

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
District General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of April 12, 2023

DATE: April 5, 2023

General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Effluent Storage Tank Project <i>Updated 4/5/23</i>		GM Winqest/Director of PW Underwood	Jacobs is working to complete 100% plans and specifications. See additional information regarding the pipe materials purchase below.
Effluent Pipeline Project <i>Updated 4/5/23</i>		GM Winqest/ Director PW Underwood	The contract for GMP1 for the work in 2023 with Granite Construction on the 4/12/23 Board meeting for approval.
Internal Controls Project(s) Review of Internal Control Processes, Policies and Procedures <i>Updated 4/5/23</i>	Ongoing	Director of Finance Navazio	Staff is currently transitioning to department procurement cards instead of individual cards. The Accounting Department is the first department to transition and are currently testing the process to ensure there are no issues that would provide any inefficiencies.
Incline Beach House Project <i>Updated 4/5/23</i>	TBD	Engineering Dept/GM Winqest/Chairman Dent	The Board will be sending out a community survey to solicit information to inform scope and design of the project. Additionally will be evaluating next steps for the access and safety improvements as recommended by LSC. The GM has put a placeholder of 4 million dollars in the 23-24 Capital Budget for the Incline Beach House Project.

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Community Dog Park Committee <i>Updated 4/5/23</i>	Ongoing	GM Winquest/Director of Parks & Recreation Leijon	The GM Advisory Committee on a Community Dog Park is now actively meeting and have most recently met on 3/29/23. At the 3/22/023 BOT meeting, the BOT gave direction to no longer pursue a special use permit for the USFS Site off Village Blvd. The Committee will be focus on conceptual design opportunities at Village Green and will be updating the survey to solicit feedback on potential design concepts.
USACE Grant Funding for Tank (Pond Lining)/Pipeline Projects <i>updated 4/5/23</i>	In Process	GM Winquest/ Director PW Underwood	Army Corp has completed their initial internal review of the Project Partnership Agreement for Tank project 595 Grant funding. The Project Partnership Agreement is on the 4/12/23 Board meeting for approval.
Employee Privileges (ideas for replacement of recession of beach access) <i>Updated 4/5/23</i>	Spring 2023	GM Winquest with Senior Team	Staff brought an agenda item to the March 22, 2023 BOT Meeting and presented several concepts for review. The BOT provided direction on the concepts that needed further exploring and supporting data and information. This will be agendized at an upcoming meeting.
Ordinance 7 Amendments <i>Updated 4/5/23</i>	Additional revisions Spring 2023	GM Winquest/Director of Parks & Recreation Leijon.	Staff provided an end of season report on how the revisions to Ordinance 7 worked and any potential recommendation for further revisions and/or operational changes at the 11/9/22 meeting. Additional revisions are being evaluated and will be upcoming.

Utility Rate Study <i>Updated 4/5/23</i>	Year 1- Completed 4/22 Year 2 - Target April '23	Director of Finance Navazio/Director of PW Underwood	The Public Hearing for the rate increases is scheduled for April 26, 2023. There will be an additional check in at the April 12, 2023 Meeting
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Diamond Peak Ski Resort Update

The ski venue completed 119 days of operation at the end of March whereas last season the count was 106 days at the end of March. Through March, the year to date total daily visit count was 81,406 as compared to 90,663 visits through March 2022, noting that last season included 13 less operating days as the ski area opened on December 16 2021. Visits for the month of March were 14,005, 8% below the 15,188 visit count for March 2022 and 42% below a five year average visit count of 24,345. The largest skier count day for the month fell on March 18 with 1,245 visits. For the month, we recorded 128” of snowfall as compared to 9” in March 2022. The season to date total for the 2022/23 season is at 427” whereas last season we recorded 229” at the end of March.

During their meeting on March 22, the Board of Trustees approved Staff’s recommendation for the FY2024 season pass pricing for Picture Pass Holders and Non Picture Pass Holders. The recommendation also included a price increase to PPH daily ski lift tickets. During that same meeting, the Board of Trustees also approved a purchase agreement including replacement snowboard rental equipment to Amer Sports for a total of \$131,880. The purchase is funded with \$259,133 within the 340 fund Capital Improvement Project budget. Staff plans to provide an agenda item at the April 26, 2023 Board of Trustees meeting to reallocate the remaining funding of \$127,253 from 340 capital funding to Community Services fund balance.

The installation of RFID equipment, project #3499CE2201 is ongoing and Staff will report that the ski venue has been issuing RFID media in the form of daily tickets to the purchaser since the first week in March for a total of 2,765 media scanned visits. Staff has prepared and started the spring season pass sale where all new and renewing pass purchasers are receiving their season pass media, which allows the purchaser to ski for the remainder of this season as well as next season.

Staff met with USFS Lake Tahoe Basin Management Unit - Mountain Resort Manager to conduct the annual tour of the property and the Special Use Permit area. The daylong meeting also included a significant step in the permit renewal application process.

The table below provides a look at the service measure and key performance indicators for March 2023 as well as March 2022.

Diamond Peak Ski Resort			
Key Performance Indicators			
03/01/2023 - 03/31/2023			
Item	March 2022 PY Actual	March 2023 CY Actual	Variance
Operating Days	31	30	(1)
Skier Visits	15,188	14,005	(1,183)
PPH Lift Tickets	1,217	2,105	888
Non-PPH Lift Tickets	7,464	7,164	(300)
PPH Season Passes YTD	4,335	4,356	21
Non-PPH Season Passes YTD	3,986	4,104	118
Food & Beverage Guest Checks	13,234	16,159	2,925
Food & Beverage Guest Check Average	\$20.72	\$20.28	(0)
Rental Equipment Units	3,441	2,893	(548)
Child Ski Center Lessons Taught	1,013	599	(414)
Ski and Ride Center Lessons Taught	1,898	1,168	(730)
Snow Grooming Operating Hours	1,128	1,328	200
Snow Grooming Operating Miles	3,634	4,652	1,018

Effluent Pipeline Project – Pipe Material Purchase

The following information is to inform the Board and the public of a change to the purchase of the pipe materials.

The Board approved the purchase of pipe material for the Effluent Pipeline Project at the December 14, 2022 Board meeting. Within the Board Memorandum, it was stated: “There is a cost savings of sales taxes and the CMAR fee that for this purchase is approximately \$328,000.” Public Works staff had done their due diligence to make a determination regarding the savings of sales taxes. As part of the investigation, staff called the Department of Taxation to explain the approach that was being considered. The information received from the Department of Taxation was the purchase of materials, if done by a government agency, is tax exempt even if they are going to hire an outside contractor to perform the work.

The District’s Legal Counsel recently reviewed the payment of sales tax in this instance evaluating the NRS statues, reviewing what other government agencies have done, and calling the Department of Taxation. When contacting the Department of Taxation, Legal Counsel received the same response as Public Works staff. Despite this, Legal Counsel has opined that materials purchased by a public agency for use by a contractor on a public works project, are not tax exempt, unless they meet a specific exemption in NRS 338.1423. Special counsel concurs with this opinion. The purchase of the pipeline does not meet any exemptions, and the District should pay sales tax on the purchase.

Public Works staff will be advising the pipeline vendor that they will need to add the sales tax on the invoice that is provided to the District. No action is necessary by the Board, as the Board approved a not to exceed amount for purchase of the pipe materials. With the reduced amount (from 8,500 lineal feet to approximately 5,500 lineal

feet) of pipe materials being purchased, the addition of sales tax will not create a situation where the amount approved by the Board is exceeded.

SRF Loan(s) and Utility Revenue Bond (Series 2023A and 2023B)

The District has scheduled concurrent "closing" on the State Revolving Loan (SRF) contracts and companion Utility Revenue Bonds on Tuesday, April 11, 2023. The package provides access to up to \$16.0 million in low-interest financing to support the Effluent Pipeline Project. The bonds are structured as private-placement bonds, purchased by the State Treasurer's Office. The District will incur interest-only payments on loan proceeds accessed through the SRF program during the course of the construction project. Principal and interest payments will commence at the conclusion of the project, or after 3 years, whichever comes first. Of the \$16 million loan package, \$240,000 is being provided through the SRF's principal forgiveness program and will not require repayment. The \$15.76 million, which constitutes the fully-amortized portion of the loan package, is secured by a pledge of net revenues of the District's Utility Fund.

Key Project Updates

For more information on current district capital projects.

Webpage Link:

<https://www.yourtahoeplace.com/ivgid/resources/construction-updates>

Financial Transparency

The Finance Department is scheduled to complete the March close by the end of the week of April 10th. Financial results through March 31, 2023 will be provided to the Board through the Third Quarter Budget Update in late April/early May. The update will also include the Q3 Popular CIP Status Report.

Update on significant projects currently underway include:

Implementation of Tyler/Munis Financial System – Staff is in the process of updating new procedures and training to facilitate timely approval and processing of invoices. Staff is also continuing to hold training sessions with Tyler on set-up of the contract management and capital projects module as well as desk-top (dashboard) financial reporting tools.

OpenGov Conversion to Tyler – This project is underway with a go live target date of April 30th.

Review and update of selected Board Policies and Practices – Capital Planning and Budgeting Policies/Practices (Policy 12.1.0, 13.1.0 and Practice 13.2.0) – Pending/delayed.

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

There were no contracts signed by the District General Manager in March 2023.

Public Records Requests

Following are the public records requests from **March 2, 2023 to April 3, 2023.**

Date Requested	By Whom	Subject	Date Responded	Status/Comments
01/26/2023	White, Lilly	E-Mails/Text Messages: All Trustees from 11/13 to present		3/23/23: Requestor advised that records are now with legal for review and Staff is working on schedule of completion date.
02/16/2023	Katz, Aaron	10-year CIP detail assigned to Ski	03/02/2023	Complete
02/25/2023	Gumz, Joy	Requesting an updated Chart of Accounts	03/07/2023	Complete
02/28/2023	Wright, Frank	Beach House Project – multiple items	02/28/2023 03/03/2023 03/17/2023	Responded on 2/28 and requester had follow up questions. Advised requester of response date of 3/31
02/28/2023	Gumz, Joy	P-Card (Jan 2022 – February 28, 2023)	03/07/2023	Complete
03/02/2023	Gumz, Joy	Personnel Policy & Whistleblower Policy	03/03/2023	Complete
03/07/2023	Katz, Aaron	For one or possibly two seasons in or about 2018 IVGID permitted the value in one or more punch cards to buy down the cost of an IVGID Mtn Golf Course play pass to zero. And for one season in or about 2020 IVGID permitted the same use of one or more punch cards to buy down the cost of an IVGID Tennis Center season pass. I would like to examine IVGID produced documents to the public explaining the particulars of both.	03/07/2023 03/15/2023	Complete
03/07/2023	Dobler, Cliff	CCMedia Agreement	03/10/2023	Complete
03/10/2023	Katz, Aaron	Beach House Staff Time	03/22/2023	Complete
03/12/2023	Dobler, Cliff	Spill Report – Effluent Pipe	03/16/2023	Complete
03/12/2023	Dobler, Cliff	Effluent Pipeline & Lining Charges		In Process
03/14/2023	Katz, Aaron	Procurement Card Purchases		In Process
03/15/2023	Gumz, Joy	Data West contract	03/17/2023	Complete
03/15/2023	Katz, Aaron	Union Contracts – OT, lunch	03/22/2023	Complete
03/15/2023	Katz, Aaron	Kaye Shackford Seminar	03/23/2023	Complete
03/16/2023	Abel, Mike	PW Emails		In Process – with Legal for review
03/16/2023	Miller, Judith	W2 Register	03/21/2023	Complete
03/16/2023	Dobler, Cliff	Spill Reports - Additional	03/22/2023	Complete
03/19/2023	Katz, Aaron	Travel Authorization – Seminar	03/21/2023	Complete
03/23/2023	Gumz, Joy	Employee Benefit Plan		In Process
03/23/2023	Wright, Frank	Golf Tee Times	03/30/2023	Complete
04/03/2023	Katz, Aaron	Summaries of all revenues and expenses assigned by staff to the following functions [Champ course range; bar cart sales; lessons, club rentals, pro shop merchandise sales; food, beer, wine and liquor sales at each golf course (in other words, NOT including those sales at the Grille Restaurant nor reported under facility sales); and, the Grille Restaurant] for the following fiscal years [July 1, 2018-June 30, 2019; July 1, 2019-June 30, 2020; July 1, 2020-June 30, 2021; July 1, 2021-June 30, 2022; and July 1, 2022-June 30, 2023 (at least to date)] separately for the District's Champ and Mountain golf courses.		In Process