

MINUTES

REGULAR MEETING OF APRIL 13, 2022

Incline Village General Improvement District

The regular meeting of the Board of Trustees of the Incline Village General Improvement District was called to order by Board Chairman Tim Callicrate on Wednesday, April 13, 2022 at 5:30 p.m. at the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

A. PLEDGE OF ALLEGIANCE*

The pledge of allegiance was recited.

B. ROLL CALL OF TRUSTEES*

On roll call, present were Trustees Tim Callicrate, Matthew Dent, Sara Schmitz, Michaela Tonking, and Kendra Wong.

Members of Staff present were Director of Human Resources Erin Feore, District General Counsel Josh Nelson, Director of Finance Paul Navazio, Engineering Manager Kate Nelson, General Manager Diamond Peak Ski Resort Mike Bandelin, and Director of Golf and Community Services Darren Howard. Members of the public physically present were Susan Marelich, Mark Marelich, Denise Davis, Diane Becker, Scott Hill, Chris Nolet, Katrina Midgley, Steve Balkenbush, Margaret Martini, Aaron Katz, Judith Miller, Frank Wright, and others.

C. INITIAL PUBLIC COMMENTS*

Judith Miller said she wanted to thank all of the candidates that are running for Trustee; she wishes you the best of luck and she hopes it is going to be a much more pleasant and fair minded experience than she thinks that the candidates have experienced in the last couple of years. Upwards and onwards, she wanted to talk a little bit about central services. She knows that is part of the budget discussion tonight and this has been something that well back in the day when we had the Diamond Peak Master Plan Steering Committee the then General Manager presented some figures on central services and we were comparing Diamond Peak to the other ski areas. Well, she asked the question about the breakdown of central services and she was a little surprised as it really didn't include all of the things that central services typically, in her experience, included – it didn't include IT. We had mentioned it several times on several occasions and she had hoped that this year was going to be different but when she looked, it seems like it is the same old formula and it was a term that she thinks our consultant used a term "simplistic calculation of central services". It is based on budgeted rather than actual experience of what these central services cost so we

did hire that consultant to make recommendations and make some improvements. It would be nice to see some of those modifications are going to be made. Maybe, we still have a quarter to go in the fiscal year and maybe we can't get close enough but usually estimated actuals are available. People wonder why so many have lost patience with the Board and the Staff but when experienced professionals, like your consultants and members of the public, point things out that need fixing unfortunately they have been ignored and the frustration level rises. Lucky for you, she has hardly uttered a curse word in your presence but not everyone is quite as reserved as she is. Please at least acknowledge their efforts at least the ones that bring constructive ideas and perhaps incorporate just a few of them. Thank you.

Aaron Katz said a constant problem we have here, with the District, is our Staff and that they don't speak the truth and then you guys go along with the untruths. Let him give you an example – the proposed Rec Fee – Agenda Item H.4. The report for the collection recites that it pays for the mire availability of use of the recreation and beach facilities above described. Yet, at page 249 of the Board packet, the Director of Finance tells us it is nothing more than a subsidy based on over budget deficiencies required to pay for debt, capital and operations. If you cut expenses and didn't intentionally budget to overspend there would be no need for a Rec Fee. Then at paragraph 2 on page 256, Staff wants you to find that the Rec Fee amounts are actually required to pay for expenses but this isn't true either. The beach fee that Staff recommends is not required. Page 195 of the Board packet demonstrates that there is a budgeting of \$827,859 in profits which go to the fund balance which is a nice way of saying funding Chairperson Callicrate's dream of a beach house restaurant in the future; this isn't required. The amount should be reduced; the beach fee should be reduced by \$107 per parcel owner but you won't do that because the ends justify the means. And when you pass this, you will be just as untruthful as your Staff; he wants you to be truthful. Thank you.

Margaret Martini said that she passed on her opportunity to speak.

Chris Nolet said thank you for allowing him to comment and hopefully it will be received positively and constructively. For the past few months, and including during the Audit Committee meeting held earlier today, there has been an ongoing discussion with respect to including some type of "enhanced review of internal controls" in the scope 2022 ACFR audit. He doesn't think any party wants to take on the notion of developing a customized scope to accomplish an "enhanced review." Rather, he would suggest that District management and the Audit Committee contract with an auditor to perform an audit of internal controls over financial reporting and issue an audit report thereon in accordance with Statement on Auditing Standards No. 130, which is titled "An Audit of Internal Control Over Financial Reporting That is Integrated with an Audit of Financial Statements." He

thinks that is clearly a best practice approach to testing the effectiveness of internal controls over financial reporting that are in large measure the basis for preparing the annual ACFR, particularly in light of the material weaknesses in internal controls reported in connection with the 2020 and 2021 audits. Of course, diligence should be completed with respect to the independence, credentials and references for our current auditor to ensure that they have the proper skills to effectively complete such an "integrated" audit for a non-public organization. Thank you.

Mike Abel said he would like to preface my comments this evening with a shout out to the General Manager Diamond Peak Ski Resort who did an outstanding job running Diamond Peak during this past very difficult season. The General Manager Diamond Peak Ski Resort is an outstanding employee of IVGID and we should all hope to see him at DP for many years to come. Thank you. His next comments relate to a dishonest Trustee. Despite the obsequious comments made in a prior Board meeting about our wonderful sacrificing Trustees and the lack of civility in our community, there are times for civility, indeed most times are appropriate for civility, but this is not such a time. He refers of course to the disgusting behavior of Chairman Tim Callicrate. Mr. Callicrate was, prior to the beginning of March this year, well aware that he is term limited out as a Trustee for the upcoming election. Despite this, he filed to run as a candidate for Trustee in the coming election. The Constitutional article on term limits, Article 15, was affirmed in the Miller v Burk case of 2008 which Callicrate was also made aware prior to his filing for office with the Washoe Registrar. The 12-year rule was affirmed by Judge Walker in the brief hearing of April 5, 2022. Despite Callicrate positioning himself before the court as an innocent victim, he again broke the law in seeking free legal advice from the Registrar of Voters and the Washoe DA. Callicrate perjured himself when he swore to the almighty God to "bear faith, allegiance and loyalty to the Nevada constitution and any ordinance resolution or law (of Nevada)". It is with pride that he tells you Trustees as well as the District General Manager that he was the one and only person in this community to file the challenge to Callicrate's illegal candidacy with the Registrar. He wants you Trustees to know that some in this community, like himself, are watching you and will challenge dishonesty, corruption, waste and stupidity when we see it. Callicrate should resign from his position as Chairman and Trustee here and now. His disgusting illegal play for re-election will bring continuous disgrace to this Board until we can get rid of his swollen egotistical head. Naturally, as the District General Manager's bobble head puppet and with the backing of the Wong and Tonking, we must wait another nine months till we can gestate Callicrate into the annals, and he says that annals, of IVGID history. (no mis-spelling). He campaigned for Callicrate in 2018 when he ran for Trustee. He campaigned as an underdog for honesty and integrity at IVGID but instead, he became the poster child for lazy feckless leadership, obsequious boot licking, and

reckless spending. The insanity of hiring a resident shrink for the IVGID Board, at a cost of over \$60,000 per year will stand as testament to your stupidity.

Gordon Meyer said his job here tonight is not to complain to the Board but he wanted to tell you a little bit about his 2 daughters who ski at Diamond Peak and hats off again to the General Manager Diamond Peak Ski Resort. Just a little bit of history, his 2 daughters started skiing at DP at the age of 2 and they were racing or joining the ski team at the age of 5. They are now a Senior at UNR and a Sophomore at UNR. His oldest will be graduating this May with a degree in community health going into a physician's assistant school. His youngest is a triple major in Spanish, French and education and is a straight A student. What he wanted to highlight, if there are any naysayers for the ski team, is that the ski team teaches independence, responsibility, and respect along with teaching you how to race. The life skills they learn are ones that go on for forever. The ski team is very important, very worthwhile and as the contract comes up for renewal he hopes it gets renewed by the Board. Thank you very much.

Ellie Dobler read from a written statement which is attached hereto.

Cliff Dobler said this written statement is to be made part of the meeting minutes. He takes great exception allowing the contract with HDR Engineering for \$322,558 for the Effluent Pipeline Project to be on the Consent Calendar. Just because there may be adequate budget money does not allow the public to be kept in the dark on what the pipeline will consist of, where it will go and will pond #1 need to be constructed before pipeline construction can begin. On March 1, 2022 a mere 6 weeks ago, the band of consultants, Granite, Jacobs, HDR and the Director of Public Works gave an "informational update on the Pipeline and a yet to be determined Storage Pond. In May, 2021 HDR was provided a contract for \$115,614 to complete 30% design, amended in August 2021 to modify tasks and deliverables. With this amendment close to \$500,000 will be spent along with the \$723,000 paid through 2019. \$1.3 million and still counting. So after the March 1 meeting one could only assume that no decisions were made other than evaluating three alternatives locations and evaluating three different materials to be used. The next step was to continue the 30% design development and construction phase planning. After the 30% design was completed in March, then a 60% design level contract amendment would be initiated. So what do we get instead? A contract and contingency for \$355,000 to get to the 60% design and then to 100% design with final BID documents delivered sometime in November (after the election). Within the Staff request for the contract there is NOT one single word on where the pipeline would go, what materials would be used or what will be the phasing. The scope of work delivered by HDR also makes no mention of the items, other than completing the Preliminary Design Report which should have been done in

March. The construction bid documents will be delivered by November 11, 2022. Could the public please be informed on what is the final decisions on location, materials and phasing. After all it has been 10 years and between \$3 to \$5 million has been wasted churning over the project but not producing any butter. Could the public be let in on the secret or more importantly take this request off the consent calendar, discuss the tasks not included in the contract and have a meaningful discussion. He realizes most Board members don't really care to know but he, along with others, do care. We have seen our money for 10 years poured down the drain and Staff working hard to avoid doing anything. Thank you.

Gail Krolick said she is candidate for IVGID Trustee, she is currently on vacation otherwise she would be in attendance this evening at the Chateau however she is sitting here listening from a beautiful place in our world and listening to individuals that, quite frankly, do not understand how to agree to disagree respectfully. She takes great issue with the fact that she is hearing about Trustees being uncaring, Trustees being liars and, more importantly, Staff being liars. Just because someone disagrees with perhaps how someone is looking at financials, etc. it is a difference of opinion. It does not mean that Staff are liars, it does not mean that Trustees are liars. She is not quite sure what happened to Mr. Abel, she does know that he did in fact as he stated did help Chairman Callicrate, and full disclosure Mr. Callicrate is like her brother by blood and she takes issue with the fact that Mr. Abel and she will have a wonderful conversation with Mr. Abel upon her return, that you called Mr. Callicrate dishonest; he does not have a dishonest bone in his body. And, quite frankly, she does not believe that any Trustee, whether she agrees or disagrees with them, has a dishonest bone in their body. She has never been so embarrassed, embarrassed, to be a neighbor of some of you. You should be ashamed of yourselves and she would simply ask that if you have questions of any Trustee, please sit down and call them. If you have questions of a Staff member, call them, sit down. These are not bad people who are trying to do the best for our community. And oh by the way the pie for the sky, the beach house, that has only been on the agenda since she has been a member of this community for 31 years. Yes, she is proud to say that this is Gail Krolick and she is calling all the members who have something to be upset about, call her as she is happy to talk with you, discuss this with your fellow neighbors, your Trustees. For God's sake there are more things that are important in the world happening for example children dying in Ukraine and you all are fighting like a bunch of babies and calling people liars. You all should be ashamed of yourselves. Thank you.

Frank Wright said he didn't have any comments tonight but listening to the public comments that were brought up about, one, the Diamond Peak ski team, his daughter is a competitive gymnast, she is a straight A student, and his other daughter was a competitive gymnast and we live in the community. No one sent

him any money or gave him donations or helped him pay for his daughter's gymnastics and he didn't expect anybody to do that. He doesn't expect his government to fund his daughter's gymnastics. Why are we funding other kids and we are being selective? He thinks that is horrible. As a community, we shouldn't be abusing public funds for a nonprofit. Let them pay and if they are not going to pay, let them go someplace else. As far as the challenge to Mr. Callicrate's candidacy, he provided Mr. Callicrate with all the information as well as the Board and his attorney should have been able to read it. He is telling you right now that he wasted a lot of people's time, he abused his authority as a Board Chairman by reaching out to the DA and to the Registrar of Voters and asking for an opinion. You can't do that, you had all the information you needed. The thing that bothers him the most about your candidacy was how you disparaged the people of Incline and Crystal Bay in your comments that were written to the Registrar of Voters where you basically made us look like a bunch of fools that we challenged you. Lots of laughs is what you put at the end of that one. We have the emails and anyone who would like to see those he would be happy to share them. This is our Board Chairman who thinks our community members are a bunch of jerks for challenging his candidacy which was illegal. 12 years is 12 years according to the judge. If you couldn't figure that out Mr. Callicrate how in the world are you figuring out all the paperwork that is coming before you that you have to make decisions on? If you can't do that, you shouldn't be a Board Chairman. He thinks you should resign immediately for your behavior. He thinks it is appalling, he thinks you did the wrong thing and to talk and call us out for challenging you is just wrong. It is pathetic and we have a right too. We have every right to because if you are violating the law, as a person running for office, who is going to stop you if we don't? You had your fingers crossed that no one would challenge you and if we hadn't challenged you, you would have been able to break the law and serve a 4th term and we would have been challenging you all the way to the Supreme Court and all the way through your candidacy. Plus, you would be taking votes away from other people. You knew it before you ran and you still did it, he finds that to be appalling. He feels sorry for you.

Margaret Martini said she would like to speak on what Gail Krolick said on acting and speaking respectfully she pointed that out very succinctly so she would like to point out that she would hope that Ms. Tonking would take her suggestions, as far as acting respectfully, to the public. Rolling of eyes and continual smirking, there you go, is not appropriate as a Board member, it's not in your position to do that, if you cannot remain and keep your own opinions to yourself, as a Board member, then you shouldn't be on this Board. So just keep that in mind and you are not acting respectfully to the public and also you are not even using good manners and she taught her daughter, who is your age, better manners than you have exhibited. Thank you.

D. APPROVAL OF AGENDA (for possible action)

Board Chairman Callicrate asked for any changes to the agenda. Trustee Dent requested that we pull Consent Calendar Item G.1. from the Consent Calendar. Board Chairman Callicrate approved the agenda as revised.

E. REPORTS TO THE BOARD*

E.1. Federal Legislative Advocate Verbal Report – Marcus Faust and/or Olivia Sanford

Marcus Faust gave a verbal update on the federal legislative activities to date. Mr. Faust said that a formal written report is forthcoming to the District General Manager which will be incorporated hereto by reference. Trustee Schmitz said that you visited 3 years ago and you talked to us about unused 595 funds that were going to be made available to us as she is curious about those funds as they are like a carrot just dangled in front of us. Mr. Faust said that those funds have not been spent elsewhere and they are being held for our project, not diverted elsewhere. Trustee Schmitz asked how much? Mr. Faust said there is \$2 million and we have sought another \$4+ million that we are working on. When the project is ready for a project cooperative agreement to be signed, there should be adequate funds ready that are to be awarded quickly. Trustee Tonking said that \$2 million is reserved for us and we don't know if that \$4 million is for us? Mr. Faust said we are working with the Sacramento USACE to see if there are some funds. We have the one action locked down and we are working on the others. Trustee Tonking asked about the Clean Water Act? Mr. Faust said the process is to get the first funds that have already been appropriated, State of Nevada administers those programs, and Congress will take until November to secure the earmark funds.

F. PUBLIC HEARING (for possible action) Reference: Nevada Revised Statutes 288.153

Public Comments will be taken on this item. The Board Chairman will set the time limit for these comments at the meeting. It is anticipated that will be 3 minutes.

F.1. Review, discuss, and possibly approve the Memorandum of Understanding between and for Incline Village General Improvement District and the Operating Engineers Local Union

No. 3, Superintendent, July 1, 2020 through and including June 30, 2023 (Requesting Staff Member: District General Manager Indra Winquest)

Trustee Tonking made a motion to open the public hearing; Trustee Wong seconded the motion. Board Chairman Callicrate called the question and the motion was passed unanimously.

Aaron Katz said he hopes that Gail Krolick is listening because we are going to be talking about how our Staff acts and she doesn't like to hear the truth. Staff is not accommodating the truth. Do you see anywhere under this contract that the members of this Union get free beach access as do their families? Do they get those benefits? He believes it is yes but it is not in the contract, therefore they don't get it. Further, your General Manager is breaching the contract. He is asking for an integration clause which means no modifications and that way there will be no question. You are not honoring this contract and you don't know why you are entering into it.

Hearing no further comments, Board Chairman Callicrate closed the public hearing comments.

Trustee Tonking made a motion to authorize the Board Chairman and Board Secretary to execute a bargaining unit agreement with the Operating Engineers Local Union No. 3 for the Superintendent employee as negotiated by the IVGID Management Team. Trustee Wong second the motion. Board Chairman Callicrate called the question and the motion passed unanimously.

Trustee Dent made a motion to close the public hearing. Trustee Tonking second the motion. Board Chairman Callicrate called the question and the motion passed unanimously.

G. CONSENT CALENDAR (for possible action)

- G.1. **SUBJECT:** Approve Amendment 2 for additional Professional Services associated with the Effluent Export Pipeline Project: 2524SS1010 – Fund: Utilities; Division: Sewer; Vendor: HDR, Engineering Inc., in the amount of \$322,558, plus an approximate 10% contingency (Requesting Staff Member: Engineering Manager Kate Nelson) ***(moved to General Business Item H.0.)***

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

H.0. SUBJECT: Approve Amendment 2 for additional Professional Services associated with the Effluent Export Pipeline Project: 2524SS1010 – Fund: Utilities; Division: Sewer; Vendor: HDR, Engineering Inc., in the amount of \$322,558, plus an approximate 10% contingency (Requesting Staff Member: Engineering Manager Kate Nelson) *(was Consent Calendar Item G.1.)*

Trustee Dent asked for updates, location, and the materials to be used. Engineering Manager Nelson said that the Board was presented with a design report that HDR Engineering has presented and it still up in the air about lining the pipe. They have identified some potential cost savings, still vetting out material type, and that is going to be driven by the amount of storage we can get. If we are able to 6 million gallons of storage, we will replace and if we can't get that, we are looking at parallel alignment. We are at 30% design and when we get to 60% we will have the alignment and materials fixed. Trustee Schmitz said you said 30% design so why does this deliverable say it is 30%? Engineering Manager Nelson said we needed to get that meeting done and we are trying to work with NDOT to help us with working through that work schedule; we had that meeting yesterday with NDOT and they did need those documents. Trustee Schmitz said are these going to be removed from this amendment? Engineering Manager Nelson said we let them work at risk, which is not preferred, however we did so in order to keep the project moving. We had the project budget and, if you miss one Board meeting, we had to make that decision and went ahead and did it. It is difficult to get everyone scheduled. Trustee Schmitz said she understands how important this project is and is it more or less than what is contained in this task item? Engineering Manager Nelson said it is somewhere around \$8,000 and then went into Task 3 and the total is around \$18,000 – between Amendment 1 and Amendment 2. Trustee Dent said when it comes to the design, do we think it will be done within the next 2 months? Engineering Manager Nelson said we are holding HDR to their schedule and keeping them on schedule.

Trustee Tonking made a motion to approve Contract Amendment 2 for additional professional services associated with the Effluent Export Pipeline Project: 2514SS1010 – Fund: Utilities; Division: Sewer; Vendor: HDR, Inc., in the amount of \$322,558.; authorize \$33,000 in contingency to account for unforeseen conditions, and authorize Staff to expend up to this amount if needed; and authorize Board Chair and Secretary to execute Amendment 2 based on a review by General

Counsel and Staff. Trustee Dent seconded the motion. Board Chairman Callicrate asked for any further comments; none were received so the question was called – the motion passed unanimously.

- H.1. SUBJECT: Review, discuss and provide direction on proposed edits to Ordinance 7, an ordinance establishing rates, rules and regulations for recreation passes and recreation punch cards by the Incline Village General Improvement District AND set the public hearing date for Ordinance 7, an ordinance establishing rates, rules and regulations for recreation passes and recreation punch cards by the Incline Village General Improvement District for Thursday, May 26, 2022 at 6 p.m.**

Public Comments will be taken on this General Business Item. The Board Chairman will set the time limit for these comments at the meeting. It is anticipated that will be 3 minutes.

Board Chairman Callicrate opened the matter for public comments.

Frank Wright said we have been working on this for a 1-1/2 years and he gets 3 minutes to explain and there is no way to explain to the Board what you need to know. The people who volunteered for this were equal and not treated equal. The ones who protected the beach deed weren't treated equal. Outside legal counsel is dragging his feet and not worth the money. You can go Webster's Dictionary and get a definition. They are dragging their feet, the General Manager and our attorney, because they want to continue to allow employees access. There is nothing in the packet that answers the question are you following the beach deed? He is asking the Board to listen to him as you can't violate that deed as that belongs to this community, it is for this community, and it is incredible that we have this. We have a General Manager who won't address it and to have him working with the attorney when he lives in Reno. Who is looking out for our community? Employees who live in Reno should never have access.

Margaret Martini read from a prepared written statement which is attached hereto.

Mike Abel said that the big gorilla here is beach passes. While we all have 5 beach passes, the committee wants to approve 5 more. The gorilla is short term rentals and with these extra passes it converts to

50,000 beach visits. Looking at the survey, this committee wants an extra 5 which may not convert this year but it may in the future. Our lawyer has done a crappy job as has our General Manager. Employee access - IVGID is only supposed to act as a fiduciary for IVGID and it would be like a securities dealer taking money from a client. Now the beach access is working around \$100,000 to \$200,000. If the Board goes ahead someone will start a fund and sue IVGID and the Board. What should be done is to allow 1 vote per parcel on these changes because there may be people voting on this proposal that aren't property owners at all.

Aaron Katz said when you don't follow the beach deed, there are unintended consequences. The problem has always been the guest. How many times has the Board been told that the guest must be accompanied by a picture pass holder? You are beholden to the employees. Make it requirement to be accompanied by a picture pass holder. Another recommendation, same result, instead of one guest fee, accompanied the fee is \$15 and if not accompanied \$25, \$30, \$50 and make it high enough to not have a problem. The other problem is that the General Manager has the opportunity to give anyone access and not pay the guest fee. Mr. Katz said he has designated every resident in Crystal Bay to be his guest, so charge an employee a fee. IVGID provides water, sewer, and trash, make the beaches and facilities pay, if it increases cost more, so be it.

Judith Miller said although there are a number of good recommendations from the Ordinance 7 Committee, here are a few points that she would like you to consider and hopefully discuss. On the issue of punch cards, according to Ordinance 7, punch cards expire in just about 2 weeks, April 30, not May 31. And then starting May 1 unless you take action beforehand, get ready for a line around the block since property owners can push as many punch cards as they want that will be good through April 30, 2023. Honestly, she doesn't understand why the committee didn't recommend doing away with punch cards altogether. They are a nightmare for accounting and they just allow just anybody to come on the beaches. What just because the survey asked if they were of value? You could give owners another value that would be much easier to administer and it would ensure access to the beaches as only by the residents, owners, and their guests. Picture passes can be used as a discount card or in some other way to store value but no alternatives were given in the survey. Survey question 18 – Should IVGID require that all guests,

including those paying for purchasing access using a recreation punch card, be accompanied by an IVGID picture passholder in order to access the beaches? 57.7% said yes so why doesn't the majority rule. Thank you. Guest definition – the proposed definition of a guest is way too permissive. If you are looking for a long range solution, the definition of a guest has to be more limiting. The new Tahoe Area Plan with its town center incentives will create additional parcels and demand for beach access. Proposed regulations allowing 2 or 3 units on every single family parcel would create another 4,000 to 8,000 dwelling units. A plan to develop Ponderosa Ranch could also add significantly to demand and not only that but the County has just decided to double the occupancy of short-term rentals starting May 20 so get ready for Memorial Day. Commercial use – she believes the recommended language for commercial use of beaches should be used consistently and it applies equally to short-term rentals not just boat launches, “commercial use of the beaches includes but is not limited to offering a beach privileges or beach access to customers or any person for rumination or offering beach access as an inducement to a potential customer by a business or a business enterprise” not a bad suggestion. Airbnb contains numerous ads for beach access is either included as part of the purchase or offered for sale for a separate fee. How is that not an inducement? Thank you.

Alex Tsigdinos said he would like to urge your support of more tightly restricted access to beaches so that deeded residents and their families can once again enjoy the privilege we invested in and continue to pay for. Over the past few years, our beaches have been become increasingly overcrowded and less usable for residents during the summer months. Our beaches are community assets not meant to be profit centers in which access is a saleable commodity or as an advertised perk for transient short-term renters not should it support STR business models. We all regard and respect Incline facilities, in addition to beach access, as community treasures. The value of these facilities is built into our property values, our property taxes have long supported their improvement and ongoing maintenance. As a practical matter, restricted privileges to Incline beaches are no different than similar amenities at places like Hyatt, Martis Creek, or other community-owned properties or resorts. Nor does it differ from the private beach access of Incline homeowners directly on the lake or HOA's directly on the lake. It is in the best interests of Incline residents to restrict beach access to residents and

property owners and their guests who are accompanied by them and that will help get this situation under control again. Thank you.

Susan Marelich read from a prepared statement which is attached hereto.

Mark Marelich read from a prepared statement which is attached hereto.

Scott Hill, Ordinance 7 Committee Member, said in late 2020 the General Manager established a Committee made up of diverse group of IV/CB residents to address revisions to Ordinance 7. As you know, Ordinance 7 was created in 1988 to establish rates and regulations regarding recreation access, including our Beaches, and was amended in 1991, '93, '95 and '98. Since 1998, modernization and updating to the Ordinance has been attempted, but disagreements have prevented even modest changes. Our committee met regularly during the last year and a half period, with a primary focus on Beach access since so many residents are concerned about Beach overcrowding. We reviewed the data on Beach access, on Picture Pass (PP) and Punch Card (PC) usage, on Timeshare and Hotel access and use, and we had discussions on Daily and Exchange Beach Access Tickets, on selling Beach access, on commercial activities including boat operators, on long term and short term rental parcel Beach access, on the definition of a Guest, on limiting a parcel owner's Beach access either daily, monthly or annually, and on disciplinary consequences for abusers. . . in short, many of the topics that residents believe are in need of updating or change. We also agreed, very importantly, on the two most important objectives for our Committee and for this process: 1) protecting our Beach Deed, and 2) providing equal Beach rights for all parcel owners. A significant majority of the Committee agrees on the Committee's recommendations, including:

- limiting the purchase of additional PP's and PC's,
- restricting commercial activities,
- eliminating Daily and Exchange Passes,
- strengthening disciplinary actions for abuses,
- allowing the full value on a PC to be used to discount the cost of all venues, and
- on the definition of a Guest.

On the other hand, the Committee – and the Community – is quite divided on whether to require a PP Holder to be present with each

guest seeking Beach access regardless of whether that guest has a PC or not, so we defer to the Board on that issue. The issue of employee access to the beaches is not relevant to either Ordinance 7 nor to the Board's consideration of our recommendations, but we do suggest, strongly, that the Board independently consider the issue of employee access. Our Community is working with an Ordinance that is 20 plus years out-of-date. We have an opportunity now to make a significant update and progress, and he strongly urges the Board to take advantage of the opportunity.

Diane Becker said she is also a member of the Ordinance 7 Committee and she wanted to take you through of how we approached the recommendations you see before you. We all first agreed on the purposes, which was to reduce beach overcrowding, protect the beach deed, give equal access to parcels so that each parcel owner was treated fairly. Once we looked at those purposes, we then identified all of the causes that we could think of that were causing beach overcrowding. Once we identified those causes, as a group, we looked at different alternatives for addressing each of those causes. And we came up with recommendations that were often the result of compromises because the only way we could reach this, because there were differing interests, was to come up with compromises but at this point it is up to you to look at each of those areas that we identified, and she thinks they were very well outlined, in the memo from the General Manager. If you look at each of the areas that we changed, and that we recommended on, you can think about whether we came up with compromises that were too strenuous or too lenient. She came on to this committee because she is a full time resident whose probably biggest interest is going to the beaches and she felt the beaches were unbelievably and unacceptably overcrowded. She may have preferred some more strenuous provisions and she has to say this we did reach these as a compromise because we spent so much time listening to what other people with other constituencies thought had what they were losing and that's now up to you to tell us or the drafters what changes you want to make to the recommendations. She thinks it is critical, the one thing that we did not make a recommendation on, was limiting the total number of guests per day that could be brought in with a picture pass holder. Today, it is an unlimited number of guests and an unlimited number of guests, if you think about it with 5 passes per place, is just something that really does require some limits and the fact that the current technology cannot accommodate that, she thinks you could

limit it so that when someone comes down once per picture pass holder there is a limitation and then perhaps you say there will be a more stringent one once the technology is improved. She would also like to quickly say that on the beach deed issue, she is confident that the lawyer is going to look at that issue but that should not be a part of or restrict your decisions on Ordinance 7. We really need to get this decided now, not wait until we get that result. Thank you.

Charley Miller said he listened to the last comment and he appreciates the work by the committee and he especially appreciates the comments of Mr. Hill and Ms. Becker. It is a long and complicated process no doubt so he will just have two comments – have to limit the number of passes you have to purchase per day and that just has to be limited and it is too difficult to say whether you have to be there in person or not and that he kind of leans towards the picture pass person needing to be present to allow the purchase to happen. The VRBO's and all those are really going to complicate the beach population. His second part is for the employees, as a former employee, he would strongly encourage the Board to maintain that access for employees as it is not an overpopulation problem as we have trouble finding employees to live here and to work here, he thinks you are talking about a small percentage of the population on the beach and we need to attract employees, it's a benefit that needs to be sustained, and it is ridiculous to take it away at this point. Thank you for your time, he appreciates it.

Krasimir Kolev said he is one of the business owners in Incline, one of the boat rental companies, he believes that we don't add any more people to the beach because a lot of his clients, maybe 90% or even more than that, just get on the boat, come back, and leave the beach premises. We also tell our clients that they don't get any beach access with the boat rental. We don't sign any contracts on the beach and everything is done prior at least 1 day before and with his booking system it is 24 hours prior. There are no payments taken on the beach, there is no paperwork done on the beach, everything is done prior. 90% and up of his clients are already Incline Village residents and they do have their picture passes or punch cards and he, as an owner, as are the other boat rental companies, does comply with guests being accompanied by a picture pass holder.

Janet Schleimer said thank you to the committee that worked hard on a difficult problem that's just difficult. The main thing she wanted to

speaking about is about requiring a picture pass holder to come to the beaches. We have so many second homeowners in this community and they allow others to use their home and give them their use of the punch card and if that is part of what is drafted, they couldn't use them. We have so many elder people who uses walkers, etc. and it is impractical to have everyone show up at the beaches to accompany their guests. As to overcrowding, we have the punch cards. Limit the number of punch cards that can be purchased, experiment around and maybe 1 year allow only 3 and see how that works, and play with it until you find a sweet spot to reduce overcrowding.

Board Chairman Callicrate called for a 10-minute break at 7:10 p.m.; the Board reconvened at 7:20 p.m.

District General Manager Winqest gave an overview of the submitted materials. Trustee Tonking said she is on board with one because when she was working at the Tennis Center it did occur. Did the committee talk about the two pilot programs – purchase a pass at the Mountain Golf Course using 50 cents on the \$1; saw a tremendous increase at the Mountain Golf Course and then the next year we did it at the Tennis Center and we saw a tremendous increase in people buying passes and with the increase in pickleball, it was very successful? District General Manager Winqest said that the flip side is that they were extremely difficult to manage within our current software so he hasn't implemented any of those programs for a variety of reasons. Trustee Tonking said she should would like the Board to consider those programs. Trustee Schmitz said, regarding the financial analysis, this has an impact on our budgets as we budget knowing how things work and with this type of change, it will mean the punch card gets more use so less revenue for services. If we are thinking about that long term, and we want to make some strategic changes, we need to do some financial analysis to ensure that we are budgeting appropriately. She understands how it impacts the revenue stream therefore we need to do it very thoughtfully. District General Manager Winqest said he doesn't disagree but we don't know how that behavior will change. Trustee Schmitz said we do have statistics and we have to make some projections because she thinks it is important to make a fully informed and wise decision. District General Manager Winqest said he agrees and it will only impact the 5 within the parcel. On the purchased ones, additional cards, those go into the that venue revenue stream. Trustee Schmitz said if we are thinking about going to RFID cards and before we make a significant change,

we should step back and do some long term strategy. Trustee Tonking said she agrees and that we could work with the Director of Finance as he budgets for punch cards already. Director of Finance Navazio said yes, there is a simple analysis and the unknown factor is how does this change behavior. We can model but it would only be information to help the Board wrestle with this information. Trustee Tonking said she would like to do it sooner. Trustee Dent said he would agree with the option of buying down the rate and also agrees with needing the financial analysis. What if we were to allow like 25% to 50% of the value of the punch card that the community can use to do whatever it wants to buy down as a suggestion. Board Chairman Callicrate said we are going to have do 1 full season and the community is aware, it will give us a more hands on and then we can see that change. There is an opportunity to move forward with the modeling so hopefully we can get it sooner rather than later. Trustee Schmitz said we do have a component of Community Services and beaches; what is the impact if it is all used at Community Services and then at the beaches? Hopefully, the Director of Finance can help us with the analysis/modeling. It is also about utilization, budget, revenue and it answers the questions we get all the time about allowance of buy down of the total fee. District General Manager Winquest moved to the next matter – limit of purchasing additional cards (picture or punch cards) and went over the committee's recommendation. Trustee Schmitz said Mr. Abel had the page from the survey and that it looked like most said up to 3. You also must consider all the administrative procedures you are going to have to write up. Maybe 3 is the right number instead of 5. Point out that there are some changes and it is work for Staff and try not to make it overcomplicated. District General Manager Winquest said administrating this is very simple. Trustee Schmitz said all she is suggesting is using the survey results and did the committee talk about that even though the survey results were less? District General Manager Winquest said yes, the committee analyzed the survey. Board Chairman Callicrate said that when you add the survey, he is fine with 5 and he would like to stick with the committee recommendation. Trustee Dent said if he had a family of 5, would he be able to buy 5 punch cards? District General Manager Winquest said yes and that is why we put it at 5 additions. Trustee Dent asked if Staff can provide that data? District General Manager Winquest said he will check with Staff to see if they can run that report. Trustee Dent said somewhere between 3 and 4 is the right number for him. Trustee Tonking said so it is a total of 10 cards such as having a family of 8 they can only purchase 2 cards. District

General Manager Winqest said that the committee talked about that and it was all about consistency. District General Manager Winqest continued to the next item – expiration of cards; one of the administrative changes that needed to be made and the expiration is May 31 each year. Trustee Schmitz said why is it that date? District General Manager Winqest said it is because it is after the budget is adopted. Trustee Schmitz asked if it would make any difference to have it at the fiscal year or would that just change the chaos to a different time? District General Manager Winqest said people want to get their cards in the first part of the season because they don't have enough value remaining. Trustee Wong asked why can't we make our cards auto renew? District General Manager Winqest said it is because people change their minds on how many they want but that is the goal to make it as automated as possible, set a deadline, and then if they don't do it by a certain time, it is auto renewed. District General Manager Winqest moved on to changing the name. No comments were made by the Board. District General Manager Winqest moved on to guest access tickets (daily beach pass and daily guest pass). No comments were made by the Board. District General Manager Winqest moved on to accompanying guests by the picture pass holder and went over the recommendation. Board Chairman Callicrate said that public comment made here this evening was that it sounds good but it would create a nightmare to all involved and very impractical. Limiting the number of visits might have some validity as that will help to curtail some overuse. District General Manager Winqest said he didn't want to make it about Staff, it's our jobs. We have trained our Staff to elevate it to a higher level, it is not about making Staff's job easier but about making it practical. Trustee Schmitz said there are times and the majority of the community said they want people to have to escort their guests to the gate. Rather than be punitive, could we come up with an incentive to try and change the behavior by paying a lesser rate and it would take financial analysis to incent behavior that we would like. It would help Staff as she has seen people at the gate being impolite. Give a little incentive to modify the behavior a little bit. Board Chairman Callicrate said an unintended consequence is what would it require with technology? District General Manager Winqest said we discussed that as a committee, is it fair to penalize those that work, etc. and that the committee knew there would be a lot of discussion on this recommendation. Trustee Schmitz said not as punitive as saying being with your guests, throwing it out there, if the behavior we want is to escort your guests, it is a way to incent that behavior. District

General Manager Winqest said anyone who is providing access to their guest, they are responsible for their behavior such that we have to make it very clear that if your guest burns down the beach house, you are responsible. Trustee Tonking said her one fear is that her friend's grandmother is not going down to the beach to get her guests into the beach and thus she is having a moral dilemma. She thinks she is more on the side of not being escorting. Trustee Wong said she is in the same boat at Trustee Tonking as we don't require that with any other venue. District General Manager Winqest said it does occur at the golf courses with the guest rate. Trustee Schmitz said she was just throwing it out as an idea. Trustee Dent said he doesn't want stop families from going to the beaches and does like the creative solution that Trustee Schmitz offered. District General Manager Winqest said that is how the committee viewed the survey, all good discussion, and the concept of enticing people. Trustee Schmitz said with punch cards being transferrable – the intention is give it to her guests – is there a better word because it is not saleable or just doled it out – the word “transferrable” and what is the intention with that word and is that language that needs to be a little clearer? District General Manager Winqest said it was developed by our forefathers. It is a term that is up for interpretation and he can chat with Counsel to see if there is a better term that we can use. District General Winqest said that the last one is limiting the amount of guests that people can bring to the beaches and he went over the submitted materials. Trustee Schmitz said we have Resolution 1575 and that is group use of the beaches with restrictive language so she is wondering what is the definition of a group? District General Manager Winqest said that is one of the policies where there is no definition of a group and if we did put in a limit, and we do have a lot of parcel owners that have family gatherings and it is researched by Staff, tracked and documented because we are looking for abuses. That is something that we would need to expand and it was brought up by a couple of committee members that do use it in that manner. Trustee Schmitz said so if we defined a threshold and those groups need reservations then by the reservation process you can have control - having a definition might be a good way to do that. District General Manager Winqest said that is fine and we look at our logs and we have turned groups down when we have too many group usages. District General Manager Winqest then went over the definition of a guest. Trustee Schmitz said she noticed that the language was inconsistent – no compensation and can be compensation – check that wording. The definition seems to make sense. Trustee Wong said she agrees with

the definition and the only item that she is a little disappointed about is the concept of a permanent guest card and the issue is she would like to create is some sort of a permanent guest card. Like to see a concept of a permanent guest card, maybe one for nanny, but she can't bring in guests and that this could count towards your 5 passes. District General Manager Winquest said this has been an issue for years and he believes that she wants to create a permanent guest card and not allow guests but would allow the person to take the person down to the beach who has valid beach access. Trustee Tonking said would it function like a punch card? District General Manager Winquest said no, assigned to a specific person, no value and not bringing in guests. This was not discussed by the committee. Trustee Dent said what are the unintended consequences? District General Manager Winquest said he hasn't much time to think about that; it is different and adds another element and is there a problem with adding a nanny? This goes back to parcel owners signing off on privileges and we are going to make that language strong on abusing privileges. Trustee Dent said he does like that idea so let's vet out this idea and try to figure out how to do this. Trustee Wong said maybe the committee could think through it and come up with something. Board Chairman Callicrate said he doesn't know if the committee is meeting again but he is meeting with some members. District General Manager Winquest said it is easy to provide information to the committee and getting their feedback and he will do that and with counsel. Trustee Schmitz said regarding the definition of guests, person is invited and it doesn't say/it's not clear that the property owner is compensated so she is wondering if the compensation isn't so specific such that they are not being compensated and are an invited guest. Trustee Tonking said this is good definition and she is interested in the concept of a guest access card. District General Manager Winquest then moved to commercial businesses. Board Chairman Callicrate said, for clarity sake, he has spoken to the Marelich family and he doesn't believe it is the intent of tightening this up is to put any legitimate business out and it is for those complying with all the requirements. To all of our boat operators, thank you for the services you offer as you keep people safe and it is an amenity that people want. Trustee Schmitz said in the language, it uses boat and watercraft – it should just be watercraft launching. You can't have someone down there selling t-shirts and that should be stated as there aren't other commercial sales allowed down there. District General Manager Winquest said it is very rare to have caught anyone slinging t-shirts. Trustee Schmitz said then maybe a blanket statement that is

more broad. District General Manager Winqest then moved onto other recommendations. Board Chairman Callicrate said we have been talking about this for 24 years and he thanks the committee for your hard work, thank you to each committee member as you put the time in, thank you to Staff, Mr. Balkenbush, and legal counsel and he is happy to move forward with these recommendations with the clarifications. Trustee Schmitz asked about the family tree – passes within the family tree - do they have a 1-year expiration? District General Manager Winqest said it is up to the owner - minimum 6 months and maximum of 5 years. The owner decides how long they want to provide that access and when they want to do that swap out. They have to come in and do that paperwork. Trustee Schmitz asked how is this proven as she knows of people who have said this is so and so and how is it administered? District General Manager Winqest said typically the owner will be present and he has not found a lot of abuse however he is sure that someone has lied. When the title company sends over the paperwork on the change in ownership, we will verify that they are on the deed. The Staff will not get into a verification process but we have been discussing, as a team, the verification process. There are things that we can do to tightening it up. Typically, they come in with the parcel number but there are some occasions when they fill out all the information. Trustee Schmitz said with the second degree perhaps they expire in 1 year? District General Manager Winqest said when they sell their property, their passes are invalidated. Trustee Tonking said she doesn't agree with Trustee Schmitz. Trustee Schmitz said she has heard enough about abuse of cards and so how can we ensure that our picture pass holders continue to enjoy the beaches? District General Manager Winqest said we expect this discussion will continue on April 27 and that he wants to identify what we are comfortable with and focus on those few things. District General Counsel Nelson said one action is to set the public hearing and assuming that the Board does that, we will do that notice. In addition to that, and in abundance of caution, this changes might be a rule and require some additional work, we will provide advance notice to the businesses and provide business impact statement comments and that would be considered at the May 11 meeting. Keep your current meeting schedule so we can follow that schedule. Board Chairman Callicrate said that the timeline that was proposed is acceptable.

Trustee Tonking made a motion to set the public hearing date for Ordinance 7, an ordinance establishing rates, rules and

regulations for recreation passes and recreation punch cards by the Incline Village General Improvement District for Thursday, May 26, 2022 at 6 p.m. Trustee Dent seconded the motion. Board Chairman Callicrate asked for additional comment.

Trustee Schmitz asked if we will be setting a meeting for the analysis, have discussion at April 27 meeting and then again on May 11?

Board Chairman Callicrate called the question – the motion was passed unanimously.

At 9:15 p.m. Board Chairman Callicrate called for a 5-minute break; the Board reconvened at 9:20 p.m.

H.2. SUBJECT: Review, discuss, and possibly award a construction contract for the Recreation Center Locker Room Remodel Project – CIP 4899FF1202 - Fund: Community Services; Division: Recreation; Vendor: Brycon Corporation, in the amount of \$871,246; plus 10% contingency, plus \$15,000 in Inspection, plus \$2,597 for lead remediation, and a Budget Augmentation of \$236,382 from the Community Services Fund Balance (Requesting Staff Member: Kate Nelson, Engineering Manager)

Engineering Manager Kate Nelson gave an overview of the submitted materials. Trustee Dent said we received one bid – why? Engineering Manager Nelson said the project is not easy and the access is not easy - the difficulty didn't help our efforts. Trustee Dent asked if we reached out to any of the other bidders that came to the pre-bid meeting? Engineering Manager Nelson said no. Trustee Dent said what about making access easier? Engineering Manager Nelson said the access we are allowing them to use is the south end and it is on the contractor to protect the pool. The east side access allows for bringing material in and not go out. Trustee Dent asked what are the hours for demolition? Engineering Manager Nelson said from May 2 to May 6, the pool will be closed; we will have a pre-construction meeting once the contract is awarded. Trustee Dent said this is a very active area; what about allowing them to access during off hours? Engineering Manager Nelson said we are open to it and we haven't had that conversation yet. Trustee Dent said we should put that in the bidding documents to come up other workable access. Engineering Manager Nelson replied understood. Trustee Schmitz asked what was the Staff time for? Engineering Manager Nelson said construction management and inspection. District General

Manager Winqest said it is for good reasons and we did delay the project. He is hoping that we don't kick this down the road and we know that contractors are slammed right now. It is an unfortunate situation but this work needs to be done. This is not a facelift but it is a complete remodel and it is time to do this work.

Trustee Tonking made a motion to award the construction contract (Attachment A) for the Recreation Center Locker Room Remodel Project – CIP 4899FF1202 - Fund: Community Services; Division: Recreation; Vendor: Brycon Corporation, in the amount of \$871,246.; authorize Staff to execute change orders for additional work not anticipated at this time of approximately 10% of the construction contract value; up to the amount of \$87,000.; authorize Staff to perform construction inspections as required throughout construction, not to exceed \$15,000.; authorize a Budget Augmentation in the amount of \$236,382 from the Community Services Fund Balance; authorize Staff to contract with Belfor Environmental, Inc. (Attachment B) for lead remediation in the amount of \$2,597. and authorize Chair and Secretary to execute contracts, based on a review by General Counsel and Staff. Trustee Wong seconded the motion. Board Chairman Callicrate asked for any further comments.

Trustee Dent said we, as a District, could do a better job with our construction documents, the rooms aren't that big, and we need to use this as a lesson so we have more competitive bids.

Board Chairman Callicrate called the question – Trustee Dent voted opposed and Trustees Wong, Callicrate, Tonking and Schmitz voted in favor; the motion passed.

H.3. SUBJECT: Receipt of Fiscal Year 2022/2023 Tentative Budget (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio gave an overview of the submitted materials. Trustee Dent said last year when we going through this, we talked about moving the Facility Fee down underneath the non-operating revenue; are we going to be doing it in this year's budget? Director of Finance Navazio said he doesn't think it is too late to do that change, if you go to agenda page packet 164, it is a presentation issue for financial presentation. In the past, State of Nevada Department of Taxation has said that they want it left where we show it. In our Enterprise Funds, we should reclassify it – where we showed it as a non-operating source of revenue. Trustee Dent said on the

carryover that he didn't see it in here? Director of Finance Navazio said the reason that the carry forwards aren't in here and not including nor planning to be a part of the Board's approved budget, is because of what we did this year, we waited until the close of the fiscal year and we came to the Board in September and we asked for approval of the carryovers. On May 11, Staff is scheduled to bring third quarter reports and Staff will do our best to preview this information. Trustee Dent asked if that was the plan moving forward? Director of Finance Navazio said Staff has been pretty good as we have been doing quarterly reports and they are on your long range calendar for May 11. Trustee Dent said regarding the effluent pipeline and those repairs, we never budget for repairs and we have them therefore should we start budgeting for them? Director of Finance Navazio said we do budget for repairs as there is money in the operating budget and sometimes we have more repairs than we budgeted for. District General Manager Winqest said we budget for repairs on the pipeline unfortunately we exceeded the budget for this year and that was because of the road repair by Granite. Engineering Manager Nelson said it was taken out of the operating budget and we have put it in the Utilities budget for effluent repair. Trustee Schmitz said that as a Board we had requested that the carryover projects be included in our budgets so we can prioritize them? Trustee Tonking said it wasn't part of our budget, was not included in the budget, and that it is about timing. Trustee Schmitz said it was her understanding that was included. Trustee Tonking said it was included on the sheet and have it at the end so we have better representation. Director of Finance Navazio said we would be reviewing and discussing the carryovers as part of the process but the carryover funding was not expected to be part of the budget adoption. We can revisit it and it is up to the Board but Staff will be bringing that information to the Board before you adopt the budget. Trustee Schmitz said on the State of Nevada form, agenda packet pages 136 and 237, why is there such a large discrepancy – curious what is the situation with agenda packet page 237? Director of Finance Navazio said the Facility Fee is on agenda packet page 236 but he will take a look at that and this is their form. Trustee Schmitz said go to beaches, on agenda packet page 239, it seems to be different as the Facility Fee is combined and not a separate line item; she is not understanding the inconsistency on reflecting the Facility Fees? Director of Finance Navazio said he will take a look at that. Trustee Schmitz said she was hoping for some consistency with reporting. Director of Finance Navazio then went over the Facility Fee allocation.

Trustee Tonking made a motion to receive a report on the Tentative Budget for FY2022-23 to be filed with the Department of Taxation (Form 4404LGF) by April 15, 2022, as required by NRS 354.596.

Trustee Dent seconded the motion. Board Chairman Callicrate asked for further comments; none were received. The question was called and Trustee Schmitz voted opposed; Trustees Callicrate, Wong, Dent and Tonking voted in favor – the motion is passed.

H.4. SUBJECT: Review, discuss and possibly approve Resolution Number 1891: A Resolution Preliminarily Approving the Report for Collection of Recreation Standby and Service Charges per parcel of \$780 with beach privileges and \$450 without beach privileges, Fiscal Year 2022/2023 and setting the public hearing date for Thursday, May 26, 2022 at 6 p.m. (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio gave an overview of the submitted materials. Trustee Schmitz asked if, on agenda packet page 255, this is the letter we have always used? In the exceptions, it has some of the language we are removing in Ordinance 7 so does this need to be updated in anticipation or eliminated because it is unsure? District General Manager Winquest said we are going to leave the language as is. Director of Finance Navazio said we would make changes on the May 26. District General Counsel Nelson concurred.

Trustee Tonking made a motion to adopt Resolution Number 1891 which preliminarily approves the Report for Collection of Recreation Standby and Services Charges (also known as the Recreation Facility Fee and Beach Facility Fee), and sets forth the public hearing date of Thursday, May 26, 2022 at 6:00 p.m. Trustee Dent seconded the motion. Board Chairman Callicrate asked for further comment, receiving none, he called the question and the motion was passed unanimously.

H.5. SUBJECT: Review, discuss and possibly take action on the written annual Audit Committee Report to the District's Board of Trustees (Requested by Audit Committee Chairman Raymond Tulloch)

Audit Committee Chairman Tulloch gave an overview of the submitted report. Trustee Schmitz said one of the things that we discussed again today, and she is going to express her disappointment, is that it was clearly documented where there were inconsistencies and not following Board policy. What is very disappointing again today is that Staff didn't provide any explanation as to why things that were expensed, then capitalized, and then

expensed; there was no explanation. She is very disappointed in the amount of time that was spent on this and she is very disappointed on the path going forward for an improved audit again this year without material weaknesses and prior period adjustments and that is the Audit Committees responsibility and she understands the disagreement and she is just disappointed. Audit Committee Chairman Tulloch said that Audit Committee had the same basic response from the Auditor and that she was going by the information provided to her. Trustee Tonking said she wanted to clarify what we are voting on and on accepting all the recommendations. Board Chairman Callicrate read the recommendation and said that we did receive and that it is back before us yet again. He spoke with the Auditor as well and it seems like it has been an impasse situation.

Trustee Wong made a motion that the Board of Trustees receive the Audit Committee report and the Management Report and take no further action. Trustee Tonking seconded the motion. Board Chairman Callicrate asked for further comment, none were received. Board Chairman Callicrate called the question – Trustees Wong, Tonking and Callicrate voted in favor; Trustees Dent and Schmitz voted opposed. The motion was passed.

I. DISTRICT GENERAL MANAGER REPORT*

District General Manager Winquest said we will be bringing back a final report on Diamond Peak on May 26 and that the third quarter financial report will be through March so you will see that information.

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

District General Manager Winquest went over the submitted long range calendar and we will be bringing back to the Board a contract to perform the design phase on the Recreation Center Expansion project very soon. Staff is trying to finalize our research on the contracts listing and it will be included in his District General Manager report soon and we will be putting together a separate long range calendar. Trustee Tonking asked if we were bringing the Trustees handbook back soon; Trustee Schmitz said she was sitting tight until we got the deliverables from Dr. Bill Mathis. Trustee Tonking asked about Policy 3.1.0; District General Manager Winquest said we will look at it and get it on the calendar. Trustee Schmitz said she thought she saw something in Ordinance 7 about a review; was a review of the Strategic Plan something we need to get on our long range calendar? District General Manager Winquest said we are going to be finalizing

our mid-year update at our next Senior Team meeting and will be including that as part of an upcoming District General Manager report.

K. FINAL PUBLIC COMMENTS*

Margaret Martini said once again 3 incompetents have voted against the Audit Committee. If you are not qualified to look at financial things, then you should take the recommendations of people who are qualified to make recommendations.

Chris Nolet said do we get endurance badges, if not, you all should.

Yolanda Knaak, IVGID candidate, said she is glad you are tackling the Ordinance 7 problem as there are so many complaints about overcrowding and in order to make good decision you have to look at data and data trends and incorporating the Audit Committee recommendations would have helped with that. She is disappointed.

Charley Miller said he wanted to follow up on his other comments and Ordinance 7 is hard work and he wants to recognize the committee as it is just not easy. Want to identify the District General Manager for the unused dollars – these are dollars that the residents have and they are hard to use. The revenue loss, that is community dollars to spend, that they should be able to spend it and that he finds it hard to believe there would be an impact. Take a look at your couples pass. Operational repairs are budgeted every year, look at that. Carryovers are so difficult when your budget starts in July. It is always difficult because the construction season is in the summer. Locker rooms – he is surprised you aren't bidding on that. What about shutting down altogether – when are you going to do that? If Trustees Dent and Schmitz talk to Staff before the meeting, then stop wasting our time with showboating when you could get it cleared up beforehand.

Gail Krolick said Mr. Katz, yes, she is listening and it hasn't gotten much better. That's ok that we don't agree. Committees are formed to look at an entire project. Board is voted in by the entire community, if they agree, they will vote for it, if they don't, they won't vote it. There are too many personal attacks and they have to stop.

L. ADJOURNMENT *(for possible action)*

The meeting was adjourned at 10:26 p.m.

Respectfully submitted,

Susan A. Herron
District Clerk

Attachments*:

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

Submitted by Iljosa Dobler: Public Comments – Iljosa Dobler 4-13-2022

Submitted by Margaret Martini: Public Comments by Margaret Martini

Submitted by Susan Marelich: Incline Boat and Marine Storage – Letter dated April 2, 2022

Public Comments - Iljosa Dobler 4-13-2022

This written statement will be made part of the meeting minutes.

We must ponder at times how one could remotely believe that this IVGID Board of Trustees and the management staff have a handle on our money or our assets.

According to the Tentative Budget for fiscal year 2023, the Capital project expenditures will be a whopping \$19.8 million.

So let's look back one year at the projections for 2023 which was done less than one year ago. The planned budget was for only \$11million and consisted of 62 projects.

The current budget for 2023 now has only 53 projects, 30 projects were deleted (48%) and 21 projects were added. The budget however was increased by 80%. Getting less for more dollars.

So if anyone is aware there is a Board Policy 12.1.0 titled Multi-Year Capital Planning, which lays out the requirements to have a plan which must 1) Identify needs, 2) Determine Costs, 3) Prioritize capital requests, and 4) Develop financing Strategies. To put these elements in place it takes LONG TERM PLANNING.

Instead what we get year after year is a capital budget which is more like a "Mexican Jumping Bean" when comparing planned projects from a year earlier.

So what's really going on? There is an election. Two of the Trustees will not be running again so after 12 years and 8 years the citizens will finally get relief from awful trustees. However, these uncaring, retiring masters of deceit and misrepresentation want to go out with a bang, approve a plan which cannot possibly be done and then run around town and bash the new Board for not being able to accomplish their "ridiculous" wishes (Wong's favorite word). Also laden the new Board with massive debt.

A reliable source informed me that Mr. Winqest indicated to him that the District only has the ability to do one major project per year. Normally that project will run over budget by 35%, not be bid, take an extra year to complete and not be up to quality standards.

A current example is the Rec Center Locker Rooms. Design Budget was \$60,000, contracts issued for \$57,000. Construction Budget was \$800,000 and the board will approve a sole bid with other costs of over \$1 million without consideration of prior staff costs. Wait for the change orders.

Then remember the Mountain Golf Course Cart Paths? Not bid, nor completed according to design documents but change orders and staff time caused costs to vastly exceed the original budget.

So at the end of the day, the Board will approve the 2023 Tentative Budget and all will be in disarray during fiscal year 2023. I will attach the worksheet on the changes from the prior year.

**Incline Village General Improvement District
 Summary of Capital Improvement Projects for F/Y ending June 30, 2023
 Comparison to 2023 plan presented in May of last year
 as compared to May of this year**

	2023 Projects Last Year	Additions	Deletions	2023 Projects This Year	2023 Budget Last Year	2023 Budget This Year
General Fund	8	1	-3	6	\$ 454,000	\$ 418,000
Public Works Shared	7	2	-6	3	535,000	138,500
Water	6	2	-3	5	1,556,000	1,695,000
Sewer	6	2	-1	7	2,262,500	13,850,000
Internal Services	2	0	-2	0	30,000	-
Championship Course	5	3	-1	7	206,700	334,700
Mountain Course	5	0	-2	3	600,000	1,138,000
Facilities	2	1	-1	2	48,500	10,000
Diamond Peak	11	3	-6	8	4,457,800	823,000
Parks	4	3	-3	4	254,500	224,500
Recreation Center	3	1	-1	3	421,000	671,000
Beaches	3	3	-1	5	182,500	485,000
	62	21	-30	53	\$ 11,008,500	\$ 19,787,700

Percentage Added 34%

Percentage Dropped -48%

Percentage Increase in Budget 80%

Source: 4-13-2022 - Tentative Budget - 2023 Capital Improvement Project Summary Report

4-13-2022 Board of Trustees meeting

Please add this to the minutes of the meeting. Public comments by Margaret Martini

Good Evening,

As a member of the Ordinance 7 Committee I am concerned that some of the issues for which the committee was formed are not being addressed tonight. Here is a recap of my observations and concerns:

1. The Ordinance 7 committee seems to be represented by only one member, Diane Heirshberg, in all negotiations with the General Manager and the hired council and most likely the current board members. There was never a committee vote that nominated her to be our sole spokesperson.
2. The council that was hired to advise the committee after several months did not address the main concerns that were present at the first committee meeting. Really, several months to come up with NOTHING but a lame explanation of a guest. Why did we pay him anything if he cannot perform in a timely manner? I would think that any qualified and astute atty would have been able to read a 2 page deed, the current Ord 7 and review the current practices of the IVGID staff and management to discern a recommendation to PROTECT THE RESTRICTED ACCESS BY THE ORIGINAL DEED. This indicates a lack of professional aptitude to accomplish what he was hired to do.
3. The most important items in the onset of the committee meetings, which have been in process for almost TWO YEARS, have not been addressed. These concerns are: following the beach deed, non-property owners access by means of being an employee of an entity IVGID who does NOT pay a rec fee on their parcels yet reserves the right to allow any "guest of their choosing" unlimited access to the beaches as well as other venues that the PROPERTY OWNERS WHO PAY THE FEES whose uses are heavily restricted and commercial enterprises who seem to have free rein to access the beaches without the restrictions of the 5 passes that are allocated to the parcel owners. Why are commercial for profit business allowed to make a profit on the restricted access beaches.
4. There are many issues that were not determined by the very attorney that was hired to address these most important issues by the committee and the public survey also. WHY IS THAT ? Summer access is just a few weeks away and we are still in the same quagmire that we started with almost two years ago.

This is truly unbelievable...but maybe not so unbelievable when we are talking about IVGID irresponsibility in management of the governance and fiscal responsibility of our community money and assets.

INCLINE BOAT STORAGE & MARINE



A Close Corporation

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

Enclosed & Secured

Date: April 2, 2022

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

893 Southwood Boulevard
Incline Village, Nevada 89451

Re: Incline Boat Storage & Marine (IBSM)

Dear IVGID Trustees:

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

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

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

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

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

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

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

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

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

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

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

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

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

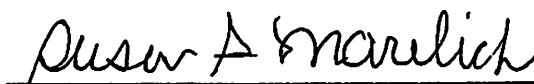
We very much appreciate your time and effort in addressing the issues that now face our community, and sincerely hope you can see the benefit in allowing us to continue doing business as we have for more than 33 years.

Thank you again for your thoughtful consideration.

Best personal regards,
Incline Boat Storage & Marine



David P. Marelich



Susan G. Marelich

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

indra_winquest@ivgid.org
sah@ivgid.org