

MINUTES

REGULAR MEETING OF SEPTEMBER 30, 2021

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 Chairman Tim Callicrate on Tuesday, September 30, 2021 at 5:05 p.m. at 955 Fairway Boulevard, the Chateau, 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.

Chairman Callicrate asked for a moment of silence in honor of Bob Lochridge, Utilities Superintendent, who recently passed away. Mr. Lochridge served 37 years with the District and Board Chairman Callicrate would like to have a moment of silence to recognize his service to the District.

Members of Staff present were Director of Finance Paul Navazio, Director of Public Works Brad Underwood, Director of Human Resources Erin Feore, General Manager Diamond Peak Ski Resort Mike Bandelin and Director of Golf/Community Services Darren Howard.

Members of the public present were Joe Schulz, Chris Nolet, Denise Davis, Steve Dolan, Ellie Dobler, Cliff Dobler, Aaron Katz, Judith Miller, and others.

C. INITIAL PUBLIC COMMENTS*

Mike Abel said big mystery for him - was Trustee Wong going to show in person for tonight's meeting. The disembodied voice and sneering comments would be sorely missed if she did not call in! His comments tonight pertain to the performance evaluation and proposed increased salary for our GM. He finds the level of boot licking done by a majority of our Trustees to be truly over the top. While he would not recommend firing our GM, the ER ratings and proposed raise certainly got his attention. Paraphrasing Dick Warren, "this is why IVGID for years has performed below par; the Board has never pressured the GM's to actually do their jobs. By ranking a guy like the GM an ER, one perpetuates incompetency and mediocrity; what motivation does the GM have to improve? None!" Barely one year into an

employment contract, except for pure greed, why does the GM not want to live up to the contract that he signed and committed to barely a year ago? Let me look at the GM's last year for instance. Naturally as an outsider, he may not see what the Board does, but this is what he sees:

1. In 2019 the Community Services Master Plan prioritized a new beach snack bar and restrooms. The GM has done absolutely nothing to implement this **priority** project, (one of five priority projects) and removed it from the 5-year plan.
2. The Lower level employees get little top down management and are ill organized and poorly motivated. Naturally a salary increase for the GM will make them all feel better. The talk on the street is, "the big guys take all of the money for themselves and give us a miserable \$15/hr. with no benefits."
3. The effluent export project is way behind schedule. (this based on a January 2020 presentation to the board)
4. The GM thumbs his nose at Board policies on agendizing and planning projects like the abortive Rec center restroom remodel. The Burnt Cedar Pool project and the effluent pond lining.
5. He has let the USFS conditional summer use permit at Diamond Peak expire (8/31/21) and there is no staff initiative to renew the DP winter use permit that is soon to expire.
6. Bid rigging and corrupt mismanagement of the Mountain Golf Path Project which Mr. Dobler has made you aware of.
7. Signing a representation letter saying that the 2020 CAFR complies with all GAAP when he has absolutely no accounting background.
8. Our GM uses his discretionary spending to lay down pavers at the rec center yet lets our Village Green go to crap. Our Village Green is a disgrace to IVGID and a sign of poor management.

Until the Board stands up to the GM and tells him to do his job and not be asking for a raise, nothing will change.

Steve Dolan said, regarding Upper Third Creek and the United States Forest Services (USFS), the USFS, as the next phase of the old Incline Lake damn, have cut off the water to the Third Creek, which has resulted in killing of many fishes. For the entire season, they ruined the spawning season for the trout. Water is now coming from Jennifer. Today, the salmon have returned to the creek that they found in 2014. District General Manager Winqest has been transparent, responded to every question he has had and that of other entities. With regards to the town's priority, it was established 4 years ago, and that was a dog park. District General Manager Winqest is in negotiations with the USFS after former President

Trump's administration. There is a lot going on with District General Manager Winquest and it takes a lot to follow every guideline. Remember that he sacrificed part of his salary when he first started thus it is appropriate to be rewarded for the good work he has done.

Judith Miller said she would like to comment regarding special counsel for the beach deed and that selection/recommendation being done by people who don't own property here. The way to resolve this would be a judicial confirmation; she hopes the Board will choose that option. If the Board is not going to go with that option, then they need to revise the selection process. As we are uncovering more and more issues regarding vendors, something you might consider is including several community members and Staff from other agencies. It was a common practice during her years of public services and is above reproach.

Aaron Katz said he has submitted several written statements to be attached to the minutes. First, the Mountain Golf Course cart paths replacement, he wrote to the Board stating that the contractor may not be performing according to the contract; asked Staff to investigate. This is a glimpse of a problem of nearly everything that is wrong that has gone on for decades. The Board can focus on it. You have a dirty Staff conspiring with a dirty contractor to benefit themselves and a General Manager who is in on the fix or being disrespectful. If it is true on what it is happening, the General Manager is totally appropriate. Hire a CMA to inform the Board and public of what is happening. If it is happening, terminate the contract immediately and hire Cruz Construction to complete the contract. Remove Staff from construction management of everything as they don't deserve to manage anything and then we hire outside for this management. Withhold salary or extension, until we find out the truth. Pursue charges against Carson and put him on a never hire list.

Frank Wright said he has been coming to these meetings for close to 12-13 years and they are a waste of time because the Board doesn't listen. There are things that are brought before you that never get discussed or resolved. He has been on the Ordinance 7 committee for over 7 months and we have been focused on the people paying the fees and lots of suggestions for those people. We are making a lot of rules for those people and others however for the employees, they don't have any rules as they access the facilities for free and they can do so for free and then they bring their guests. We have plenty of rules for those that are paying the fees. How does someone who doesn't live in this community or pay the fees get beach access for free? Now you want to hire an attorney to tell you it is ok to have that access? He isn't a lawyer but he can read the deed and doesn't see the word employees. He has come to the conclusion that our attorney doesn't know what he is talking about and that it is going to take a lawsuit from the committee to have

this settled. Now we are going to a psychologist come work with this Board – this is a waste of money.

Chris Nolet said he has been in Board rooms for 30 years and been a witness to both good and bad governance – his observations – there are two. First one is that it would be very constructive to have a feedback loop as it is probably not partially to respond during a meeting. Do a compact investigation and provide some feedback as it would be a good thing and would go a long way to get things back on track. Second, he knows that we are going to talk about Policy 15.1.0 – you are not as far apart as you think and perfect is the enemy of good. You are close to a good policy, give up on this, finish the policy, and get on with the business of the Board. There are so many things that you all of you do that are significant to this community and he thinks that we have come to the end of the discussion cycle.

Cliff Dobler read from his attached written statement.

Ellie Dobler read from his attached written statement.

Jack Dalton said everybody here has to put their mask on. He comes here occasionally and last night he came here at 5 p.m. and he sees a guy and then look who shows up for the meeting - Trustee Wong. She showed up and looked very healthy therefore he would like to understand how does she get away with not showing up here tonight as she looked great, healthy, and that she has been that way for a long time. Mr. Dalton then thanked Rhonda of the STR's which he realizes is not part of the IVGID Trustees. Somewhere along the way, while we are playing around, we have over 800 STR's, first 400 came with addresses. He looked at them and 40 came from Incline Village, so the other 800 didn't come from Incline Village. At Mr. Todoroff's Community meeting, Assemblywoman Lisa Krasner says she has to listen to everyone. That makes sense as that is what elected are to do. How many people of the 850 people don't have ownership? At any rate, on the current one, the last one is there are 25 from Washoe County – that's 2-1/2%, Crystal Bay has 20 people. If we don't have a strong Ordinance 7, STR's are going to take over.

Board Chairman Callicrate said that the beginning audio will be uploaded and available by tomorrow and that any of the missing commentary will be posted online; we apologize for technical difficulties.

D. APPROVAL OF AGENDA (for possible action)

Trustee Dent asked that the Consent Calendar item be removed and placed as the first item of General Business; Board Chairman Callicrate said that can be done.

Hearing no further changes, Board Chairman Callicrate approved the agenda as revised.

E. DISTRICT GENERAL MANAGER UPDATE (for possible action)

District General Manager Winquest said, regarding Ordinance 7, we are coming to the end of the first phase. We have been meeting for about a year and he is in the process of drafting something for the Board. He will be going over everything and he is hoping to have that come back to the Board in the next month or so; thanks to the committee for their efforts. Staff is now having bi-weekly conversations with the United States Army Corps of Engineers (USACE) and we have the draft agreement that we are working through. The USACE would like to get this done by the end of the first quarter of their fiscal year which begins tomorrow. For the next Board meeting, we will be moving along with the contract for the Mountain Golf Course Cart paths. He is allowing Staff to go through the process as he has no reason to believe that there is anything wrong but he will look into it.

Trustee Schmitz said regarding agenda packet page 8, it identifies, for the Championship Golf Course, operating costs of \$77 versus \$93 which is what we discussed during budgeting. Director of Finance Navazio said we will look at that and that when Staff did the cost of services, there were several numbers and that he will clarify as this is the cost per round. Trustee Schmitz said she does appreciate that these numbers are in here and using the costs that were the cost per round however this is a significant difference of \$20. Director of Finance Navazio said that these numbers are from the February workshop, they are pre-COVID, for Fiscal Year 2019/2020, and that we need to discuss the updated numbers as this year's costs were lower and Staff needs to do some comparison work.

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

District General Manager Winquest went over the submitted long range calendar and stated that for the October 26 meeting, Staff is adding an item for some clean up on the janitorial contract. Trustee Schmitz asked the Board what is the priority and sense of urgency on the Trustees handbook; what kind of priority do we want to place on that document so she can work on it? Trustee Dent said where did we leave it? Trustee Schmitz said we left with her to try and find templates, etc. and there isn't such a thing as it is our document and one of the things she wanted to do some more work on is roles and have that added to the Trustees handbook. But if it isn't something that is important to all of you, then she will spend her energy elsewhere. Trustee Tonking said her suggestion would be to have a draft by the end of year. Trustee Schmitz said she will do it but doesn't want to do something

that isn't important to the Board. Board Chairman Callicrate said he agrees with Trustee Tonking. Trustee Dent said he agrees with Trustee Tonking and Board Chairman Callicrate and noted that it is a good cheat sheet for candidates. Trustee Schmitz said that she will ask the District Clerk to share that document and show all Board members where we left off. District General Manager Winquest asked if you want Staff to put the draft Trustees handbook for review on the long range calendar for the December 8 meeting; Trustee Schmitz said yes.

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

G.1. Treasurers Report (for possible action)

- A. *Payment of Bills (for possible action) (For District payments exceeding \$10,000 or any item of capital expenditure, in the aggregate in any one transaction, a summary of payments made shall be presented to the Board at a public meeting for review. The Board hereby authorizes payment of any and all obligations aggregating less than \$10,000 provided they are budgeted and the expenditure is approved according to District signing authority policy) (Requesting Trustee: Treasurer Michaela Tonking)*

Treasurer Tonking went over the check list, stated that Staff and Tyler Technologies have been working together on the chart of accounts, policies are coming forward soon, and for procurement cards, with the blanket purchase orders we have been doing, we are hopeful the usage will lessen. Trustee Schmitz asked if it would be helpful to add the project code on this list and would it be difficult to add to this report? Trustee Tonking said if it is beneficial, it could be added.

G.2. Fiscal Year 2020/21 Fourth Quarter Budget Update: Fourth Quarter Financial Report Through June 30, 2021 (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio went over the submitted report. Trustee Schmitz said on agenda packet page 32, Community Services roll up, under Sources where it says Facility Fees, the actual was \$1.7 million but when you look at the very bottom, the net amount is \$2.7 million and it is a net positive which is showing that we don't need the Facility Fee for operations because the Facility Fee is \$1.7 million. She wants to make sure she is understanding it correctly and that the Board needs to understand this, for next year, where

we stand, operational, for Community Services. Director of Finance Navazio said some clarification is needed. On agenda packet page 43, Community Services Capital project fee, and he will discuss more later on in this agenda, there is a recommendation to carry over \$2.9 million to support capital. The point is well taken and at the end of the year we need to understand what we spend, etc. and we need to take a look at capital and debt. Trustee Schmitz said absolutely and when we do that and see how that relates to operations, we may see that we do not need to collect a Facility Fee for Community Services. Director of Finance Navazio said we are \$2.8 million under in expenditures. Trustee Schmitz said on agenda packet page 19, one of the things she is wondering, if it is helpful, and it is identified on agenda packet page 23, look at golf, year-end is -\$8,400 and Golf also had a contribution of \$33,000 for operations from the Facility Fees so this is helpful to us. If we didn't have it, it included \$33,000 of subsidy, while Diamond Peak is showing that it is positive and pays in \$1.65 million to the other venues, what it really shows is that we are positive by \$3.65 million. We need to show that in the report when it is a draw and show where the Recreation Fees subsidies are being used. Director of Finance Navazio said the Championship Golf Course results are on agenda packet page 33, it is not the end of the season but at the end of the fiscal year, and agenda packet page 36 is where Diamond Peak results are shown. Staff would appreciate an opportunity to show this in a better way to address your concern. Trustee Schmitz said it would be helpful for all of us and the public as well, on the summary page as well.

G.3. Fiscal Year 2020/21 Fourth Quarter Budget Update: Popular CIP Status Report Through June 30, 2021 (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio went over the submitted report. Trustee Schmitz said she was just handed a document; she doesn't understand about delay versus carryover. Director of Finance Navazio said that the Board has a lengthy discussion about this report and its definition. There are still some projects that are being discussed and an example of a delay that we aren't carrying over, into next year, and some that may be cancelled. Delayed is going to include both projects that are being carried over or on hold. Trustee Schmitz said that these definitions, handed out just now, might have been helpful earlier. In looking at the leak study, there is no budget and no variance but it says it is in process – she doesn't understand. District General Counsel Nelson said Staff is running copies of the definition document for those members in the public that desire them. Director of Finance Navazio then went on to discuss annual recurring projects and ongoing projects. This

is a conversation with the Moss Adams team that is looking at policies and he is anticipating some recommendations on improvement of this report and/or supplemental information. Trustee Schmitz said can we get an updated status report based on the new definitions? Director of Finance Navazio said yes, we could. Sometime in November, we will have the first quarter report and Staff can do it then. Trustee Dent said he does like including the definitions every time we do this report, he knows we were trying to simplify this for better understanding, and that he is in favor of making it better. Director of Finance Navazio said that document [the definitions document] was from the April 1, 2020 packet. Trustee Dent said he couldn't find it and knows others might not be able to find them. He thinks that Trustee Schmitz brought up some very good definitions and a way to make it better, so please propose it as it is a living report that we know is being worked on.

H. CONSENT CALENDAR (for possible action)

H.1. Review, discuss and possibly approve the Mathis Group Pre-Contract Board and Executive Team Interviews Proposal in the total amount of \$8,000 (Requesting Trustee: Board Chairman Tim Callicrate) – THIS ITEM WAS MOVED TO GENERAL BUSINESS ITEM I.0

I. GENERAL BUSINESS (for possible action)

I.0. Review, discuss and possibly approve the Mathis Group Pre-Contract Board and Executive Team Interviews Proposal in the total amount of \$8,000 (Requesting Trustee: Board Chairman Tim Callicrate) – THIS ITEM WAS CONSENT CALENDAR ITEM H.1.

Board Chairman Callicrate said we have been talking about a Board training for several years and it has been brought up several times. He reached out to Dr. Bill Mathis and he is one of the best in the business on setting goals, etc. We will need to come up with the additional \$1400 if this goes forward. Trustee Dent said he has just a couple of questions – what is the format, what is he doing, and can he call Dr. Mathis and ask a couple of questions? Board Chairman Callicrate said Dr. Mathis will come up and interview each Board member individually, then the General Manager, and then key members of the Senior Staff. Then he synthesizes everything and comes up with a plan for more in depth work sessions. Then we will see how it goes with the District General Manager and possibly the Sr. Team. Trustee Dent said he would like to give Dr. Mathis a phone call to discuss this as it seems

more like a process. Board Chairman Callicrate said that the first time is two days, there are in depth interviews, and then we get options to get to the next level so yes, it is a process. He does encourage you to reach out with specific questions as he can answer them in more detail. Trustee Tonking said this amount is for the first part? Board Chairman Callicrate said yes, this is for the first part and then he will come back with options. He will have several recommendations based on this meeting with us. Trustee Schmitz asked what is the desired outcome? Board Chairman Callicrate said it is to get to the next level with this Board and how we can work as a greater team. We have come a long way and would like to have us have an opportunity to strategize and he understands the changeover of the Board. He would also like to learn where our strengths and weaknesses are and also be better in giving clear and concise direction to the District General Manager that can translate to the Senior Staff. He would like to see us have the individual meetings and then we can decide where to go from there. It is also an opportunity to show our community what we can do. Trustee Schmitz said she appreciates this being put together and that one of the things she was encouraging was some additional Robert's Rules training for conduct; this seems much broader with a limited budget. It is more of a training with Board and Senior Staff, so some of the budget could come from Board and some from Staff and asked if we can reduce the cost of the assessment by using technology rather than traveling? Other vendors have done their interviews virtually and that might bring the cost down and make it more palatable. Board Chairman Callicrate said we can reach out however in person usually works better but he will reach out to him and see if we can reduce the overall costs. District General Manager Winquest said there was some discussion about using the District General Manager's contingency dollars. He is not comfortable with using those dollars for this as it should be used for emergencies. He hopes that some of the dollars could come from other areas within the budget. There have been other trainings so we can find the dollars. He wants to be transparent about where that money is coming from and that would be only if we have a Phase 2 of this effort. Trustee Dent said he does like the idea of having a Board training on Robert's Rules as it would be beneficial to all especially new Board members and that he is in favor of getting us to being a better Board. Board Chairman Callicrate asked how is the best method to move forward?

Trustee Wong made a motion to approve the Mathis Group Pre-Contract Board and Executive Team Interviews Proposal in the total amount of \$8,000. and negotiate using virtual meetings. Trustee Tonking seconded the motion.

Trustee Schmitz said Trustee Dent wanted to talk to Dr. Mathis so does that affect this? Trustee Dent asked how are we going to get feedback and he will talk about virtual meetings or a way to reduce costs with Dr. Mathis.

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

At 6:32 p.m., Board Chairman Callicrate called for a break; the Board reconvened at 6:46 p.m.

**I.1. Review, discuss and provide to the District General Manager:
(Requesting Trustee: Board Chairman Tim Callicrate)**

**(a) Performance Evaluation (in accordance with the District
General Manager's Employment Agreement, Section 7,
PERFORMANCE EVALUATION)**

Board Chairman Callicrate asked for any disclaimers. District General Counsel Nelson said we are just looking consensus today on the employment agreement as Staff will bring that back. Staff is looking for direction on the preparation of the amendment which will be brought back and that applies to items B, C, and D as well. Director of Human Resources Erin Feore gave an overview of the process that occurred. Board Chairman Callicrate provided his thoughts on the District General Manager's performance and he stands by his exceeds requirements evaluation. Trustee Tonking provided her thoughts on the District General Manager's performance and she stands by her exceeds requirements evaluation. Trustee Schmitz provided her thoughts on the District General Manager's performance and she stands by her meets requirements evaluation. Trustee Dent provided his thoughts on the District General Manager's performance and stands by his meets requirements evaluation. Trustee Wong provided her thoughts on the District General Manager's performance and stands by her exceeds requirements evaluation. Board Chairman Callicrate said we aren't voting but based on the evaluations that were submitted, there are 3 exceeds requirements and 2 meets requirements; what is the best way to move forward? Director of Human Resources Feore said the Board does need to make a motion.

Trustee Wong made a motion to give the District General Manager an overall exceeds requirements for his annual performance evaluation. Trustee Tonking seconded the motion. Board Chairman, hearing no further comments, called the question and Trustees Tonking,

Callicrate and Wong voted in favor of the motion and Trustees Schmitz and Dent voted in opposition. The motion passed.

Trustee Schmitz asked why we can't have plusses or minuses? Director of Human Resources Feore said that this is the process that has been place for several years. Board Chairman Callicrate said he has talked to our Director of Human Resources about this as well as Dr. Mathis. If there was a better process and, Dr. Mathis has suggested that there may be, we will look in to it. Board Chairman Callicrate added keep up doing a great job and that the District General Manager does have the support of the Board and that areas of improvement exist.

(b) Merit Salary Increase

Review, discuss and possibly make changes to the District General Manager's Employment Agreement (in accordance with the District General Manager's Employment Agreement, Section 3. SALARY, subparagraph 3.3 and Section 7. PERFORMANCE EVALUATION, subparagraph 7.3)

Director of Human Resources Feore gave an overview of this item. After discussion, with Trustee Wong proposing a 4% increase, Trustee Schmitz proposing a 0% increase, Trustee Dent proposing a 3% increase, Board Chairman Callicrate proposing a 3% increase and Trustee Tonking proposing a 3% increase in salary and 2% in professional development dollars based on his contracted rate, the Board consensus was 3% for a salary increase.

(c) Contract Extension

Review, discuss and possibly make changes to the District General Manager's Employment Agreement (in accordance with the District General Manager's Employment Agreement, Section 2, TERM OF AGREEMENT)

Director of Human Resources Feore gave an overview of this item. The Board of Trustees had a conversation about contract terms with clarification provided by District General Counsel Nelson. The summary was as follows:

- ✓ Trustee Wong said she is good with 2-year extension;

- ✓ Trustee Dent said he would like to discuss an extension next year at this time;
- ✓ Trustee Tonking said she would like a 1-year extension;
- ✓ Trustee Schmitz said she would like to discuss an extension next year at this time; and
- ✓ Board Chairman Callicrate said he would like a 1-year extension.
- ✓ Trustee Wong revised her statement and said she is fine with a 1-year extension and then talking about a rolling contract of 3 years.

Board Chairman Callicrate then opened the item for public comments and limited the public comments to 1 minute.

Mike Abel said that a 5-year contract is illegal under NRS 354.626; further he would suggest that the 3-year contract is illegal. City of Reno and Carson City adheres to a 2-year contract. This Board agreed to a 3-year contract 1 year ago. This is hamstringing the next Board. He is not going to object to a salary increase.

Steve Dolan said regarding the extension he agrees with Trustee Tonking, and that is when the one year gets there, you are looking. Extension is very valuable for stability thus he would recommend going with a rolling 1-year extension.

Joe Schulz said he wholeheartedly supports a 1-year contract and add 1-year and then you can revisit this dilemma next year or the year after.

Hearing no further public comments, Board Chairman Callicrate brought the matter back to the Board of Trustees.

District General Counsel Nelson said we have acknowledged this NRS and will structure it accordingly. Trustee Schmitz said that the Washoe County Manager has a 1-year contract which is through November 21, 2022.

Board Chairman Callicrate said that the consensus is for a 1-year extension to June 30, 2023 except for Trustees Dent and Schmitz who don't feel this needs to be acted upon at this time. District General Counsel Nelson said we will prepare a 1-year extension and the Board can take its action.

(d) Phone/Technology Allowance

Review, discuss and possibly make changes to the District General Manager's Employment Agreement (in

**accordance with the District General Manager's
Employment Agreement, Section 4, BENEFITS,
subparagraph 4.4)**

District General Manager Winqest gave an overview of this request. The Board's consensus is they have no problem with this change.

**I.2. Review, discuss and possibly approve augmentations to the
FY2021/22 approved budget to reflect carry-over of available
appropriations from the FY2020/21 capital budget to support
ongoing capital improvement projects (Requesting Staff
Member: Director of Finance Paul Navazio)**

Director of Finance Navazio gave an overview of the submitted material. Trustee Schmitz said, with the General Fund, the negative amount is because we overspent in the total so we are going to augment, from the General Fund, this \$8,000 - she is confused. Director of Finance Navazio said there was \$300,000 for the Tyler project. Staff estimated to spend \$225,000 and that would have left \$75,000. However, with the pace and payments, Staff thought we would have more remaining. Trustee Schmitz said so this is taking \$8,000 from the General Fund's Fund Balance? Director of Finance Navazio said it would be a reduction in this year's budget to bring it down by \$8,000. Trustee Schmitz said, on agenda page 49, \$11,586,000 – why are we not carrying that over with the \$1.7 million? Director of Finance Navazio said that the popular report has the \$2 million that has been set aside, not appropriating it yet, and it is in fund balance until appropriated. Trustee Schmitz said so it is not as a carry forward? Director of Finance Navazio said it is in the fund balance. Trustee Schmitz said that the Board has restricted it for that project so why not carry forward? Director of Finance Navazio said it remains as reserves in our fund balance and the carry forward is monies to complete projects this year; don't have to re-reserve it every year. Trustee Dent said if we were over spend in Utility and pull from the reserve fund, we would pull from that project, correct? Director of Finance Navazio said we will discuss this during the Utility Fund analysis and there is more than \$11.7 million in that fund balance that is not set aside for that project. Staff has said that we will be below that fund balance and the money for Effluent Pipeline Project is there for that project. Trustee Dent said we need to clean this up so there is enough money for a rainy day fund and then put the money we have set aside for the Effluent Pipeline Project and we need to set it aside in a separate fund that can't be taken from like it has in years past. Director of Finance Navazio said we are working on that for the next Board meeting.

Trustee Tonking made a motion to approve augmentation of the FY2021/22 approved budget to reflect carry-over of available appropriations from the FY2021/22 budget in support of ongoing capital improvement projects (as shown on Attachment A). Trustee Wong seconded. Board Chairman Callicrate, hearing no further comments, called the question and the motion was passed unanimously.

I.3. Review, discuss, and potentially approve a scope of work for special legal counsel related to the beach deed and authorize the General Manager to execute a contract with counsel not-to-exceed \$25,000 (Requesting Staff Member: District General Counsel Joshua Nelson)

District General Counsel Nelson gave an overview of the submitted material. Trustee Dent asked about the timeline for judicial review. District General Counsel Nelson said we need to bring in legal counsel to do their research and would assume months up to a year is not unrealistic. Trustee Schmitz said that there is a typo - #1 – non-resident employees and their guests. District General Counsel Nelson said that is fair and that he will make that edit. Trustee Schmitz continued and asked, on the judicial review, would we still need to hire an attorney and is it any different? District General Counsel Nelson said basically the same timeline and if we are bringing in outside counsel, we get their opinion and then decide about the judicial review. Trustee Schmitz said she has done some research and gathered some names; she would like to be a part of the selection committee. Trustee Tonking said if we did the judicial confirmation, what are the additional costs? District General Counsel Nelson said we would need a scope of work and cost estimates from litigation counsel. District General Manager Winquest said, representing the Ordinance 7 Committee, the Ordinance 7 Committee is adamant about this review and that it is important to get a third party review. He wants everyone to understand how important this is to the Ordinance 7 Committee and that there is flexibility built in. District General Counsel Nelson said about the selection, welcome Trustee Schmitz' participation, but can only have one Trustee. District General Manager Winquest said, to be clear, he and District General Counsel Nelson would be working with Trustee Schmitz and then come back to the full Board for formal approval. District General Counsel Nelson said only if the Board desires it.

Trustee Dent made a motion approve a scope of work for special legal counsel related to the beach deed, have Trustee Schmitz serve on the selection committee, and authorize the General Manager to execute a contract, with special legal counsel, in the not-to-exceed amount of \$25,000. Trustee Schmitz seconded the motion.

Trustee Wong said that she wanted to thank the people from the Ordinance 7 Committee who reached out. We have a legal opinion so she doesn't understand why we are getting another opinion and she will not be supporting this motion.

Board Chairman Callicrate, hearing no further comments, called the question – Trustees Dent, Schmitz, Tonking, and Callicrate voted in favor of the motion. Trustee Wong voted not in favor of the motion. The motion passed.

I.4. Review, discuss and possibly approve the District's Strategic Plan for 2021-2023 (Requesting Staff Member: District General Manager Indra Winquest)

District General Manager Winquest gave an overview of the submitted materials. Board Chairman Callicrate said that this is the best strategic plan and that it is a good workable document for the next couple of years. Trustee Wong said it is time to approve it. Trustee Tonking said she is excited to support it. Trustee Dent asked when he can see the 20-year capital improvement project? District General Manager Winquest said it is being worked on by Staff. Trustee Schmitz said a lot of effort has gone into this document and it shows – first question, where does training for internal controls fall? Don't know where it belongs and should it be added? On Governance, agenda packet page 178, we have the idea of retention schedules and planning, didn't know if that was going to get clarified? On the page before that, #2, agenda packet page 177, identify and prioritize Board policies and practices related to asset management. District General Manager Winquest said he will make those changes and regarding retention, Staff is working on that and we are trying to get clarity. Internal controls training is painted throughout this document and while he is happy to add it, there is enough in there on internal controls. Trustee Schmitz said the only reason she did bring it up is that it is called out in GFOA documents and that is why she brought it up.

Trustee Wong made a motion to approve the District's 2021-2023 Strategic Plan. Trustee Dent seconded the motion. Board Chairman

Callicrate, hearing no further comments, called the question – the motion was passed unanimously.

At 8:30 p.m., Board Chairman Callicrate called for a break; the Board reconvened at 8:43 p.m.

I.5. Policy 15.1.0: Accounting, Auditing and Financial Reporting, Audit Committee: Review and update from the September 2, 2021 Board Meeting – continuing discussion (Requesting Trustee: Board Chairman Tim Callicrate)

Board Chairman Callicrate gave an overview of the submitted materials. Trustee Dent said he watched the Board meeting from a month ago and is fairly up to speed on this item. We are fairly close with a couple of sticking points which he went over. He is in alignment with the recommendation received from the Audit Committee. Trustee Wong said she submitted all her comments that are included in the Board packet. Trustee Tonking said she looked at both comments and she thinks the Board can come to a middle ground. Trustee Schmitz said one of the comments that Trustee Wong made, in Section 2.2.5, no Audit Services, referenced AICPA, 2.9, specifically stated that auditors shouldn't be retained for additional services as that would be a conflict; add a statement about additional services related to the audit and thus the language needs clarification as it has to be related to the audit. Board Chairman Callicrate said that all the comments that have been brought forth are tightening up this policy. A tremendous amount of work has been done on this and there is an opportunity to make sure the language is consistent within the document to improve it. The makeup of the committee is that we need two Trustees on the committee and he would leave that the remainder is up to the Audit Committee as everything comes back to the Board. Trustee Schmitz said, as an Audit Committee member, she would prefer to have five members. With more, we can communicate more openly as we are doing our own work. Board Chairman Callicrate said he would like to see whatever cleaning up needs to happen and have one more pass at it. He doesn't want to rush through it and there is a little bit more work to go. Trustee Tonking said that makes sense and that she would like to take a look at it. Trustee Schmitz said she has no idea what Chairman Callicrate is asking. Board Chairman Callicrate said there are inconsistencies within the document and that he wanted that addressed. Trustee Tonking said she can highlight those areas and then point out areas where there is contrast and some places where there is agreement. Board Chairman Callicrate asked if Trustee Tonking was able to do a markup and then send that to District Clerk Herron? Trustee Tonking agreed to this plan.

Board Chairman Callicrate said we are almost there and that he wants to get to 99% agreement so we can move on. Trustee Wong said fundamentally we haven't agreed on how many members should be on the Audit Committee. Board Chairman Callicrate said two Trustees and then however how many the Audit Committee wants on the committee; 5 total – 3 At-Large and 2 Trustees – as he thought that worked fairly well but that there is an opportunity to tightening it up. Trustee Tonking said she is good with that and can identify the items that are action items and she will include a cover page. Board Chairman Callicrate thanked the Audit Committee members for their hard work.

I.6. Review, discuss, and possibly provide direction on next steps to further discuss and/or recommended revisions to Policy 16.1.1 Recreation Roll Policy (Requesting Staff Member: District General Manager Indra Winquest)

District General Manager Winquest gave an overview of the submitted materials. Trustee Schmitz said one thing that has always troubled her is a double negative and then the description about going on and off the rec roll. It was worded poorly to begin with, and if you don't have the ability to petition on and off the rec roll, seems like they (unbuildable lots) are being treated differently from other parcels and that is not right. It is very unfortunate that the language wasn't clear. This is a very, very complicated issue and lots of unintended consequences – we are really here to serve the residents with utilities and amenities. It puzzles her as to why we didn't stick with dwelling units because they use the services. Dwelling units means residents are being served, services are now going to commercial and do who is it we are serving. She doesn't have an agenda or a pre-conceived notion rather it just made her wonder why we don't deal with dwelling units because then we are dealing with people. Board Chairman Callicrate said that is opening a whole Pandora's box and it is an onerous situation. The District had to open it up to all commercial properties at one time. Moving forward, we as a Board, with that attorney, will help us figure this out. He wants to be aware of unintended consequences on commercial properties who have been paying fees as that probably does need to be unwound. It has been cobbled together through the years and this is a great opportunity to get it right once and for all. Trustee Dent said he reached out to the Director of Finance and asked how many commercial parcels we have; we don't know that number and we can get that information from Washoe County. Having all that information helps us to make a decision as he wants to bring clarity to all of this. Board Chairman Callicrate said it all gets back to the beach deed, bringing in outside counsel, and an individual who has experience in real

estate and Nevada law. This will give us a great opportunity to correct whatever flaws there are. District General Manager Winquest said a few things to think about – does the District have the ability to determine a non-exempt property? That is important. Why are we not assessing every hotel room or dorm room? If we do that, what are the unintended consequences. Commercial parcels are property owners and they had the ability to petition to get on the rec roll up until 1982. In the end, it is about the future and Staff will continue to find some more information. District General Counsel Nelson said that Ordinance 7 and Policy 16.1.1. are related. Having outside counsel work with us and then, pending that outcome, the Board can decide about a judicial review. Trustee Schmitz said something else that puzzles her - IVGID is an exempt property yet at the same time IVGID is providing guest access to employees to the beaches – we can't have it both ways. District General Counsel Nelson said your point is well taken and this highlights careful consideration. District General Manager Winquest said that IVGID owns the beaches and it is a subtle difference. District General Counsel Nelson said the Board of Trustees makes the rules and it is important to fully vet all these issues. Trustee Tonking said she agrees with commercial parcels and unbuildables and further that she agrees that IVGID paying the fees would be IVGID writing a check to itself. Board Chairman Callicrate said if we pay them back to ourselves then we can invite guests to use the facilities. District General Manager Winquest said we have our direction on outside counsel and will get the information on commercial parcels.

J. FINAL PUBLIC COMMENTS* - Limited to a maximum of three (3) minutes in duration.

There were no public comments made at this time.

K. ADJOURNMENT (for possible action)

The meeting was adjourned at 9:25 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 Cliff Dobler: September 29, 2021 IVGID Board of Trustee meeting, to be made a part of the minutes of the meeting.

Submitted by Iljosa Dobler: 9-30-2021 IVGID Board of Trustee meeting. To be included in minutes of meeting

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 30, 2021 regular IVGID Board meeting – Agenda Item H(1) – Step one in feel good therapy for the IVGID Board so members can all get along

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 30, 2021 regular IVGID Board meeting – Agenda Item C – Public Comments – Notwithstanding Staff are charging the public \$40,000 or more in construction management costs insofar as just Phase 1 of the Mountain Golf Course cart path replacement is concerned, they're doing an unprofessional job at an excessive cost and our GM doesn't even care? Instead he accuses diligent citizens of "disrespect".

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 30, 2021 regular IVGID Board meeting – Agenda Items I(1)(b) and I(1)(c) – Extending our GM's employment contract and giving him a compensation increase

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 30, 2021 regular IVGID Board meeting – Agenda Item I(3) – Expending another \$25,000 to secure another legal opinion insofar as issues surrounding the beach deed

Submitted by Aaron Katz: Written statement to be included in the written minutes of this September 30, 2021 regular IVGID Board meeting – Agenda Item I(6) – Proposed revisions to Recreation Roll Policy No. 16.1.1