hyatt don't already know about them?

**Don't You Think That the World's Tourists Who Have Chosen to Stay at the Hyatt and Are Looking to Patron Recreational Facilities During Their Stay Have Already Researched IVGID Owned Facilities:** so they don't require the education the Sport Shop purportedly provides? And if they've decided to ski an area other than Diamond Peak or play golf at a course other than IVGID's two golf courses, do you really think they're going to be persuaded to change their minds to patron IVGID owned facilities instead because of the Sport Shop?

**Alternatively, if the Hyatt is One of Our “Lodging Partners,” Shouldn’t We Expect Their Employees Will Promote IVGID Owned Recreational Facilities to Their Guests: without requiring IVGID to rent the Sport Shop? Moreover, doesn’t the Hyatt already do this<sup>23</sup>?**

**Alternatively, if Hyatt Guests Require Education Insofar as What Local Recreational Facilities Are Available to Their Guests, Shouldn’t the Hyatt Be Paying IVGID to Operate its Sport Shop?**

**Doesn’t the Hyatt Already Offer Combo Ski/Stay Packages Which Include Access to Diamond Peak<sup>24</sup>? So why does IVGID have to rent the Sport Shop to serve the same clientele?**

**Doesn’t the Hyatt Already Offer Combo Golf/Tennis/Stay Packages Which Include Access to IVGID’s Two Golf Courses and Tennis Center<sup>25</sup>? So why does IVGID have to rent the Sport Shop to serve the same clientele?**

**Doesn’t the Hyatt Already Offer its Guests Discounted User Fees at Diamond Peak and IVGID’s Two Golf Courses? So why does IVGID have to rent the Sport Shop to serve the same clientele?**

**Didn’t the Hyatt Used to Allow a Diamond Peak Kiosk at the Entrance to the Sport Shop Which Dispensed Discounted Daily Lift Passes: without requiring IVGID to rent the Sport Shop? So why not allow the same now without requiring rent of the Sport Shop?**

**Doesn’t the Hyatt Offer Concierge Services to its Guests Which Includes Discounted User Fees at Diamond Peak and IVGID’s Two Golf Courses? So why does IVGID have to rent the Sport Shop to serve the same clientele?**

**Since Diamond Peak and the Championship Golf Course is Supplying the Hyatt With Free Shuttle Services, Why is it Unreasonable to Expect Hyatt Guests Would Use the Shuttle to Purchase User Fees Directly at IVGID Owned Recreational Facilities if IVGID Did Not Rent the Sports Shop?**

**Why is IVGID Giving the Hyatt Four Fully Transferrable Diamond Peak Season Passes Each Year on Top of Paying Over Market Sport Shop Rent?**

**Apart From the Costs Associated With Operating the Sport Shop, Because of Discounted User Fees, Rent to the Hyatt and Sales Taxes, Doesn’t the Board See That Every Sport Shop Sale Costs**

---

<sup>23</sup> See <https://www.hyatt.com/en-US/hotel/nevada/hyatt-regency-lake-tahoe-resort-spa-and-casino/tvllt/area-attractions>.

<sup>24</sup> Of course it does. Go to <https://www.diamondpeak.com/plan/ski-and-stay-packages>.

<sup>25</sup> Of course it does. Go to <https://www.yourtahoeplace.com/golf-incline/rates-specials/play-stay-packages>.

**Local Parcel/Dwelling Unit Owners Between 10%-20% *More* Than Comparable Sales Made Directly Through an Existing IVGID Venue?**

**Conclusion:** Hopefully I have demonstrated that the Sport Shop lease is really just another means for IVGID staff to parse out public funds to another “favored collaborator.” Rather than generating additional revenues staff would otherwise generate, it really ends up costing local parcel/dwelling unit owners more of their RFF.

**But more to the point, what does any of this have to do with making IVGID owned recreation facilities “available” to be used by those whose parcels/dwelling units are assessed, *rather than* the Hyatt’s guests?** This fact alone, combined with staff’s October 25, 1965 misrepresentations to the County Board warrant termination and non-entry into the proposed lease extension.

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

**EXHIBIT "A"**

## Request to Pull Consent Item H(1) From the Agenda for the May 22, 2019 Board Meeting

---

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Callicrate Tim <tim\_callicrate2@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Morris Peter <morris\_trustee@ivgid.org>, Herron Susan <Susan\_Herron@ivgid.org>  
**Subject:** Request to Pull Consent Item H(1) From the Agenda for the May 22, 2019 Board Meeting  
**Date:** May 17, 2019 1:37 PM

---

To Chairperson Wong, and the other Honorable members of the IVGID Board:

Deceitfully, IVGID staff have placed this item on the consent calendar to dispense with a public dialog which will reveal the truth of this boondoggle staff know yet hide. For these reasons I ask that at least one Board member (it only takes one) request this item get transferred to the general business calendar where it can be openly discussed.

Staff want the Board and the public to believe it makes money on this endeavor IVGID has no power to engage in under NRS 318 (if it had the power, why not open up a retail facility in a shopping mall?). Nothing could be further from the truth. Consider,

1. Staff fail to report the Sport Shop's Financials. Even if they did, they would be deceptive at best and fraudulent at worst. Why? Because of the following:
2. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the recreation venues it sells user fees to?
3. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the services at the recreation venues it sells service fees to?
4. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the sports equipment rentals it charges rental fees to?
5. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the equipment, merchandise and soft goods it sells?
6. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the central services the General Fund allegedly provides to the Sport Shop?
7. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the fire, extended coverage and liability insurance the proposed lease mandates IVGID carry?
8. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the Diamond Peak Ski Shuttle the proposed lease mandates IVGID carry?
9. Do you understand that if you go to OpenGov.com you will discover staff reports NO COST WHATSOEVER associated with the four fully transferable Diamond Peak season passes (valued at \$900+/each/year) the proposed lease mandates IVGID carry?

Yet, allegedly the Sport Shop is generating a \$80,000 yearly profit?

How many other privately owned businesses do you think would appreciate the ability to sell merchandise and services at no cost of goods sold or rented? And how can you NOT make a profit when your cost for the goods and services you sell at retail is ZERO?

This is absurd. Once one factors in ALL the added costs associated with this operation which have been omitted, one will discover the Sport Shop is really losing several hundreds of thousands of dollars each year. And where does the money come from to subsidize yet another money losing commercial business enterprise which exists to help another favored collaborator sell hotel rooms, rather than benefit local parcel owners who are paying the RFF?

Moreover, staff's claims that we actually realize sales we wouldn't have otherwise realized but for the Sport Shop is supported by nothing more than speculation. And staff knows this. Where is the proof Mr. Mandelin? Didn't staff tell us it needs to spend nearly \$1M annually on marketing our venues to the world's tourists so they are attracted to stay at the Hyatt? So once there, why do we have to spend several additional hundred thousand or more dollars to familiarize the Hyatt's guests with venues they already know about because of our spiffy marketing?

It's time to put an end to this boondoggle and get back to the reasons why IVGID was created.

BTW, have you stopped to think that if we didn't have service after service and program after program which exists for the

5/20/2019

Request to Pull Consent Item H(1) From the Agenda for the May 22, 2019 Board Meeting

world's tourists rather than we parcel owners, we might not need an HR Dept? Or an IT Dept? Or an Ass't GM? Or \$1M or more of yearly insurance? Or nearly 1,000 employees? Or a new administrative building?

Finally, do you know what we're paying the Hyatt? According to OpenGov.com, about \$4,500/month exclusive of utility, maintenance, repair and leasehold improvement costs. This is for a 1,040 square foot space. That's over \$4.25/square foot. Do any of you think this is reasonable?

I urge all of you to vote NO when it comes to this agenda item.

Respectfully, Aaron Katz



**EXHIBIT "B"**

The bids were referred to Floyd Vice, Assistant County Engineer, for study and report. Later in the meeting, upon the recommendation of Mr. Vice, who had discussed the bids with the County Engineer, on motion by Commissioner Cunningham, seconded by Commissioner McKissick, which motion duly carried, it was ordered the bids be held for further study and recommendations to the Board by the County Engineer at their next meeting.

65-966

SLIDE MOUNTAIN - LEASE - RENEWAL OPTION

10:10 A.M. At this time Mr. Cathcart and Mr. Calvin F. Gunn appeared before the Board, together with Wes Howell, lessee of the Slide Mt. ski area, in support of their request that the County grant a thirty year renewal option to Mr. Howell and Slide Mountain Corporation.

Mr. Gunn explained their plans for expansion of the facilities at the ski area to include a new chair lift now under construction and a cafeteria, rest rooms and nursery type facility next year; that the investment for such facilities would be large, requiring amortization over a number of years, thus the request for renewal of the option; that they were agreeable the renewal be made on the same terms and conditions as previously made, with the added provision that at least one-half million dollars is invested in the area.

After some discussion, it was ordered the matter be referred to Clinton Wooster for drafting a new lease.

65-967

COUNTY LIBRARY - RENO - CHANGE ORDERS

10:20 A.M. At this time Hewitt C. Wells, Architect on the new County Library in Reno, appeared and read a letter in full to the Board which had been addressed to the Washoe County Library Board, concerning change order requests No. 1 through No. 21 on the Reno Library. A copy of the letter was filed with the Clerk.

In reply to question from the Board, Mr. Wells stated that those changes involved in basic construction have been performed, while some of the finished changes are not accomplished.

Later in the meeting, after some discussion, it was ordered that the Library Board be requested to make recommendations to the County Commissioners on these change order requests, and that copies of the letter read by Mr. Wells be furnished the County Manager and County Engineer for study and recommendations to the Commissioners.

65-968

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT - ORDINANCE NO. 97 - BILL 132

10:30 A.M. This being the time set for a hearing in a Notice of Intention to Add Public Recreation Powers to Incline Village General Improvement District heretofore published in the Nevada State Journal on October 9, 16 and 23, 1965. Proof was made that due and legal Notice had been given.

Mr. Ben Moss, official Court Reporter, was present and reported the proceedings.

In response to the Chair, the Clerk reported a letter of protest had been received from Peter Kravchonok, President of the Incline Property Owners Association, Inc., authorized to protest on behalf of said Association, which was read in full to the Board, together with 7 petitions signed by 171 people in the area, a copy of which was read in full to the Board. In reply to question by Mr. Wooster, Mr. Oliver Custer, Attorney for the protestants, stated the petitions were not all identical for this reason--there were 128 persons who are taxpaying electors in the District who have signed the protest, but that the wording of the protest is identical with the protest of 43 property owners who are not taxpaying electors but who own property within the District. A letter of protest signed by John M. and Norine G. Crom was also read in full to the Board.

The Chairman opened the hearing for proponents of the proposal and Thomas R. C. Wilson, Attorney with the law firm of Bible, McDonald & Carano, responded on behalf of Incline Village General Improvement District. Mr. Wilson presented for the record, a list of

851 qualified taxpaying electors of the District certified by Harold Tiller, Secretary-Treasurer of Incline Village General Improvement District. Mr. Wilson then presented for the record and read in full to the Board, a declaration by the General Improvement District of Public Convenience and Necessity and Economic Feasibility of the proposal, together with a Summary of Appraisal by Real Estate Research Corporation. A Development Map was also presented which indicated areas of proposed recreational facilities. ★

No further evidence being presented, the Chairman called for anyone wishing to speak in opposition and Mr. Custer, Attorney for the protestants, responded and introduced Mr. Jack Crom, a resident of the area.

Mr. Crom presented communications and deed restrictions on property at Incline Village, some of which he read in full or in part to the Board. It was ordered they be admitted in evidence and marked Protestants' Exhibits "A", "B", "C", "D" and "E". Mr. Crom protested that the property owners were already paying for purchasing, developing, maintaining and operating the two community beaches at Incline Village for their exclusive use.

Mr. Roy Robinette then spoke in opposition to the proposal, stating that the present bonded indebtedness is almost equal to the assessed valuation, including personal property as of July 1, 1965 and further, because of the increased pollution to the waters of the area.

Others speaking in opposition to the proposal were Mr. Peter Kravchonok, President of the Incline Property Owners Association, Mrs. Helen Brown and Mrs. Mary Adams, property owners in Incline Village.

Mr. Oliver Custer then spoke at some length and stated that purchasers of property in Incline Village were required to buy stock in the Recreational Association and that deeds had covenants running with the land providing for private beaches. He also expressed concern over "conflict of interests" stating that Harold Tiller and Robert McDonald were members of Crystal Bay Development Company as well as Incline Village General Improvement District. Mr. Custer challenged the list of 851 names submitted by Mr. Tiller as being taxpaying electors in the district, and stated that according to his information there were 214 taxpaying electors residing within the District and 128 taxpaying electors who signed petitions as presented to the Board would indicate more than 51% of the taxpaying electors objecting to the amendment to add recreational powers to Incline Village General Improvement District. On question, Mr. Custer stated that a check on the list of taxpaying electors was made in the offices of the Registrar of Voters and Assessor.

Mr. Ernest Wilson, representing the Bonding Attorneys for the District, stated the District does not have any bonded indebtedness and has never levied a tax; that special assessment bonds on obligations have been met on the due date and some \$250,000.00 worth of bonds were called before maturity.

No one else wishing to speak, the hearing was closed and all those present were advised that the matter would be taken under consideration later in the day at the completion of the agenda.

Later in the day, in response to Commissioner Streater's request, Mr. Clinton Wooster read the definition of "Taxpaying Electors" as defined by NRS 318.020, Subsection 8. Mr. Wooster stated that it was his opinion that a taxpaying elector as defined did not require residence within the District, but required ownership of property within the District by a person who was qualified as an elector under the laws of the State of Nevada.

Mr. Wooster's interpretation of taxpaying electors was discussed at some length, and it was pointed out a recent survey disclosed 4,000 residents with 300 to 400 children in grade school. Upon motion by Commissioner Streater, seconded by Commissioner Sauer, which motion

duly carried, it was ordered that the taxpaying electors be established at 851, based upon the previously discussed information.

Commissioner Streeter moved that the Board of County Commissioners go on record, finding that it is economically sound and feasible to grant recreational powers to Incline Village General Improvement District, based upon the information supplied by Incline Village. Motion seconded by Commissioner Cunningham and upon roll call vote Commissioners Streeter, Cunningham and McKenzie voted "Yes", Commissioners Sauer and McKissick voted "No". The Chairman announced the motion had carried and it was so ordered.

Commissioner Streeter moved that the Board of County Commissioners go on record, finding it is of public convenience and necessity to grant recreational powers to Incline Village General Improvement District, based upon the information supplied by Incline Village. Motion seconded by Commissioner Cunningham and upon roll call vote Commissioners Streeter, Cunningham and McKenzie voted "Yes", Commissioners Sauer and McKissick voted "No". The Chairman announced the motion had carried and it was so ordered.

Bill No. 132, which was prepared by Ernest Wilson, an ordinance amending Ordinance 97 granting Incline Village General Improvement District powers relating to public recreation was introduced by Commissioner Streeter and read in full to the Board, and it was ordered that final action of adoption be continued to the next meeting.

65-969 ZONING VIOLATIONS - GEORGINA YOUNG - MR. & MRS. GEORGE YOUNG

11:30 A.M. This being the time set in a citation issued to Mrs. Georgina Young to appear before the Board to show cause why she should not be prosecuted for a zoning violation; and 12:00 Noon This being the time set in a citation issued to Mr. and Mrs. George Young to appear before the Board to show cause why they should not be prosecuted for a zoning violation.

These hearings were combined because they concerned members of the same family and the people were present.

Clinton Wooster, Deputy District Attorney, stated the violation with regard to Mrs. Georgina Young is two trailers and one house on property at 4101 Rewana Way, Reno, Nevada; this is an A-1 (First Agricultural) zone. Notice was served by the Planning Commission on September 8, 1965; the Planning Commission made a staff inspection on September 29, 1965 and there was non-compliance with their first notice. As a result, it was sent to the District Attorney's office and a citation was made out for the violation setting the hearing at this time.

That with regard to Mr. and Mrs. George Young the violation in this case is two trailers and one house on property at 4095 Rewana Way, Reno, Nevada, again in a First Agricultural zone. Notice was sent by certified mail by the Regional Planning Commission on September 13, 1965; Regional Planning inspected the area September 29, 1965 and found the violation still present. The District Attorney's office was asked then to issue a citation against Mr. and Mrs. George Young; that citation was served on Mr. George Young on October 4, 1965.

Mr. Hämmer Bronneke was present and stated the Planning Commission staff had made a visual inspection this morning and found violations still existing on both properties; that the properties are zoned A-1 with TR overlay.

Mr. Young was present and stated that he wished to comply with the ordinance, however, one of the trailers on the property at 4095 Rewana Way is through an estate--the man who owned the trailer was killed, there is no one living in it but Mr. Marshall Bouvier, an

**EXHIBIT "C"**

# INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

POST OFFICE BOX 897  
INCLINE VILLAGE, NEVADA

October 25, 1965

Board of County Commissioners  
Washoe County  
Nevada

Re: Ordinance to add power to acquire  
and operate recreation facilities  
to present powers of Incline Village  
General Improvement District

## PUBLIC CONVENIENCE AND NECESSITY

Incline Village is designed to be a complete recreational area. To this end, when completed, there will be two great golf courses; the finest tennis facilities in the world in the Tahoe Racquet Club; a major ski development; riding stables with a vast area for activities such as trails to the very crest of the mountains and to remote places for evening and all-night cookouts, both by horse back and wagon hay rides; gaming and related night club entertainment and a cultural center with related youth programs.

After all of the foregoing, you have to consider the availability of the use of Lake Tahoe the most important and actually the very heart of a complete recreational base. To this end, it seems highly desirable to acquire facilities for such use and to acquire them as public property (public to the property owners within the District). With the acquisition of the two pieces of lake frontage (see attached maps) the property owners of the Incline Village General Improvement District would be assured forever of access to and use of Lake Tahoe. Those two lake front properties would be used as family parks for picnics and swimming and for boating access to the lake for fishing and water skiing.

## ECONOMIC FEASIBILITY

All of the recreational facilities except the park properties (including the two beaches) are, or will be, privately owned and operated. The assessed value of Incline Village General Improvement District, together with its expected growth, will readily finance the acquisition and operation of the two beaches. The feasibility of a bond issue to acquire these properties will have to be passed upon and approved by the Washoe County Board Commission. For your present consideration and future use by the Board Commission, the Trustees of the Incline Village General Improvement District present their projection of taxes necessary to finance the acquisition of the beaches and the operation thereof. The projection is based upon the following assumptions:

65-968

\*

89

October 25, 1965

1. That the beeches can be acquired for \$1,250,000.00;
2. That the operating expense will average \$20,000.00 annually;
3. That the bonds can be sold at a 4-3/4% yield;
4. That the bond issue include a working capital bond reserve for the first two years due to the Nevada property tax being one year behind on collection together with the fact that it will take another year to get the tax levied to apply on the debt retirement; and
5. That the total bond issue amount to \$1,458,000.00 for costs, acquisition and working capital and reserve.

Tax Year	Debt Service Requirement	Operating Expenses	Total	Assessed Value of District	Tax Rate per \$100
1966-67	\$ 59,255.00	20,000.00	89,255.00	15 M	None
1967-68	69,255.00	20,000.00	89,255.00	20 M	None
1968-69	69,255.00	20,000.00	89,255.00	25 M	0.357
1969-70	121,972.00	20,000.00	141,972.00	30 M	0.673
1970-71	119,407.00	20,000.00	139,407.00	35 M	0.398
1971-72	116,842.00	20,000.00	136,842.00	40 M	0.341
1972-73	114,277.00	20,000.00	134,277.00	45 M	0.298
1973-74	111,712.00	20,000.00	131,712.00	50 M	0.263
1974-75	109,147.00	20,000.00	129,147.00	55 M	0.235
1975-76	106,582.00	20,000.00	126,582.00	60 M	0.211
1976-77	104,017.00	20,000.00	124,017.00	65 M	0.206
1977-78	101,452.00	20,000.00	121,452.00	70 M	0.174
1978-79	98,887.00	20,000.00	118,887.00	75 M	0.159
1979-80	96,322.00	20,000.00	116,322.00	80 M	0.145

Tax rate to continue to decrease as assessed value goes up and principal is retired. At this point (1979-80) \$594,000.00 of principal has been retired, leaving an unpaid principal of \$864,000.00 to be retired over the remaining 16 years.

To clarify again the no tax for the first two years, the bond proceeds would be used as follows:

Acquisition	\$1,250,000.00
Working capital bond reserve	178,510.00
Expense of bond issue	29,590.00
	<u>\$1,458,000.00</u>

Attachments:  
 Development Map  
 Summary of Appraisal by  
 Real Estate Research Corporation

Submitted for the record by  
 INCLINE VILLAGE GENERAL IMPROVE-  
 MENT DISTRICT

By Harold B. Miller  
 Harold B. Miller, Treasurer

This certificate is at-  
 test copy of the  
 and in my office.  
 Clerk in and for the  
 State of Nevada  
 Deputy  
 2 pages

**EXHIBIT "D"**



				Actual	Actual	Actual	Budget	Actual	Actual v.	% Actual v.
				April 2015-16	April 2016-17	April 2017-18	April 2018-19	April 2018-19	Bud. Variance	Bud. Variance
									2018-19	2018-19
<b>Revenues</b>				\$ 499,208	\$ 380,637	\$ 331,978	\$ 327,700	\$ 422,948	\$ 95,248	29.07%
Revenues	Revenues			\$ 499,208	\$ 380,637	\$ 331,978	\$ 327,700	<b>\$ 422,948</b>	\$ 95,248	29.07%
Revenues	Revenues	Charges for Services		\$ 499,208	\$ 380,637	\$ 331,978	\$ 327,700	\$ 422,948	\$ 95,248	29.07%
Revenues	Revenues	Charges for Services	(4205) Admissions & Fees	\$ 222,848	\$ 96,757	\$ 138,106	\$ 149,600	\$ 209,749	\$ 60,149	40.21%
Revenues	Revenues	Charges for Services	(4285) Promotional Allowa	\$ (10,235)	\$ (1,849)	\$ (5,585)	\$ (3,100)	\$ (13,707)	\$ (10,607)	-342.18%
Revenues	Revenues	Charges for Services	(4405) Merchandise Sales	\$ 92,568	\$ 97,952	\$ 64,051	\$ 55,900	\$ 62,818	\$ 6,918	12.38%
Revenues	Revenues	Charges for Services	(4409) Allocated to others	\$ (75,898)	\$ (80,358)	\$ (52,430)	\$ (45,900)	\$ (51,383)	\$ (5,483)	-11.95%
Revenues	Revenues	Charges for Services	(4410) Personal Services	\$ 71,864	\$ 33,850	\$ 29,333	\$ 55,000	\$ 29,519	\$ (25,481)	-46.33%
Revenues	Revenues	Charges for Services	(4415) Repairs for custome	\$ 337	\$ 1,172	\$ 659	\$ 600	\$ 155	\$ (445)	-74.17%
Revenues	Revenues	Charges for Services	(4417) Service & User Fees	\$ 197,724	\$ 233,114	\$ 157,844	\$ 115,600	\$ 185,798	\$ 70,198	60.72%
<b>Expenses</b>				\$ 103,763	\$ 114,076	\$ 89,213	\$ 95,124	\$ 118,235	\$ 23,111	24.30%
Expenses	Expenses			\$ 103,763	\$ 114,076	\$ 89,213	\$ 95,124	<b>\$ 118,235</b>	\$ (23,111)	-24.30%
Expenses	Expenses	Wages		\$ 38,561	\$ 42,253	\$ 40,031	\$ 42,685	\$ 54,293	\$ (11,608)	-27.20%
Expenses	Expenses	Wages	(5010) Salary	\$ 38,530	\$ 42,253	\$ 39,440	\$ 41,421	\$ 52,768	\$ (11,347)	-27.39%
Expenses	Expenses	Wages	(5020) Other Earnings	\$ 32	\$ -	\$ 591	\$ 1,264	\$ 1,526	\$ (262)	-20.71%
Expenses	Expenses	Benefits		\$ 4,595	\$ 4,977	\$ 4,930	\$ 7,409	\$ 7,404	\$ 5	0.06%
Expenses	Expenses	Benefits	(5050) Taxes	\$ 2,950	\$ 3,232	\$ 3,062	\$ 3,265	\$ 4,153	\$ (888)	-27.21%
Expenses	Expenses	Benefits	(5600) Unemploy fringe Benefits	\$ 808	\$ 845	\$ 601	\$ 644	\$ 766	\$ (122)	-18.88%
Expenses	Expenses	Benefits	(5700) Work comp Fringe Benef	\$ 837	\$ 900	\$ 1,267	\$ 3,500	\$ 2,485	\$ 1,015	28.99%
Expenses	Expenses	Services & Supplies		\$ 60,606	\$ 66,846	\$ 44,252	\$ 44,550	\$ 56,310	\$ (11,760)	-26.40%
Expenses	Expenses	Services & Supplies	(7200) Banking Fees & Processii	\$ 169	\$ 136	\$ -	\$ 150	\$ -	\$ 150	100.00%
Expenses	Expenses	Services & Supplies	(7300) Communicat & comput small ec	\$ -	\$ -	\$ -	\$ 2,900	\$ -	\$ 2,900	100.00%
Expenses	Expenses	Services & Supplies	(7350) Employee Recruit & Ret	\$ 60	\$ 80	\$ 40	\$ -	\$ 180	\$ (180)	
Expenses	Expenses	Services & Supplies	(7415) Operating	\$ 20	\$ 5,001	\$ 2,317	\$ 4,000	\$ 487	\$ 3,513	87.83%
Expenses	Expenses	Services & Supplies	(7450) Permits & Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Expenses	Expenses	Services & Supplies	(7455) Over & (Short)	\$ 90	\$ 299	\$ (74)	\$ -	\$ 1,744	\$ (1,744)	
Expenses	Expenses	Services & Supplies	(7480) Rental & Lease	\$ 60,268	\$ 61,330	\$ 41,969	\$ 37,500	\$ 53,900	\$ (16,400)	-43.73%
Expenses	Expenses	Utilities		\$ -	\$ -	\$ -	\$ 480	\$ 227	\$ 253	52.62%
<b>Revenues Less Expenses</b>				\$ 395,445	\$ 266,561	\$ 242,765	\$ 232,576	<b>\$ 304,712</b>	\$ 72,136	31.02%

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM I(3) –  
AUTHORIZE THE EXPENDITURE OF AN ADDITIONAL \$1.464 MILLION  
TO RENOVATE/REPAIR THE MOUNTAIN GOLF CLUBHOUSE**

**Introduction:** Here staff seeks approval to spend up to an additional \$1.464 million repairing/renovating the Mountain Golf Course Clubhouse as a result of an August 11, 2018 kitchen fire. Because insurance proceeds for repairs caused by the fire will total but \$300,000, requiring an additional \$1.164 Million and probably a whole lot more to complete the project, I am in opposition. And that’s the purpose of this written statement.

**The Current Enhanced Clubhouse Project:** Staff represents that on December 12, 2018 the Board approved the current conceptual design for the current enhanced project<sup>1</sup>. So what exactly is this project, and how does it differ from repairs caused by the kitchen fire? According to GM Pinkerton, “modernizing of the building...bring(ing) the building up to modern, safe standards (as well as)...updating parts of the structure to current building codes and accessibility standards...instead of just repairing the building to its previous configuration.”<sup>2</sup> “The (enhanced) design concept contemplates<sup>3</sup>:

1. Replacing “the current full kitchen with a concession and bar area;”
2. Installing “expanded seating area outdoors;”
3. “Moving the pro shop...adjacent to the dining room;”
4. Relocating current “office space...to the current pro shop location;”
5. Installing a “ramp going from the front entrance...to the entryway adjacent to the deck;”

and,

6. Upgrad(ing)...the deck...to meet modern accessibility standard.;

**How Much Was the Current Enhanced Clubhouse Project Estimated to Cost on December 12, 2018?** According to GM Pinkerton, and based on the architect’s preliminary estimates...\$900,000... (was estimated to) be enough to execute th(is) concept plan.”<sup>4</sup>

---

<sup>1</sup> See page 72 of the packet of materials prepared by staff in anticipation of the Board’s May 22, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf) (“the 5/22/2019 Board packet”)].

<sup>2</sup> See page 121 of the packet of materials prepared by staff in anticipation of the Board’s December 12, 2018 meeting [“the 12/12/2018 Board packet” ([https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_12-12-18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_12-12-18.pdf))].

<sup>3</sup> See page 122 of the 12/12/2018 Board packet.

<sup>4</sup> See page 123 of the 12/12/2018 Board packet.

**Given Insurance Proceeds Because of the August 11, 2018 Kitchen Fire, What Additional Costs Were Estimated on December 12, 2018 and Where is the Money Going to Come From?** According to GM Pinkerton, “assuming (receipt of) between \$200,000 and \$400,000 from insurance proceeds<sup>5</sup>...staff estimate(d at the Board’s December 12, 2018 meeting that) up to \$500,000 (additional)...could be dedicated to the project without negatively impacting the District’s Capital Plan for the Community Services Fund.”<sup>4</sup> At the Board’s March 18, 2019 meeting Finance Director Gerry Eick told the Board and the public that staff contemplated transferring \$561,800 from the General Fund balance<sup>6</sup>.

**Has the Estimated Cost to Complete the Current Enhanced Clubhouse Project Increased and if So, By How Much?** According to GM Pinkerton, that estimated cost has now increased a whopping 71% (by \$612,400 to \$1.464 million<sup>7</sup>)!

**What Additional Design, Engineering and Permit Costs Have Staff Incurred That Are Not Included in the Estimated \$1.464 Million?** GM Pinkerton tells the Board and the public that as a result of the Board’s decision at its December 12, 2018 meeting, staff have “proceeded with final design (and) the Smith Design Group (“SDG”) has now completed design documents which have been submitted to Washoe County for permits.”<sup>1</sup> Based upon this revelation, on May 20, 2019 I made a public records request upon IVGID’s Public Records Officer (“PRO”) to learn the amount of these costs<sup>8</sup>. On May 20 the PRO e-mailed back to me disingenuously<sup>9</sup> stating she “need(ed) more information than described below in order to find the records (I was)...seeking.” For these reasons I went to IVGID’s opengov tool<sup>10</sup>, searched for recent payments to SDG and BJB associated with the subject Mountain Golf clubhouse project, and here’s what I learned. Between February 21-May 9, 2019 SDG was paid \$35,185; between March-April 3, 2019 BJB was paid \$9,200; and I could find no particulars whatsoever insofar as permit fees to Washoe County and/or Tahoe Regional Planning Agency (“TRPA”). In other words, on top of the estimated \$1.464 million project cost, we know it is going to cost at least \$44,385 more.

---

<sup>5</sup> Actually, it turns out to be \$300,000<sup>6</sup>.

<sup>6</sup> See page 65 of the of the packet of materials prepared by staff in anticipation of the Board’s March 18, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_3-18-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_3-18-19.pdf) (“the 3/18/2019 Board packet”).

<sup>7</sup> See page 73 of the 5/22/2019 Board packet.

<sup>8</sup> A copy of my e-mail request is attached as Exhibit “A” to this written statement. I have placed an asterisk on the e-mail where I asked the PRO to make available for my examination “all payments to BJB Architecture – Engineering (“BJB”) and SDG or any other third party associated with the Mountain Golf Course clubhouse improvement project.”

<sup>9</sup> I say “disingenuously” because staff knows full well who performed design and engineering work, when, and how much they have been paid.

<sup>10</sup> Go to <https://www.yourtahoeplace.com/ivgid/financial-transparency/opengov-data-tool>.

**What Additional Allocated Staff Costs Have Been Incurred, and Are Projected to be Incurred, That Are Not Included in the Estimated \$1.464 Million?** On December 12, 2018 when GM Pinkerton was attempting to clarify \$272,500 in allocated staff costs allegedly assigned to the effluent pipeline pond liner project, he announced to the Board and the public that “staffing costs are allocated to (capital improvement) projects (“CIPs”) based on the amount of time spent on...specific project(s)”<sup>11</sup> because if staffs’ services were not provided, the public would have to pay outside third parties to perform those services and at an allegedly higher cost. Therefore on May 20, 2019, I made a public records request upon IVGID’s PRO to learn the “identity (of) each IVGID employee who has devoted any time, effort or out of pocket cost associated with...the Mountain Golf...clubhouse improvement project, the date(s) when each such effort(s) was advanced, a description of the effort(s) advanced, the time spent for each such effort(s) advanced, (and) the out of pocket cost for each such cost advanced.”<sup>7</sup>

Given prior experience with IVGID’s PRO and her disingenuous response to my e-mail, I predict it is going to take many months to get any substantive response to my records request and even if I get a response, it is not going to provide the records requested. Notwithstanding, we can estimate the amount of allocated staff costs.

**The Project Summary for this Project:** Staff come up with a project summary for each CIP and have come up with one for the subject project. That summary appears at page 89 of the 5/22/2019 Board packet, and I have attached a copy as Exhibit “C” to this written statement.

I have placed an asterisk next to the following language on the project summary: “the project will be managed by the Engineering staff with substantial cooperation and involvement by the District General Manager, Director of Finance, the Director of Golf, (and) the Mountain Course Head Professional.” So we know there have been and are going to be substantial staff costs; considerably more than the \$272,500 of allocated staff costs assigned to the pond liner project<sup>11</sup>.

**\$1.230 Million of Additional Allocated Staff Costs:** When I went through the identical process of obtaining records evidencing alleged allocated staff costs associated with the pond liner<sup>12</sup>, it turned out that 84% of the direct costs spent with outside vendors on the pond liner project were assigned to allocated staff costs for that project. So when I calculate 84% of the estimated \$1.464 million in construction costs with outside vendors, I get an additional approximate \$1.23 million. So to be realistic, this sum should be added to the estimated \$1.464 million project cost.

**So Now We’re Up to an Estimated \$2.738 Million to Complete the Current Enhanced Clubhouse Project:**

---

<sup>11</sup> See pages 481-482 of the 5/22/2019 Board packet. A copy of those pages with an asterisk next to the quoted language are attached as Exhibit “B.”

<sup>12</sup> See pages 486-489 of the 5/22/2019 Board packet.

**Where's the Additional \$2.438 Million Going to Come From on Top of the \$300,000 of Insurance Proceeds?** At the Board's March 18, 2019 meeting staff produced a combined Community Services and Beach Fund Balance Stress Test which projected a combined \$12,345,349 in unrestricted recreation/beach reserves as of June 30, 2020<sup>13</sup>. Based upon projected 2019-20 CIPs, and maintaining a targeted combined reserve of \$4.959 million, *before* assigning any additional funds to the current Enhanced Clubhouse project, staff estimated we would be left with \$1.576 million in reserves<sup>13</sup>.

**But Wait. Staff's Projections Anticipated Some \$800,000 of Personal Property Expenditures<sup>14</sup> Would be Funded Through an Installment Purchase Agreement Which on May 1, 2019 the Board REJECTED<sup>15</sup>:** Since staff refuses to cut back their overspending, this means that an additional \$800,000 must come from the projected Community Services Fund Balance since staff has announced they intend to "put these items in the budget as paying for cash."<sup>16</sup>

**But Wait Again. At the Board's May 1, 2019 Meeting GM Pinkerton Told the Board and the Public That Staff's Previous \$700,000 Estimate for Tennis Center Renovations<sup>6</sup> Has Now Crept Up to \$1.2M Plus Allocated Staff Costs:** This means that an additional \$500,000 must come from the projected Community Services Fund Balance.

**But Wait Again. At the Board's May 1, 2019 Meeting GM Pinkerton Told the Board and the Public That Staff's Previous \$500,000 Estimate for Burnt Cedar Pool Repairs<sup>6</sup> Has Now Crept Up to Nearly \$1.3M Plus Allocated Staff Costs:** This means that an additional \$500,000 must come from the projected Beach Fund Balance.

**But Wait One More Time. What About \$1,701,702 of Previously Appropriated CIPs That Have Been Carried Forward?** At page 222 of the 5/22/2019 Board packet staff has included a page from its Capital Project Report as of May 10, 2019<sup>17</sup>. This report includes a list of fully appropriated CIPs together with a designation of which ones have not been fully prosecuted, and how much of what has been appropriate remains available to be spent from this point forward. Out of a total of \$5,761,070 for all CIPs system wide<sup>18</sup>, insofar as "All Community Services...Combined" is concerned, staff reports \$1,701,702 of this sum (I have placed an asterisk next to this number). This means

---

<sup>13</sup> See page 66 of the 3/18/2019 Board packet. A copy of that page with asterisks next to the projected combined fund balance as of June 30, 2020 and remaining after "planned items," is attached as Exhibit "D."

<sup>14</sup> 58 Mountain Course golf carts at a cost of \$288,000, a nearly \$400,000 Diamond Peak snowplow, and a \$96,000 Championship Course lawn mower.

<sup>15</sup> See pages 441-448 of the 5/22/2019 Board packet.

<sup>16</sup> See page 448 of the 5/22/2019 Board packet.

<sup>17</sup> A copy of that page is attached as Exhibit "E" to this written statement.

<sup>18</sup> See page 226 of the 5/22/2019 Board packet.

that out of a projected \$10,368,499 fund balance as of June 30, 2019<sup>13</sup>, \$1,701,702 must be spent on previously budgeted CIPs which have already been appropriated. This means that an additional \$1,701,702 must come from the projected Community Services Fund Balance.

**Ladies and Gentlemen. We Don't Have the Money to Pay For Staff's Proposed Enhanced Mountain Clubhouse Project!** Let's recoup the above numbers so you can see what I see:

<b>Projected Deductions From Community Services Fund Balance<sup>19</sup></b>		
<b>Description</b>	<b>Amount</b>	<b>Notes</b>
Projected 6/30/2020 Fund Balance	\$ 10,345,349	See Exhibit "D"
Targeted Reserve Retention	(\$ 4,480,000)	See Exhibit "D"
Rejected Installment Purchase <sup>20</sup>	(\$ 800,000)	
Increased Tennis Center Renovation Costs	(\$ 585,000)	Tentative Budget Estimated \$700,000 <sup>21</sup>
Increased Enhanced Mountain Golf Clubhouse Repairs	(\$ 656,785)	Tentative Budget Estimated \$851,600 <sup>22</sup>
Funds for Carry Forward CIPs	(\$ 1,701,702)	See Above
Lakeview Chairlift Maintenance	(\$ 250,000)	
Mountain Golf Fuel Storage Facility	(\$ 200,000)	
DPMP Entitlements & Permits	(\$ 150,000)	Staff Insists on This Hold Back
DPMP Phase 1(a) Withhold	(\$ 2,206,000)	Staff Insists on This Hold Back
DPMP Phase 1(b) Withhold	(\$ 1,757,774)	Staff Insists on This Hold Back
Amounts Available For CSMP Projects	\$ 0	
<b>Adjusted Projected 6/30/2020 Fund Balance</b>	<b>(\$ 2,441,912)</b>	

<sup>19</sup> According to Finance Director Gerry Eick, this term is synonymous with reserves.

<sup>20</sup> See agenda item H(3) at page 3 of packet of materials prepared by staff in anticipation of the Board's May 1, 2019 meeting [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-1-19.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-1-19.pdf) ("the 5/1/2019 Board packet")].

<sup>21</sup> The 2018-19 Budget projected that this project would cost \$390,000. I have attached page 5 from IVGID's 2018-19 Five Year Capital Improvement Plan [[https://www.yourtahoeplace.com/uploads/pdf-ivgid/FY\\_18-19\\_5-year\\_CIP\\_Book\\_-\\_FINAL\\_5.23.18.pdf](https://www.yourtahoeplace.com/uploads/pdf-ivgid/FY_18-19_5-year_CIP_Book_-_FINAL_5.23.18.pdf) ("the 2018-19 Five Year Plan")] as Exhibit "E" to this written statement, and I have placed an asterisk next to the \$390,000 estimated cost.

<sup>22</sup> See page 73 of the 5/22/2019 Board packet. There GM Pinkerton told the Board and the public that the revised estimate for this project was \$851,600, estimated insurance proceeds were \$300,000 and the deficient \$551,800 was going to come from a transfer from the General Fund. Also understand that this project wasn't even included in the 2018-19 Five Year Plan. I have attached page 3 from that plan as Exhibit "F," and I have placed an asterisk next to projected Mountain Golf CIPs. Note this project isn't even listed.

This means that nearly \$2.5 million of the above-described projects must be deleted, or the RFF must be increased by a like amount. And if any of these projects end up costing more than these enhanced estimates, there will be a need for an even greater RFF increase. Either way, our reserves available to pay for legend recreational projects are now depleted.

Projected Deductions From Beach Fund Balance <sup>19</sup>		
Description	Amount	Notes
Projected 6/30/2020 Fund Balance	\$ 1,700,395	See Exhibit "D"
Targeted Reserve Retention	(\$ 479,000)	See Exhibit "D"
Increased Burnt Cedar Pool Repair Costs	(\$ 300,000)	Tentative Budget Estimated \$500,000 <sup>23</sup>
Amounts Available For Beach House Project	\$ 0	
Adjusted Projected 6/30/2020 Fund Balance	\$ 921,395	

Don't get excited about the remaining \$921,395 Beach Fund Balance. Several trustees have expressed skepticism that the Burnt Cedar Pool can be repair versus replaced. Even if it can be repaired, these trustees have expressed skepticism that repairs will last for any extended period of time. For these reasons, the Board will have to decide whether to repair or replace the pool. And if we're talking replacement, the cost is going to be considerably more than the projected \$800,000 repair cost.

**Ditch Construction of an Enhanced Mountain Golf Clubhouse Project and in its Place, Repair the Kitchen With the \$300,000 of Insurance Available:** Who exactly asked for an "enhanced" Mountain Golf Clubhouse project? Who asked to spend over \$1.5 million on such a project? Given the limited number of "enhancements" and outrageous estimated cost, wouldn't be more prudent to simply replace the structure altogether rather than go through piecemeal fixes every several years?

Moreover, I ask the reader to go back to 2013. At that time the Board was faced with the decision of either repairing the Mountain Golf Clubhouse deck, or constructing a new clubhouse. Instead of replacement, \$150,000 was spent on repairs. If the current proposed "enhanced" project is prosecuted, it will mean that the previous \$150,000 spent will have been wasted.

Given page 74 of the 5/22/2019 Board packet instructs that one available option is to "direct staff to *not* bid the...project and *not* proceed with" it, *that's exactly what the Board should do!* This will save taxpayers at least \$1.5 million which can be devoted to far more "vital" projects.

**My May 22, 2019 E-Mail:** asked the Board to vote NO on this project for the reasons stated<sup>24</sup>. I suggested the Board take a step backwards and seek the assistance of a Public Insurance Adjustor

<sup>23</sup> The 2018-19 Budget projected that this project would cost \$500,000. I have placed an asterisk next to the \$500,000 estimated cost on Exhibit "E."

since staff had done such an amateurish job of negotiation a paltry \$300,000 insurance settlement. Not knowing how the Board will vote, it certainly cannot claim it didn't know.

**Conclusion:** We've had this discussion before. Staff and the Board have "big eyes." Since they view Incline Village as something more worthy of Taj Mahals, they constantly think and spend bigger and bigger without regard to where the money is going to come from. The Board needs to learn to live within its financial means. As I have demonstrated, the District doesn't have the money to embark upon the proposed "enhance" Plan. You Board members can stick your collective heads in the sand and pretend you don't know what's going on around you. But how about doing your jobs instead by admonishing staff for having ever, ever proposed such an irresponsible enhanced project which needlessly wastes public moneys? Had staff been more prudent, it wouldn't be coming to the Board asking to enter into an enhanced Mountain Golf Clubhouse project. Instead, they would be repairing the kitchen damage with the insurance money available.

And to those who may be reading this written statement and asking how their RFF/BFF is responsibly spent, now you have the answer.

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

---

<sup>24</sup> I have attached this e-mail as Exhibit "G" to this written statement.



**EXHIBIT "A"**

## May 22, 2019 Board Meeting Agenda Item I(3) - Mountain Golf Course Clubhouse Improvement Project

---

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Callicrate Tim <tim\_callicrate2@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Morris Peter <Peter\_Morris@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Herron Susan <Susan\_Herron@ivgid.org>  
**Subject:** May 22, 2019 Board Meeting Agenda Item I(3) - Mountain Golf Course Clubhouse Improvement Project  
**Date:** May 20, 2019 11:13 AM

---

To the Honorable Chairperson Wong, and other Honorable members of the IVGID Board;

Please do NOT approve this agenda item. It's another grossly underestimated (in cost) wasteful project for the reasons below:

1. Look at the records request (below) I have sent to Ms. Herron. The records I have requested are going to establish:
2. The staff time cost we have already incurred to date;
3. The architectural, design and plan costs we have already incurred to date;
4. The ADDITIONAL allocated staff costs staff never tell the Board and the public about ahead of time GM Pinkerton asserts is assessed on every CIP project because someone has to perform these efforts and if not staff, the project would have to cost more because of those effort;
5. When you get through examining all of these records, assuming staff ever provides them (because they have a history of NOT providing allocated staff costs), you're going to discover the cost to be WELL NORTH OF \$2M OR MORE for this project;
6. Local property owners do not want \$2M or more of their RFF spend on a wasteful project like this. Instead, do what Joe Wolfe suggested several years ago: tear down the club house and place a portable vehicle for local property owners to check in/pay;
7. Or tear down the clubhouse and build anew.

BTW, staff haven't shared with the Board and the public that several years ago when the clubhouse deck was replaced, local property owners were charged \$150K or more which I objected to spending if we were ever going to reach the question of in the future spending additional monies for a permanent fix which involved ripping out the deck/other repairs for which the \$150K or more had been spent.

Yet look where we are today. Re-doing the very deck we spent \$150K or more on several years ago which now becomes a wasted expenditure. Which means you best add this \$150K or more on to the proposed cost of this project now sending its cost even higher.

Finally, have any of you ever heard of a Public Insurance Adjuster who acts on behalf of an insured in negotiating the claim or claims for damage under any insurance policy covering real or personal property? Since I am certain your revered staff have not, and we're only being offered a \$300K settlement for the Mountain Clubhouse fire when the costs to repair, including bringing those repairs up to today's codes, are projected at \$1.4M, it would be prudent to investigate and hire a Public Insurance Adjuster who works for us.

Before the Board considers spending \$2M or more on this project, it needs to step back and rely upon REAL professionals rather than the less than professional staff we have today.

And so the public sees what I see, I am asking staff to please place a copy of this e-mail request in the next Board packet.

Thank you for your consideration. Aaron Katz

-----Forwarded Message-----

From: "s4s@ix.netcom.com"  
 Sent: May 20, 2019 10:48 AM  
 To: "Herron,Susan"

Subject: Records Request - Staff/Other Costs Allocated to the Mountain Golf Course Clubhouse Improvement Project

>Hello Ms. Herron -

>Another public records request:

>I want to examine records which:

>  
 >1. Identify each IVGID employee who has devoted any time, effort or out of pocket cost associated with repairs/replacements associated with the Mountain Golf Course clubhouse improvement project;

>2. The date(s) when each such effort(s) was advanced;

>3. A description of the effort(s) advanced;

>4. The time spent for each such effort(s) advanced;

>5. The out of pocket cost for each such cost advanced.

>

>I also want to examine records evidencing all payments to BJB Architecture - Engineering and Smith Design Group or any other third party associated with the Mountain Golf Course clubhouse improvement project. Invoices and evidences of payment would be sufficient.

>

>I also want to examine food and beverage records or food and beverage reimbursement records which evidence all such costs expended by/on behalf of IVGID since January 1, 2017 associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project.

>

>I also want to examine records which evidence all free or discounted user fees given at any IVGID owned recreational venue and/or the beach to any non-IVGID employee, associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project. These records should:

>

>1. Identify each non-IVGID employee who has been given free or discounted user fees;

>2. The date(s) when each such free/discounted recreational venue access was advanced;

>3. The retail value for each such free/discounted recreational venue access advanced.

>

>Finally, several years ago IVGID elected to replace the Mountain Golf Course clubhouse deck and at the same time, make a series of other improvements/repairs to the clubhouse (like siding). With respect to those improvements, I would like to examine records evidencing:

>1. All such repairs made non-IVGID employees, including the identity of the tradeperson(s), and the nature of the work performed and their cost;

>2. All such materials supplied by non-IVGID sources, including their supplier and cost;

>3. All such architectural/design work/plans provided by non-IVGID sources, including their supplier and cost;

>4. All such permits obtained including their cost;

>5. And identifying each IVGID employee who devoted any time, effort or out of pocket cost associated with these repairs/replacements;

>6. The date(s) when each such effort(s) was advanced;

>7. A description of the effort(s) advanced;

>8. The time spent for each such effort(s) advanced;

>9. The out of pocket cost for each such cost advanced by an IVGID employee.

Thank you for your cooperation. Aaron Katz

**EXHIBIT "B"**

#### IV. COMMENT

##### Effluent Export Line – Phase II

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

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

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

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

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

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

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

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

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

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

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

The District's CIP Staff spends the vast majority of its time working on CIP projects.



Their staffing costs are allocated to projects based on the amount of time spent on the specific project.

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

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

**V. CONCLUSION**

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

**EXHIBIT "C"**



## Project Summary

<b>Project Number:</b>	3299BD1902
<b>Title:</b>	Mountain Clubhouse Improvements Project
<b>Project Type:</b>	B - Major Projects - Existing Facilities
<b>Division:</b>	41 - Mountain Operations
<b>Budget Year:</b>	2020
<b>Finance Options:</b>	
<b>Asset Type:</b>	BD - Buildings & Structures
<b>Active:</b>	Yes

### Project Description

Rebuild and rehabilitate the Mountain Golf Course Clubhouse resulting from the August 11, 2018 kitchen fire. The objective is to have a facility that provides good customer experiences for golf check-in, presentation of merchandise, supports a food and beverage service area, and has a social setting in support of both golf and non-golf users. Ancillary to these capacities, the facility also has to accommodate the administration and supervision of the operation for Management and front line staff through good sight lines and accessible storage. This project will also allow the District to address accessibility of the lower level.

### Project Internal Staff

The Project will be managed by the Engineering staff with substantial cooperation and involvement by the District General Manager, Director of Finance, the Director of Golf, the Mountain Course Head Professional.

### Project Justification

The August 11, 2018 fire rendered the kitchen area unusable. Smoke damage was incurred throughout the facility, which in turn affects walls, flooring and mechanical systems. The District's insurance coverage is for replacement. However, the evaluation of what is the best solution long term for the operations indicates a revised allocation of floor space, changes to access and ultimate substantial change to customer flow requires a make over of the floor plan. These changes facilitate other objectives including a long stand issue of ADA accessibility to the lower level and deck which serves food. A combination of insurance proceeds and District resources would be required to accomplish the full scope of the rehabilitation project. A design for the renovation of the mountain golf clubhouse has been completed to meet the objectives of future operation while staying within the existing footprint of the building.

### Forecast

Budget Year	Total Expense	Total Revenue	Difference
2020			
Construction Contingency for renovation/remodel @ 15%	178,000	0	178,000
Construction Cost Estimate per architect	1,186,000	0	1,186,000
Construction Management and Construction Engineering	100,000	0	100,000
<b>Year Total</b>	<b>1,464,000</b>	<b>0</b>	<b>1,464,000</b>
	<b>1,464,000</b>	<b>0</b>	<b>1,464,000</b>

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2019	Nov 1, 2018	Mar 31, 2020	Engineering Manager	





**EXHIBIT "D"**

IVGID  
 Executive Summary  
 Special Revenue Fund Balance Stress Test  
 Audited Fund Balance versus Planned Capital Project Transfers  
 Presented to Board of Trustees March 18, 2019

	Community Services <u>Spec. Rev. Fund</u>	Beach <u>Spec. Rev. Fund</u>
<b>Audited Fund Balance June 30, 2018</b>	\$ 10,645,469	\$ 1,413,091
Projected Operating Sources FYE 6/30/19	18,797,530	2,122,760
Projected Operating Uses FYE 6/30/19	(16,858,100)	(1,899,600)
Transfer of Work Comp residual	241,875	13,125
Transfer for CIP carryover	(228,675)	(3,844)
Transfer for Diamond Peak Culvert current & carryover	(2,229,600)	-
<b>Projected Fund Balance June 30, 2019</b>	<u>10,368,499</u>	<u>1,645,532</u>
Budgeted Operating Sources FYE 6/30/20	17,943,215	2,169,965
Budgeted Operating Uses FYE 6/30/20	(17,966,365)	(2,115,102)
<b>Projected Fund Balance June 30, 2020</b>	<u>10,345,349</u>	<u>1,700,395</u> ★
<b>Planned to meet Asset Replacement Funding:</b>		
3970BD2601 BC Pool Resurface & Mechanical	-	(252,000)
3241ME1804 Mountain Golf Fuel Storage Facility	(200,000)	-
3462HE1702 Lakeview Lift Maintenance & Improvements	(250,000)	-
4588BD1604 Tennis Center Renovation	(700,000)	-
3653BD1501 DP Master Plan Entitlements & Permits	(150,000)	-
3653BD1501A DP Master Plan Phase 1A Activities	(2,206,000)	-
3653BD1501B DP Master Plan Phase 1 B Activities	(1,757,774)	-
<b>Fund Balance less planned items</b>	<u>\$ 5,081,575</u>	<u>\$ 1,448,395</u>
<b>Current Target by Policy</b>	<u>\$ 4,480,000</u>	<u>\$ 479,000</u>
<b>Remainder</b>	<u>\$ 601,575</u>	<u>\$ 969,395</u> ★

**Discussion:**

*Community Services Special Revenue Fund* has resources to meet the planned completion of the Mountain Course Fuel Storage Facility, Lakeview Lift, and the Tennis Center Renovation. Planned uses 2021 and after are for the resources in hand to meet the Phase 1 scope of the Diamond Peak Master Plan.

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

**EXHIBIT "E"**

2018/2019 - 5 Year Project Summary Totals - FINAL 05/23/18

Project Type		
A - Major Projects - New Initiatives	D - Capital Improvement - Existing Facilities	G - Equipment & Software
B - Major Projects - Existing Facilities	E - Capital Maintenance	
C - Capital Improvement - New Initiatives	F - Rolling Stock	

Division	Project Number	Project Title	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Project Type	Number of Projects
	4378BD1801	Preston Field Retaining Wall Replacement	-	-	64,750	225,000	-	289,750	D	1
	4378LE1723	1996 Lely Fertilizer Spreader #498	12,000	-	-	-	-	12,000	F	1
	4378LE1724	2005 Shalftime Aerifier	-	8,100	-	-	-	8,100	F	1
	4378LE1725	2008 Landpride Overseeder #622	-	-	-	-	-	-	F	1
	4378LE1729	2007 John Deere Pro Gator #604	-	-	17,000	-	-	17,000	F	1
	4378LE1730	2008 JD Pro-Gator #623	34,000	-	-	-	-	34,000	F	1
	4378LE1731	2008 JD Pro-Gator #624	-	35,000	-	-	-	35,000	F	1
	4378LE1736	2003 1-Ton Service Truck #520	-	-	36,000	-	-	36,000	F	1
	4378LE1739	2013 Ball Field Groomer #681	-	43,000	-	-	-	43,000	F	1
	4378LE1740	2013 Ball Field Mower / Toro 3500D Groundsmaster #682	-	17,100	-	-	-	17,100	F	1
	4378LE1742	2015 Ball Field Groomer #705	-	35,400	-	-	-	35,400	F	1
	4378LE1743	2007 Toro 3500D Rotary Mower #605	-	-	17,500	-	20,000	37,500	F	1
	4378L1207	Pavement Maintenance, East & West End Parks	33,700	-	-	-	-	33,700	F	1
	4378L1303	Pavement Maintenance, Village Green Parking	15,000	-	-	-	-	15,000	F	1
	4378L1403	Pavement Maintenance, Preston Field	5,000	5,000	12,500	5,000	17,500	50,000	E	1
	4378L1504	Incline Creek Restoration - Upstream of SR-28 (Net of Grants)	5,000	5,000	5,000	27,500	6,000	48,500	E	1
	4378L1602	Pavement Maintenance, Overflow Parking Lot	186,000	-	-	-	-	186,000	D	1
	4378L1604	Pump Truck (Net of Grants)	5,000	5,000	5,000	5,000	27,500	47,500	E	1
	4378L1802	Pavement Maintenance - Incline Park	300,000	5,000	5,000	5,000	-	315,000	C	1
	4378L1803	Incline Park Facility Renovations (Net of Grants)	1,500	7,500	3,500	7,500	3,500	23,500	E	1
	4378L1804	Bocce Courts at Recreation Center Property Design	1,208,071	-	-	-	-	1,208,071	D	1
	4378LV1734	2013 Pick-Up with Lift gate (1-Ton) #646	15,000	-	-	-	-	15,000	C	1
	4378LV1735	2005 Pick-up Truck 4x4 (1-Ton) #554	-	-	-	-	42,500	42,500	F	1
	4378LV1737	2004 Pick-up Truck 4x4 (1-Ton) #541	-	-	41,000	-	-	41,000	F	1
	4378RS1501	Replace Previous Incline Park Playground	-	41,000	-	-	-	41,000	F	1
	4378RS1601	Replace Preston Park Playgrounds	-	-	-	20,000	100,000	120,000	C	1
	<b>Total</b>		<b>1,820,271</b>	<b>265,100</b>	<b>239,190</b>	<b>488,200</b>	<b>384,500</b>	<b>3,197,261</b>		<b>31</b>
Tennis	4588BD1602	Paint All Court Fences and Light Poles, Replace Wind Screens	-	-	51,000	-	-	51,000	E	1
	4588BD1604	Tennis Center Renovation	-	390,000	-	-	-	390,000	D	1
	4588LE1201	Pavement Maintenance, Tennis Facility	5,000	23,500	5,000	5,000	5,000	43,500	E	1
	4588ME1702	Replace Tennis Center Ice Maker	-	-	-	-	9,500	9,500	G	1
	4588RS1401	Resurface Tennis Courts 8-9-10-11	-	-	17,600	-	-	17,600	E	1
	4588RS1402	Resurface Tennis Courts 3 thru 7	75,000	-	-	-	-	75,000	E	1
	4588RS1501	Resurface Tennis Courts 1 and 2	-	47,000	-	-	-	47,000	E	1
	4588RS1801	Tennis Center Pickle Ball Court Conversion	18,000	-	-	-	-	18,000	C	1
	<b>Total</b>		<b>98,000</b>	<b>460,500</b>	<b>73,600</b>	<b>5,000</b>	<b>14,500</b>	<b>651,600</b>		<b>8</b>
Recreation Center	4884BD1601	Recreation Center Mezzanine Safety Enhancements	-	90,000	-	-	-	90,000	D	1
	4884BD1705	Upgrade Lights for I.P. Pathway	-	-	-	27,000	-	27,000	E	1
	4884BD1804	Chemtrol System for Recreation Center Pool	-	-	-	22,000	-	22,000	G	1
	4884BD1901	Replace Condensing Unit 2 and 4	-	-	-	-	50,000	50,000	E	1
	4884FF1502	Repair Deck Stairs and Powder Coat All Patio Deck Railings	50,000	-	-	-	-	50,000	E	1
	4884LI1102	Pavement Maintenance, Recreation Center Area	40,000	-	-	-	-	40,000	E	1
	4884RS1503	Replaster Recreation Center Pool	12,500	57,500	62,500	5,000	357,500	495,000	E	1
	4885BD1606	Pool Facility Deck/Floor Re-coat	-	-	-	175,000	-	175,000	E	1
	4886LE0001	Fitness Equipment	-	34,000	-	-	-	34,000	E	1
	4899BD1305	Paint Interior of Recreation Center	43,500	44,200	45,000	47,250	49,000	228,950	G	1
	4899BD1801	Paver Install Front Walkway at Recreation Center	20,500	-	-	15,500	-	36,000	E	1
	4899LV1721	2012 15-Passenger Van #667	-	-	-	-	130,000	130,000	D	1
	4899OE1607	Recreation Center Printer Copier Replacement 980 Incline Way	-	-	20,000	45,800	-	65,800	F	1
	<b>Total</b>		<b>166,500</b>	<b>225,700</b>	<b>127,500</b>	<b>337,550</b>	<b>536,500</b>	<b>1,393,750</b>		<b>13</b>
Community Services Shared	4999BD1803	Fall protection for District Venues	27,500	-	-	-	-	27,500	D	1
	4999OE1399	Web Site Redesign and Upgrade	-	-	80,000	-	-	80,000	G	1
	<b>Total</b>		<b>27,500</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>107,500</b>		<b>2</b>
	<b>Total Community Services Less Master Plan Implementation</b>		<b>7,084,971</b>	<b>3,437,719</b>	<b>3,610,490</b>	<b>5,343,980</b>	<b>4,583,700</b>	<b>24,462,851</b>		<b>186</b>
	<b>Total Community Services with Master Plan Implementation</b>		<b>7,084,971</b>	<b>3,987,719</b>	<b>4,793,490</b>	<b>6,526,980</b>	<b>5,564,587</b>	<b>27,957,738</b>		<b>188</b>
Beaches	3939BD1803	Burnt Cedar Food & Beverage Customer Improvements	10,000	-	-	-	-	10,000	D	1
	3970BD2601	Burnt Cedar Swimming and Toddler Pool Resurface and Mechanical Improvements	75,000	500,000	-	-	-	575,000	D	1
	3972BD1301	Pavement Maintenance, Ski Beach	33,500	6,000	6,000	6,000	15,000	66,500	E	1

## **EXHIBIT “F”**

Project Type		
A - Major Projects - New Initiatives	D - Capital Improvement - Existing Facilities	G - Equipment & Software
B - Major Projects - Existing Facilities	E - Capital Maintenance	
C - Capital Improvement - New Initiatives	F - Rolling Stock	

2018/2019 - 5 Year Project Summary Totals - FINAL 05/23/18

Division	Project Number	Project Title	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023	Total	Project Type	Number of Projects
	3142LE1754	2011 Toro Greensmaster 1000 #653								
	3142LE1755	2011 Toro Greensmaster 1000 #654	14,500	-	-	-	-	14,500	F	1
	3142LE1756	2011 Toro Greensmaster 1000 #655	14,500	-	-	-	-	14,500	F	1
	3142LE1757	2011 Toro Greensmaster 1000 #656	14,500	-	-	-	-	14,500	F	1
	3142LE1758	2011 Toro Greensmaster 1000 #657	14,500	-	-	-	-	14,500	F	1
	3142LE1759	2014 3500D Toro Rotary Mower #693	14,500	-	-	-	-	14,500	F	1
	3142LE1760	2010 John Deere 8500 #641	-	-	-	38,000	-	38,000	F	1
	3142LE1861	Toro Greensmaster 1600	-	87,200	-	-	-	87,200	F	1
	3143GC1202	Driving Range Improvements	10,000	-	-	-	-	10,000	E	1
	3144FF1702	Replace Icemaker Championship Golf Course Cart Barn	-	31,000	-	-	-	31,000	E	1
	3153BD2001	Recoat Chateau F&B Grill and Catering Kitchen Floors	-	-	-	10,980	-	10,980	G	1
	3153FF1204	Champ Grille Kitchen Equipment	-	-	-	37,200	-	37,200	E	1
	3197IV1749	1997 1-Ton Dump Truck #419	-	46,200	-	-	-	46,200	G	1
	3197LE1720	1989 Lely Fertilizer Spreader #365	-	42,000	-	-	-	42,000	F	1
	3197LE1724	2000 Toro Spreader #462	7,000	-	-	-	-	7,000	F	1
	3197LE1726	2001 Spiker/Scuder #477	-	12,500	-	-	-	12,500	F	1
	3197LE1728	2013 Toro Top Dresser #686	-	10,200	-	-	-	10,200	F	1
	3197LE1731	2008 Planetair HD50 #616	-	-	-	13,000	-	13,000	F	1
	3197LE1732	2015 John Deere 1500 Fairway Aerator #716	-	-	35,000	-	-	35,000	F	1
	3197LE1733	2008 JD TC125 Core Harvester #621	-	27,000	-	-	-	27,000	F	1
	3197LE1734	2008 Bandit Brush Chipper #625	-	-	-	12,400	-	12,400	F	1
	3197LE1735	2017 TORO PROCORE 864 AERATOR #747	-	40,000	-	-	-	40,000	F	1
	3197LE1738	2004 John Deere Pro Gator #546	-	-	-	-	15,400	15,400	F	1
	3197LE1740	2005 John Deere Pro Gator #569	34,000	-	-	-	-	34,000	F	1
	3197LE1741	2015 Greens Roller #715	-	34,500	-	-	-	34,500	F	1
	3197LE1742	2014 Vibratory Greens Roller #696	-	15,000	-	-	-	15,000	F	1
	3197LE1743	2000 John Deere 5310 Tractor #464	-	17,000	-	-	-	17,000	F	1
	3197LE1746	2004 John Deere 4110 Tractor #518	47,000	-	-	-	-	47,000	F	1
	3197LE1748	Replace Blade Grinding Equipment	-	33,350	-	-	-	33,350	F	1
	3197LE1753	2011 Toro Tri-Plex 3250D Mower #664	25,000	-	41,200	-	-	66,200	G	1
	3197ME1710	Maintenance Shop Crane and Equipment Lift	40,500	-	-	-	-	40,500	F	1
	3199OE1501	Championship Golf Printer Copier Replacement 955 Fairway	-	30,000	-	-	-	30,000	G	1
	<b>Total</b>		<b>492,400</b>	<b>685,450</b>	<b>1,115,700</b>	<b>297,880</b>	<b>440,400</b>	<b>3,031,830</b>		<b>59</b>
Mountain Golf	3241GC1101	Mountain Course Greens, Tees and Bunkers	23,900	42,000	12,000	-	-	77,900	E	1
	3241GC1404	Irrigation Improvements	-	46,000	-	-	-	46,000	E	1
	3241GC1502	Wash Pad Improvements	-	-	-	-	30,000	30,000	E	1
	3241GC1802	Mountain Course Clubhouse and Maintenance Building Water Service Line Replacement	-	65,000	-	70,000	-	135,000	D	1
	3241LI1704	Mountain Golf Course Cart Path Retaining Walls	12,500	17,500	37,500	12,500	12,500	92,500	E	1
	3241ME1804	Mountain Golf Fuel Storage Facility	-	50,000	-	-	12,500	62,500	D	1
	3242LE1725	2005 Carryall Club Car #568	-	12,000	-	-	-	12,000	F	1
	3242LE1726	2016 Bar Cart #726	-	-	29,000	-	-	29,000	F	1
	3242LE1728	2015 Toro 4090D Rough Mower #709	-	-	-	-	-	-	F	1
	3242LE1732	2016 Toro Tri-Plex Mower #614	-	-	-	-	61,000	61,000	F	1
	3242LI1204	Pavement Maintenance of Parking Lot - Mountain Golf Course	-	-	-	-	43,400	43,400	F	1
	3242LI1205	Pavement Maintenance of Cart Paths - Mountain Golf Course	6,000	22,500	6,000	12,500	12,500	59,500	E	1
	3299BD1403	Mountain Course Clubhouse and Maintenance Building Renovation and ADA Upgrades	45,000	40,000	45,000	45,000	45,000	220,000	E	1
	3299BD1705	Paint Exterior of Mountain Golf Clubhouse	-	-	-	-	95,000	95,000	D	1
	3299BD1801	Replace Carpet in Mountain Golf Clubhouse	27,800	-	-	-	-	27,800	E	1
	3299BD1803	Mountain Golf Roll Up Shop Doors	24,000	-	-	-	-	24,000	E	1
	<b>Total</b>		<b>150,300</b>	<b>295,000</b>	<b>129,500</b>	<b>140,000</b>	<b>299,400</b>	<b>1,014,200</b>		<b>16</b>
Facilities	3350BD1103	Chateau - Replace Carpet	-	62,000	-	-	49,500	111,500	E	1
	3350BD1302	Resurface Patio Deck - Chateau	-	-	36,000	-	-	36,000	E	1
	3350BD1506	Paint Exterior of Chateau	-	-	-	47,000	-	47,000	E	1
	3350BD1704	Replace Air Walls Chateau	7,500	89,360	-	-	-	96,860	E	1
	3350BD1803	Replace Carpet in Chateau Grill	12,000	-	-	-	-	12,000	E	1
	3350BD1804	Replace Hallway Tile at Chateau	-	65,000	-	-	-	65,000	E	1
	3350BD1805	Repair and Refinish Wood Walls Upstairs at Chateau	-	10,000	-	-	-	10,000	E	1
	3350BD1806	Paint Both Food & Beverage Kitchens and Storage Areas	12,000	-	-	-	-	12,000	E	1



**EXHIBIT "G"**

## May 22, 2019 Board Meeting Agenda Item I(3) - Mountain Golf Course Clubhouse Improvement Project

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Callicrate Tim <tim\_callicrate2@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Morris Peter <Peter\_Morris@ivgid.org>, Horan Phil <horan\_trustee@ivgid.org>, Herron Susan <Susan\_Herron@ivgid.org>  
**Subject:** May 22, 2019 Board Meeting Agenda Item I(3) - Mountain Golf Course Clubhouse Improvement Project  
**Date:** May 20, 2019 11:13 AM

To the Honorable Chairperson Wong, and other Honorable members of the IVGID Board;

Please do NOT approve this agenda item. It's another grossly underestimated (in cost) wasteful project for the reasons below:

1. Look at the records request (below) I have sent to Ms. Herron. The records I have requested are going to establish:
2. The staff time cost we have already incurred to date;
3. The architectural, design and plan costs we have already incurred to date;
4. The ADDITIONAL allocated staff costs staff never tell the Board and the public about ahead of time GM Pinkerton asserts is assessed on every CIP project because someone has to perform these efforts and if not staff, the project would have to cost more because of those effort;
5. When you get through examining all of these records, assuming staff ever provides them (because they have a history of NOT providing allocated staff costs), you're going to discover the cost to be WELL NORTH OF \$2M OR MORE for this project;
6. Local property owners do not want \$2M or more of their RFF spend on a wasteful project like this. Instead, do what Joe Wolfe suggested several years ago: tear down the club house and place a portable vehicle for local property owners to check in/pay;
7. Or tear down the clubhouse and build anew.

BTW, staff haven't shared with the Board and the public that several years ago when the clubhouse deck was replaced, local property owners were charged \$150K or more which I objected to spending if we were ever going to reach the question of in the future spending additional monies for a permanent fix which involved ripping out the deck/other repairs for which the \$150K or more had been spent.

Yet look where we are today. Re-doing the very deck we spent \$150K or more on several years ago which now becomes a wasted expenditure. Which means you best add this \$150K or more on to the proposed cost of this project now sending its cost even higher.

Finally, have any of you ever heard of a Public Insurance Adjuster who acts on behalf of an insured in negotiating the claim or claims for damage under any insurance policy covering real or personal property? Since I am certain your revered staff have not, and we're only being offered a \$300K settlement for the Mountain Clubhouse fire when the costs to repair, including bringing those repairs up to today's codes, are projected at \$1.4M, it would be prudent to investigate and hire a Public Insurance Adjuster who works for us.

Before the Board considers spending \$2M or more on this project, it needs to step back and rely upon REAL professionals rather than the less than professional staff we have today.

And so the public sees what I see, I am asking staff to please place a copy of this e-mail request in the next Board packet.

Thank you for your consideration. Aaron Katz

-----Forwarded Message-----  
**From:** "s4s@ix.netcom.com"  
**Sent:** May 20, 2019 10:48 AM  
**To:** "Herron, Susan"



Subject: Records Request - Staff/Other Costs Allocated to the Mountain Golf Course Clubhouse Improvement Project

>Hello Ms. Herron -

>Another public records request:

>I want to examine records which:

>

>1. Identify each IVGID employee who has devoted any time, effort or out of pocket cost associated with repairs/replacements associated with the Mountain Golf Course clubhouse improvement project;

>2. The date(s) when each such effort(s) was advanced;

>3. A description of the effort(s) advanced;

>4. The time spent for each such effort(s) advanced;

>5. The out of pocket cost for each such cost advanced.

>

>I also want to examine records evidencing all payments to BJK Architecture - Engineering and Smith Design Group or any other third party associated with the Mountain Golf Course clubhouse improvement project. Invoices and evidences of payment would be sufficient.

>

>I also want to examine food and beverage records or food and beverage reimbursement records which evidence all such costs expended by/on behalf of IVGID since January 1, 2017 associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project.

>

>I also want to examine records which evidence all free or discounted user fees given at any IVGID owned recreational venue and/or the beach to any non-IVGID employee, associated in any manner whatsoever with the Mountain Golf Course clubhouse improvement project. These records should:

>

>1. Identify each non-IVGID employee who has been given free or discounted user fees;

>2. The date(s) when each such free/discounted recreational venue access was advanced;

>3. The retail value for each such free/discounted recreational venue access advanced.

>

>Finally, several years ago IVGID elected to replace the Mountain Golf Course clubhouse deck and at the same time, make a series of other improvements/repairs to the clubhouse (like siding). With respect to those improvements, I would like to examine records evidencing:

>1. All such repairs made non-IVGID employees, including the identity of the tradeperson(s), and the nature of the work performed and their cost;

>2. All such materials supplied by non-IVGID sources, including their supplier and cost;

>3. All such architectural/design work/plans provided by non-IVGID sources, including their supplier and cost;

>4. All such permits obtained including their cost;

>5. And identifying each IVGID employee who devoted any time, effort or out of pocket cost associated with these repairs/replacements;

>6. The date(s) when each such effort(s) was advanced;

>7. A description of the effort(s) advanced;

>8. The time spent for each such effort(s) advanced;

>9. The out of pocket cost for each such cost advanced by an IVGID employee.

Thank you for your cooperation. Aaron Katz

**WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS  
MAY 22, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEM I(4) –  
TRANSFER OF REMAINING WORKERS’ COMPENSATION SELF-INSURED  
RETENTION RESERVES TO THE GENERAL FUND RATHER THAN  
REFUNDING THEM TO THE LOCAL PARCEL/DWELLING UNIT  
OWNERS WHO MADE PAYMENT**

**Introduction:** Here staff proposes transferring the remaining \$174,356 in its workers’ compensation retention reserve fund to the General Fund to be used for unidentified, unappropriated and unbudgeted future “pet projects” notwithstanding these moneys were involuntarily exacted from local parcel/dwelling unit owners and water/sewer rate payors under the guise they were necessary to pay operational costs associated with IVGID’s recreational and beach facilities, and the water/sewer services provided to these local parcel/dwelling units. Since I object to these moneys, as well as the \$1.1 million of similar monies, not being returned directly to those who paid them, I protest this proposed action. And that’s the purpose of this written statement.

**Prologue:** What happens to the funds IVGID assesses local parcel/dwelling units under the guise they’re required for an express particular purpose, when it turns out the money is not needed for that purpose? Are they to be returned to those who made payment? Or does IVGID get to keep the funds as a windfall because it can always find some need for one or more general governmental expenditures such as the recently announced retirement party for Washoe County Manager John Slaughter? Here we have another example of IVGID resisting the return of excess monies exacted for a very particular purpose now that it is no longer required. And as has become an all but too frequent occurrence, once staff get their hands on revenues from any source, they view receipt as the “green light” for their use for any purpose of their choosing. The same justification which differentiates a “fee” from a “tax.”

**The Facts Giving Rise to This Agenda Item:** As the staff memorandum in support of this agenda item admits<sup>1</sup>, in 1992 the District elected to self-insure against possible future workers’ compensation claims of its employees. However to self-insure, IVGID was obligated to hold over \$1 million in retention reserves to insure payment of “claim costs incurred during that time.”<sup>2</sup> Thus “the Workers Comp Reserve exist(ed) according to Nevada Revised Statutes as an amount designated annually by the State of Nevada Insurance Commissioner (to be)...set aside in the event the State ha(d) to meet

---

<sup>1</sup> See page 168 of the packet of materials prepared by staff in anticipation of the Board’s May 22, 2019 meeting [[https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT\\_Packet\\_Regular\\_5-22-19.pdf](https://www.yourtahoepace.com/uploads/pdf-ivgid/BOT_Packet_Regular_5-22-19.pdf)] (“the 5/22/2019 Board packet”).

<sup>2</sup> See page 52 of IVGID’s Comprehensive Annual Financial Report (“CAFR”) for the fiscal year ending June 30, 2018 [[https://www.yourtahoepace.com/uploads/pdf-ivgid/2018-CAFRReport\\_1-8-19.pdf](https://www.yourtahoepace.com/uploads/pdf-ivgid/2018-CAFRReport_1-8-19.pdf)] (“the 2018 CAFR”).

claims in excess of available reserves.”<sup>3</sup> And over the years that followed, IVGID was able to accumulate and deposit approximately \$1.2 million in such reserves.

But “as of July 1, 2013 the District (began) utilizing the Nevada Public Agency Compensation Trust (“NVPACT”) to provide work comp coverage for all (its) employees.”<sup>4</sup> And effective July 1, 2018, the District “ent(ered) into a Loss Transfer and Assumption Agreement with (the NVPACT which)... remove(d) all liability”<sup>4</sup> and thus “allow(IVGID)...to liquidate its claims liability from past years when it was under a self-insured program. (As of September 1, 2018<sup>4</sup>)...\$800,000 was returned as excess resources to the operating funds which had paid in to the program over a period of years from 1992 to 2013”<sup>5</sup>, and “another \$300,000 (wa)s budgeted to be returned<sup>5</sup>...for the fiscal year ending June 30, 2019<sup>4</sup>.” Now staff seeks to transfer the remaining \$174,356 in reserves<sup>6</sup>.

But what staff doesn’t share with the Board and the public is where those reserves came from, and why they were exacted. Simply stated, these moneys came from the only sources of revenue available for that purpose: Recreation (“RFF”) and Beach (“BFF”) Facility Fees, and the rates IVGID’s water/sewer customers were charged (reported in the Utility Fund). However rather than returning this money to those who paid it, staff proposes transferring this money “to the General Fund.”<sup>5</sup>

**NRS 205.300:** States that: “(1) Any bailee of any money...or any person with whom any money ...ha(s) been deposited or entrusted, who uses or appropriates the money...or any part thereof in any manner or *for any other purpose than that for which (it) w(as) deposited or entrusted*, is guilty of embezzlement...(Moreover, 3) any use of the money...by any bailee thereof, other than that for which it was...deposited...or collected, is *prima facie* evidence of conversion and of intent to steal the same and defraud the...owners thereof.”

Staff’s proposed use of these monies for purposes other than those for which they were collected and entrusted is evidence of conversion and intent to steal.

**For These Reasons Local Property Owners Are Entitled to Refund of the \$1,274,356 They Paid Into the Workers’ Compensation Retention Reserve Fund:** When local parcel/dwelling unit owners/ their predecessors paid this money through their RFF/BFF/utility rates, because IVGID represented it was necessary to self-insure workers’ comp claims, payment was never made with the understanding IVGID would get to keep this money forever if/when that retention were no longer necessary. So why is this money being transferred to the General Fund to be used on more worthless expenditures, rather than being returned to those/their successors who made payment?

---

<sup>3</sup> See page 44 of the 2018 CAFR.

<sup>4</sup> “Under the agreement all of the past liability for the District’s self-insured workers compensation program from 1992 through June 30, 2013 (wa)s transferred to PACT” (see note 20 at page 55 of the 2018 CAFR).

<sup>5</sup> See page 18 of the 2018 CAFR.

<sup>6</sup> See page 169 of the 5/22/2019 Board packet.

Just like "smoothing," no trustee should sanction this wrong.

**Conclusion:** The ends do not justify the means. The fact staff is hungry for more and more money to fund their agenda of increasing the District's footprint does not justify mis-using moneys exacted from local parcel/dwelling unit owners for a completely different purpose. So not only do I ask that the Board vote NO on this agenda item, but I ask that one or more members agendize for future action the refund to local parcel/dwelling unit owners of the \$1,100,000 which has already been transferred to unrestricted fund balances, as well as the subject \$174,356 remaining.

How about you Board members demonstrating you're here to represent local parcel/dwelling unit owners rather than your staff who care more about themselves, their fellow employee colleagues and the special interests in town, than local parcel/dwelling unit owners they were elected to serve? This is why I sent the Board an e-mail request on May 21, 2019<sup>7</sup>.

And to those who wonder what their RFF/BFF is actually spent on, now I have provided additional evidence.

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

---

<sup>7</sup> A copy of this e-mail is attached as Exhibit "A" to this written statement.

# May 22, 2019 Meeting AGENDA ITEM I(4) – PROPOSED TRANSFER OF REMAINING WORKERS' COMPENSATION SELF-INSURED RESERVES TO THE GENERAL FUND RATHER THAN RETURNING IT TO THE LOCAL PARCEL/DWELLING UNIT OWNERS WHO PAID THEM

---

**From:** "s4s@ix.netcom.com" <s4s@ix.netcom.com>  
**To:** Wong Kendra Trustee  
**Cc:** Horan Phil <horan\_trustee@ivgid.org>, Morris Peter <Peter\_Morris@ivgid.org>, Dent Matthew <dent\_trustee@ivgid.org>, Callicrate Tim <tim\_callicrate2@ivgid.org>, Herron Susan <Susan\_Herron@ivgid.org>  
**Subject:** May 22, 2019 Meeting AGENDA ITEM I(4) – PROPOSED TRANSFER OF REMAINING WORKERS' COMPENSATION SELF-INSURED RESERVES TO THE GENERAL FUND RATHER THAN RETURNING IT TO THE LOCAL PARCEL/DWELLING UNIT OWNERS WHO PAID THEM  
**Date:** May 21, 2019 9:31 AM

---

To the Honorable Chairperson Wong, and Other Honorable Members of the IVGID Board:

Here staff propose completing their liquidation of the workers' comp self-insured retention fund, and transfer of the proceeds into the General Fund to be used for general governmental purposes.

But that's not the reason why the Board told the public such funds were being involuntarily exacted. And its not the reason why such sums were deposited into the retention fund.

Take a look at NRS 205.300. I think you will see that such proposed action fits the definition of embezzlement.

The ends do not justify the means. The fact staff is hungry for more money to pursue their agenda of increasing the District's footprint does not justify mis-using money obtained for a purpose other than the one staff now propose using the funds (where does the Board think the proposed \$600,000 transfer from the General Fund to help pay for improvements to the Mountain Course Clubhouse is coming from?). So not only do I ask that the Board vote NO on this agenda item, but I ask that one or more members agendize for future action the refund to local parcel/dwelling unit owners of the \$1,100,000 of former workers' comp self-insured retention funds as well as the subject \$174,356 remaining which is the subject of this agenda item.

How about you Board members demonstrating you're here to represent local parcel/dwelling unit owners rather than your staff who care more about themselves, their fellow employee colleagues and the special interests in town, than local parcel/dwelling unit owners they were elected to serve?

Please include a copy of this e-mail in the next Board packet so the public can see what I see.

Thank you for your hopeful positive action. Respectfully, Aaron Katz

For the minutes of the

BOT meeting of 5-22-2019

It is interesting after attending the IVCB community hosted by Sarah Schmidt Monday night a very loud, outspoken Peter Morris is having a big challenge separating fantasy from reality when the topic was an existing IVGID asset, namely the Burnt Cedar Pool. He is so dead set to completing the Diamond Peak Disneyland that he made the statement that if there was money to replace the Burnt Cedar pool, then lets do the Diamond Peak Master Plan ! ASTONISHING. Any moneys that are in IVGID coffers should first be used for repair or replace our aging infrastructure and current assets. That is fiscal responsibility. This is the treasurer of the BOT speaking out in a meeting. He professed to not be at the meeting as a BOT member, but reality is that is the direction he seems to be headed...then one has to ask how he can truly represent fiscal responsibility as the board treasurer?

Mr. Morris somehow cannot compute that replacing the Burnt Cedar pool is this most logical and cost effective (think long run !) SOLUTION to the broken, past it's useful life Burnt Cedar pool. After reviewing the Terracon proposal that is really the only option. After paying money for the expert assessment why are we spending more staff time and money to consider a ridiculously expensive VERY short term band-aid approach? Mr. Morris had most obviously not read the experts report.

The beaches are and always have been the #1 asset in all conversations, polls and media interviews from property owners. Ditch Disneyland and pay attention to all the existing asses, especial the #ONE.

Margaret Martini

Incline Village

PS in case no one is considering (esp Mr. Morris who felt it would be a deprivation of everyone if they could not have a pool during a summer period), that WE DO HAVE A POOL...It is underutilized at the Rec. Center. So losing Burnt Cedar for one summer is very manageable.

## Two poor Decisions

*Mike Abel*

As a ten year critic of IVGID's operations and financial machinations, I just want to remark this evening about some poor decision making that has gone on in the hallowed halls of IVGID.

Mr. Pinkerton with his \$50K discretionary spending authority went out and hired Global Golf and BJG Consultants consultants in 2015 to evaluate the Mountain golf course facilities. BJG updated the options in 2017. They recommended a new contemporary design clubhouse. Furthermore, a survey of the community affirmed the desire for a new facility. Now in summer 2018 we have a fire in the building. It takes IVGID 8 months to get a maybe settlement (not even a final settlement) from the insurance company that might produce a piddling \$300,000. Who did the negotiating on that fiasco?

All of this consultation was maybe not such a bad idea, BUT, in a process that defies logic Pinkerton, and staff have, after spending the money on these consultants, chosen to completely ignore their advice. Also, Pinkerton has completely ignored Trustee Callicrate who specifically requested that staff look at BJG's replacement options. Again using his discretionary spending, Pinkerton has gone out and hired Dale Smith to fast track a remodel of the ancient building.

So what we have is a 50-60 year old building that is not ADA compliant and Pinkerton proposes putting up to \$1.42 million worth of lipstick on that pig. When he gets done, we will still have an old pig. Plus anybody who has ever done rehab construction, as I have in San Francisco, knows that many unknown problems will present themselves during reconstruction. It makes no sense to proceed with this project. The Mountain Golf rehab project presented here to the board will become a giant sinkhole for IVGID's and the bank account.

Then, I turn our attention to the Burnt Cedar Pool. In December 2018, IVGID hired Terracon to evaluate the pool for repair/rehabilitation or reconstruction. They unequivocally recommended replacement at an estimated cost of \$850,000 plus design fees. Again – these are the experts, but again IVGID has chosen to ignore their advice and proceed with a rehabilitation project that may run more than \$1 million– and again as anyone who has done rehab construction knows unknown problems will present themselves during reconstruction. And again people who know little or nothing about rehabilitation construction have totally ignored the desires or consulted with our two Trustees that actually have real life and practical experience in this area.

May 22, 2019



Trustees-

My name is Brad Johnson and my family and I live at 785 Mays Boulevard in Incline Village. We are avid users of all the District's amenities and we greatly appreciate the hard work both you and District Staff are putting in on our behalf.

I am here to provide comment on item I-11. Unfortunately, I will not be able to stay for your discussion on this item because as the parent of young children, like many in my demographic in this community, I have commitments at home. However, I will watch the webcast with interest.

As the Beaches are the single most used venue at the District, Capital Improvements at the Beach must be considered. Of particular importance to my family and I, are improvements in the performance and reliability of the Burnt Cedar Pool and a replacement structure at Incline Beach to bring the quality of facilities there to a standard comparable to Burnt Cedar. There has been excellent work completed to date to guide these improvements.

I appreciate what you are attempting to accomplish by considering a shift in facility fee allocation from Community Services to the Beaches. The District has a fantastic unrestricted fund balance in Community Services that, via a creative approach, could be put to use. My concern is that what is being analyzed on item I-11, will in effect transfer nearly \$4-million in fund balance from Community Services to the Beaches and introduces dramatic swings in facility fee allocation. It does so with no guarantee that the facility fee change will be maintained over the two year period to allow the necessary funding to flow into the Beach Fund, that the additional revenue will be expended on the two projects identified at the Beaches, or that the facility fee will then be returned to a level that ensures stable revenues are again flowing into Community Services. This is because each budget approval and the associated facility fee levels and capital expenditures are effective for only a single year and we cannot predict the composition of future boards or their decisions.

I'd like to propose an alternative that can accomplish the same thing but moderates the impact, ensures the funds allocated to the Beaches will be spent on specific improvements, and makes Community Services whole at the end. Have the Beach Fund borrow the necessary dollars from the Community Services Fund. The transaction would work exactly like issuance of a medium-term bond, but the District would save on issuance costs and would be able to set a very favorable interest rate that





benefits both Funds. Doing this provides the necessary near-term capital funds required for Beaches, shrinks the swing in facility fees, and builds the Community Services fund balance back up over time to allow future investment on projects identified in the various Master and Venue Plans. Under this approach, the dollars removed from Community Services begin immediately returning to Community Services.

I'd like to finish my statement by encouraging all the members of the Board to look for solutions and opportunities to collaborate. Work together to move the District forward particularly when it comes to investing in facility renewal and enhancement. The opportunities are there and I believe in all of your abilities to accomplish great things on the community's behalf. You will have to work together to do so. Your jobs are difficult... your critics have it easy... but the community wants you to do the work. The community wants a path forward.

Thank you for your time and consideration.

2/2

DATE	DAY OF THE WEEK	TIME	LOCATION	MEETING	ITEMS SLATED FOR CONSIDERATION
07/17	Wednesday	6 p.m.	Chateau	2019 Regular Board Meeting	GM Employment Agreement Finalize 07/24 Community Forum Details; Topic is Ord. 7 (related to IVGID Code) Review and approve District Indebtedness Report including the Five Year Capital Project Summary Final Approval of CSMP Accept NDSL Amended Agreement for Incline Creek Restoration Easement NV Energy at Incline Beach Easement NV Energy 125-010-17
07/24	Wednesday	TBD	TBD	Workshop/Community Forum	Beaches Workshop/Community Forum on Ordinance 7
08/14	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Presentation by the U.S. Census Bureau regarding Census 2020 Construction Contract Award: Mountain Course Clubhouse Renovation Construction Contract Award: WPS 2-1 Improvement Project GM Evaluation GM Salary Review
08/28	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Construction Contract Award: SPS-1 Improvements Project Tennis Center Design Services Contract Award
09/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	Financial Reporting – Board Work Plan – get Staff’s idea (September/October) – see minutes from March 28, 2019 Construction Contract Award: WRRF Aeration Improvements Project
09/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	<i>Trustee Dent is unable to attend this meeting</i>
11/13	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
				<b>2020</b>	
01/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
01/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
02/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
02/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
03/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
03/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
04/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
04/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
05/13	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
05/27	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
06/10	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
06/24	Wednesday	6 p.m.	Chateau	Regular Board Meeting	

DATE	DAY OF THE WEEK	TIME	LOCATION	MEETING	ITEMS LISTED FOR CONSIDERATION
07/08	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
07/29	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
08/12	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
08/26	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
09/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/14	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
10/28	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/11	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
11/25	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/09	Wednesday	6 p.m.	Chateau	Regular Board Meeting	
12/30	Wednesday	6 p.m.	Chateau	Regular Board Meeting	

*Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar*

RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware

TRPA EIS Contract at Diamond Peak

WCSD Joint Agreement