

MINUTES

REGULAR MEETING OF OCTOBER 13, 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 Wednesday, October 13, 2021 at 6:00 p.m. via Zoom.

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 Finance Paul Navazio, Controller Marty Williams, 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 and District General Counsel Joshua Nelson.

Board Chairman Callicrate said that there were some compliance issues from the last meeting and that has been taken care of and our next meeting will be in person. Also, there will be a robust discussion regarding the Mountain Golf Course cart path project during the District General Manager report.

C. INITIAL PUBLIC COMMENTS*

Dick Warren said on page 43 of the Board Packet for the 9/30/2021 BOT meeting is the Community Services Capital Projects Fund. Under the column labeled "Current YTD Actual", Professional Services and Services & Supplies are listed as "Uses"; however, these are not capitalizable and should be expensed. Why are they listed here? The Finance Director is quite aware that these should be expensed; however, he continues to park them here in a capital projects fund. In addition, any Facility Fees associated with Professional Services and Services & Supplies should be similarly removed and listed as Facility Fees associated with Operations and not Capital Projects. Additionally, under "Sources" we see "Funded Capital Resources" as a source of funds under the column labeled "Current YTD Budget". This Funded Capital Resources of 5,594,546 is really an illegal transfer of funds from the Special Revenue Fund. This is in direct violation of NRS 354.570 "Special Revenue Fund" defined. "Special Revenue Fund" means a fund used to account for specific revenue sources, other than sources for major capital projects,

which are restricted by law to expenditures for specified purposes. Furthermore, GASB #54, para 30, states "...Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects..." It is disingenuous for the Finance Director to deliberately mislead readers of these financials. He does not know whether the Finance Director is purposely misleading readers of the financials, or he simply doesn't know what he's doing, but to produce these kinds of financials is simply stupid and useless for anyone. Thank you.

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

Aaron Katz said he has several written statements to submit. Nearly everything your Staff do over and over again and the public suffers. Same principle on items I.2. and I.3. – I.2. involves Lumos and I.3. involves golf carts. Both items fail the open meeting requirement and they are deceitful. What he believes is this is for Lumos to ratify to what FW Carson – totally unnecessary, vote no. On the golf carts, the price is at \$164,000 more because we have to give up our existing cart fleet and it is now over \$500,000 with no option to purchase - totally outrageous. Rather than a lease, we are going to be asked to sign a promissory note as EZGo offered us \$10,000. We can get more on the open market. Staff made us spend over \$3,100 a cart and those carts are good for another four years and this is for a facility budgeted to lose \$1.5 million so core golfers can have new carts. This is totally outrageous and if two of you vote no, because it requires two thirds approval, the deal is dead.

Cliff Dobler read from his written statement which is attached hereto.

Mike Abel read from his written statement which is attached hereto.

Joy Gumz said in the Raftelis final report, there is still a recommendation regarding the Audit Committee. The wording of the recommendation tries to justify its presence in the report - this attempt fails. She notified Trustee Schmitz as she is on the Audit Committee. She emailed me that she concurred - yet the recommendation remains. The recommendation is absolutely 100% inappropriate as it is out of scope. Why should a Utilities Management Review report contain any recommendations regarding the Audit Committee? She also has other concerns about this report. Raftelis relied on the financial information provided by the District but apparently did no homework. There is no reserve policy. And there are questionable payments the District has made. Example 1: Union employees in the Water and Sewer Departments are receiving payments through accounts payable that should be included in taxable wages per IRS regulations. Example 2: Public Works employee Ronnie Rector ordered merchandise totaling \$1,247.40 for

holiday gifts from LL Bean (Dec 2017). There is no public purpose for such an expense, and it is a misuse of public funds. This transaction is only one of dozens of questionable transactions paid via District procurement cards. Raftelis was notified concerning these payments, did nothing, and relied on District data. In addition, another resident and retired CPA Cliff Dobler has raised concerns regarding the report. His letter of August 3, 2021 addressed to the Board of Trustees has not been answered. She has read the letter, and believe his concerns are valid. In particular, she agrees with his statement "*Board Policy 7.1.0 and Practice 7.2.0 should never have included the Utility Fund. which is an enterprise fund and does not have a fund balance. The proper term is the Unrestricted Net Position.*" The Raftelis Report contains multiple errors and needs to be corrected and not accepted. Will the Board take action to ensure this is done? Thank you.

Judith Miller said she agrees with the previous caller on Raftelis report which didn't have public input and that she sent her public comments via e-mail which are attached hereto. There are no reports on OpenGov on the website for this fiscal year.

Yolanda Knaak said she just want to recommend if you do decide to sell the golf carts to look around for another buyer as maybe we can get more money than is planned. Thank you so much.

D. APPROVAL OF AGENDA (for possible action)

District General Manager Winquest said he would like to remove Consent Calendar Item H.1. from the agenda and General Business Item I.2. as Staff is still doing research on those items. Trustee Schmitz said she would like to move Consent Calendar Item H.2. to General Business. Board Chairman Callicrate reviewed the order of the items and approved the agenda as amended.

E. DISTRICT GENERAL MANAGER UPDATE (for possible action)

District General Manager Winquest reviewed the submitted items. Board Chairman Callicrate reminded his fellow Board members that this shall not include any personnel concerns. Trustee Schmitz asked if we are just passing over the Raftelis report or will we be circling back to that? Board Chairman Callicrate said yes, we will be coming back to that item however the Mountain Golf Course Path project is more pressing so he would like to start off with that. District General Manager Winquest said, for clarification, he has only had conversations with four out of the five Trustees on this topic. Trustee Schmitz said she thinks we had some very valuable input that all of us received from Mr. Stan Heirschberg and she thinks that Staff needs to take a good hard look at the analysis that he did because it

seems clear that we are unclear on what the contractor actually did. She did notice that on the timeline, second bullet point, it is inconsistent with the what was shared with the Board of Trustees as far as the scope. The memo that the Trustees approved had holes 3 – 5 as being the base bid and the alternate bid was holes 6 – 9. She does understand that there were linear and square footage numbers but that she wanted to point out that this is an inconsistency and what this report really shows is that all of the statements that Moss Adams made in their report and was delivered to us in about December of last year, it appears as those improvements to controls of contracts hasn't been put into place. This thinks that this has given us an idea of a breakdown of our internal controls and everything from the financing and contract signing process through the bid processing. So she thinks this is an unfortunate situation but the positive that comes out of this is that appears as though we all understand that we need to improve our internal controls, we need to implement what Moss Adams and Raftelis identified as far as management of contracts and discipline related to contracts but she thinks right now the biggest question we have is trying to understand exactly what the contractor did and what then the District is actually going to be paying for and the memo by Mr. Heirschberg did an excellent job of laying those things out and she thinks that we will have to delve into this a bit further. Board Chairman Callicrate said that Moss Adams and Raftelis has determined that we need better internal controls and this situation is unfortunate. We need to rectify what has been done, clarify and then obtain any reduction in the contract price that needs to take place. He knows that the District General Manager and the Director of Public Works have been looking into this. District General Manager Winquest said that Trustee Schmitz has brought up good points and we have had conversations and conversations were held with the Director of Public Works. There could have been tighter controls and pulverize in place (PIP) is very common especially where the area is sensitive and it makes sense to him that PIP is a good process and it should have been included as a bid alternate. We are working through some other items with the Contractor and that we, as Staff, could have done a better job in managing it a little tighter. None of us are trying to sweep it under the rug, should have notified the Board of Trustees when we switched to PIP and these are things that we need to work on. Now that we have a Project Manager in place and a District Engineer starting next month, we have a good idea of where we are going to tighten up. We owe this to the Board and the community. It is unfortunate that Staff is not allowed to respond before members of the community go to stating that we are crooks, etc. and he would encourage the community members to wait and get an understanding of everything that has been happened. Trustee Dent said he will echo comments of both Board Chairman Callicrate and Trustee Schmitz. There is definitely a breakdown in internal controls, sees this as an opportunity to listen and implement what our consultants are telling us and dive in a little deeper. It feels like we have put the consultants input on the shelf. We have got a lot of work to do, this was a sloppy

process, there has been less work and the price stays the same. When you negotiate the change, there would be a process for that and talking about that at the same time. He understands that this is a time sensitive project and we have consultants input and working with a consultant on this project – we are getting input and it appears we are choosing not to follow that advice. It was sloppy, needs to get better, the project continues as it needs to be done, and it is unfortunate that this gets elevated to this level. He knows that Staff is working on it and it is unfortunate that it comes to this. District General Manager Winquest said that Staff is in the process of working on a change order and he will get that information out as soon as it is finalized. Staff has loaded a tremendous amount of information onto our website and there is a large zip file that contains a lot of information. Trustee Schmitz said that there has been some discussion about Staff's authority on change orders where it is changing something like this that is changing everything that has been approved by the Board. This is a completely different alternative so it should come back because the Board approved a bid with a scope of work and it appears, on September 9, there was a request to change everything that came to the Board so it is not a simple change order rather it is a change of design and a complete change of design with an impact to the bid for unit pricing as Mr. Heirschberg pointed out. She understands about change orders but this was a complete change of design. Board Chairman Callicrate said it has been made abundantly clear that there were significant changes and that we have to get through this. Let's find out what the change order looks like and hopeful all these questions will be answered and then Staff can get that information out to the Board and the community. This will not happen again and this was the wakeup call that has been heard loudly and clearly. Board Chairman Callicrate then said that the Board will now discuss the Raftelis item. Trustee Schmitz said she wants to set the stage – we have had a few different consultants that have conducted interviews; Moss Adams has done a couple and then Raftelis. Moss Adams was very careful and did not let her fray outside of their scope of work and she felt they did a good job of telling her to stay within scope. Raftelis, and she should have notified someone, because in hindsight, she recognized they talked to her about Community Services, the beaches, and the Audit Committee and that had nothing to do with the essence of what they were tasked to do. She still objects to having any comments in the Raftelis report about the Audit Committee as that was outside their scope of work. And then there is the financial analysis, which is the reason she asked for tonight's agenda item to review the Utility Fund because it is not being properly reflected because we have designated funds for the Effluent Pipeline Project and it is being reflected as if it is just available as an unrestricted net position and it should not be because none of us Trustees understand it that way she doesn't believe. We all understand that there is money that has been collected and is intended to be set aside. She too is objecting to how they did this financial analysis and again because of what they put in this report is why she

asked for the Utility Fund analysis that is in tonight's packet but she is afraid that the Utility Fund analysis that is in tonight's packet is more of the same; it is continuing to represent that the money we have collected for the Effluent Pipeline Project to be just unrestricted and she doesn't think that is a proper representation given the community's understanding and given the Board's understanding. So she too objects to the Utility Fund analysis they did in this report. Trustee Wong said she has to completely disagree with what Trustee Schmitz said and that it is absolutely not how she feels and that she takes offense to her trying to represent what she believes and she is extremely angry right now. Board Chairman Callicrate said just to reiterate how he understood that what Trustee Schmitz had to say is that she thought that we were all along, and she could be wrong, he caught that out of there. Trustee Schmitz said that is exactly correct Board Chairman Callicrate and that she stipulated what she feels the majority, no, she didn't say majority, that she feels the Board believes relative to the Utility Fund. If Trustee Wong would like to speak up and she thinks that everything we are collecting from the Effluent Pipeline Project funds should just be in unrestricted net position that is definitely her point of view but her perception is that we were all on the same page as far as how we view the money that has been collected from rate payers for the Effluent Pipeline Project. Trustee Tonking said so she thinks there is some confusion on how restricted funds work and how they are viewed within financials and that so she thinks maybe during Director of Finance Navazio's presentation he can go into that with us as she thinks that might clear up some of this confusion that we are having and she believes in the way that they are presented and how they viewed it, it is restricted and the way it is laid out it doesn't follow the legal way of it being restricted because it is only restricted by the Board. So she thinks that we just need to have a conversation about that. She is going to push back a little bit on Trustee Schmitz' comments about Raffelis as she thought they did a really good job on following scope and she has seen a lot of consulting presentations and that she would push back as she thought Moss Adams breached scope on a telephone call that they had the other day and she was greatly upset and pushed back but with that being neither here or there, that Raffelis has done a really good job at following scope and she thinks they followed exactly what they asked and that when looking at that scope and matching it to where they answered it and that comparisons and that she thinks she is disagreeing with Trustee Schmitz there but that she can also see and understand your concerns and maybe in terms of the Audit Committee and that being outside of scope is that she sees that as part of looking at financial wellness and that is a big look because the Utility Fund makes up a big part of our financial wellness but she can understand why you would feel the way differently however she feels they did a really good job as a consultant so she is going to push back a little bit. Trustee Dent asked who directed Raffelis to look at the Audit Committee and their role and to waste time on that – do we know? Board Chairman Callicrate said that this is how they do their overview and all the finances and that

is how he understood it and that it's part of what they do and do a report like what we received. He doesn't consider it a waste of time and while you may that's more of a personal situation but that is how he understood it to be and he could be wrong on that but that is how they portrayed it to him because he asked the question of what all does this entail and they provided to him an explanation that he was fine with but apparently it has struck a few nerves. Trustee Dent said he didn't realize that when we went out to Raftelis that we were asking for feedback on what the makeup should be on the Audit Committee and how it compares to other governing bodies and he doesn't see how that has anything to do with the financials of the Utility Fund. There is quite a bit of write up on that specific aspect of it and he doesn't understand how any of that relates to how strong or weak the Utility Fund or internal controls are. District General Manager Winqest said in response to Trustee Dent's question – no one from Staff instructed Raftelis to look at the Audit Committee. He only had two interactions with Raftelis other than the weekly reports he was sending to the Board. When Staff got the draft report, we specifically asked them why they did that because we had questions about it as well. Their response was that this was overall governance and how the governing bodies and the governance of the District impacts the overall financial health of the utilities. It is a common practice that they use to evaluate other agencies and that was the response we got from them so hopefully that helps clarify.

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

District General Manager Winqest went over the submitted long range calendar. Trustee Schmitz asked if will you be providing us with an up to date Popular Report as part of the General Manager's report or put on the long range calendar? District General Manager Winqest said because they are minor updates, it will be included in the District General Manager's update report if that is acceptable to the Board. Trustee Schmitz said on the Raftelis report, on agenda packet pages 11 and 47, it identifies a priority for reviewing expenditures because they felt the expenditures were sort of outside the norm so is that something that you will be doing internally and reporting to us or is that something that needs to be on the long range calendar? District General Manager Winqest said, regarding Moss Adams' Recommendation 14, Staff has already looked at that and he will talk to the Director of Finance about adding an update for the Board and his preference would be to e-mail the Board and include that in a future District General Manager report as well. District General Manager Winqest said that it is his recollection that these were one time expenditures and Trustee Schmitz said she didn't recall but that she wanted to ensure that we are taking the advice that the consultants are providing to us.

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

G.1. Utility Fund Analysis – That the Board of Trustees receive a presentation related to the District’s Utility Fund to include review of financial results over the past 10+ years, fund status relative to existing Board policies, and highlighting areas where Board of Trustees direction will be needed in support of pending Utility Rate Study (Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Navazio went over the submitted materials. Trustee Schmitz said what she was referring to, with even the Raftelis report, and she might not be understanding things correctly, going to agenda packet page 339, what you are drafting and proposing for policy changes for the Proprietary Funds who have something that you have identified as “designated”. Director of Finance Navazio said yes. Trustee Schmitz continued that to her the Effluent Pipeline Project funds would be considered designated funds and the interest on those designated funds would also be in there. Wouldn’t it be more transparent for all of us if on these reports here we also had the designated funds identified because she does feel that, once we identify the designated funds, suddenly it sort of changes the picture a bit? Director of Finance Navazio said it is helpful to formalize and consistently designate restricted funds. We need to say how much is for reserve policy, how much the Board says it is for a project, and then how much is unrestricted. He does have a slide that addresses that. Trustee Schmitz said having identification on designated will help clarify the picture. Director of Finance Navazio said that will impact our budget presentation etc. and that Staff tried to highlight that via notes to the financial statements and if we agree with the sub-designations, pending concurrence from our auditors, that would be great as all of us are looking for clarity and consistency and that is the part that we haven’t had; this is just an editorial comment. Trustee Schmitz asked, as it relates to the interest, it is her understanding that the interest will be added to the Effluent Pipeline Project so will these numbers be increased by almost \$800,000? Director of Finance Navazio said he wants to be clear and that this is taking the entire interest and that it is prorated to the Effluent Pipeline Project and that would be appropriate. Staff would be adding roughly \$750,000 to the \$11.6 million that the Board has already reserved. So face value, the answer is yes. Trustee Schmitz asked the Director of Finance to go back to agenda packet page 134 as it talks about TWSA and her understanding is that Moss Adams and the auditors have advised that this should be set up as a completely

separately fiduciary fund – is that correct? Director of Finance Navazio said our current auditors are looking at this and yes, Staff does want to separate it out from the District services and operations that are in this fund; please see the slide on agenda packet page 134.

Board Chairman Callicrate called for a break at 7:45 p.m. and the Board reconvened at 7:55 p.m.

H. CONSENT CALENDAR (for possible action)

H.1. Review, discuss, and possibly authorize or award a construction contract for the Wetlands Effluent Disposal Facility Improvements Project – 2599SS1103 - Fund: Utility; Division: Sewer; Vendor: F. W. Carson Co., in the amount of \$133,438.00; plus 10% contingency (Requesting Staff Member: Director of Public Works Brad Underwood) (REMOVED FROM THE AGENDA IN ITS ENTIRETY)

H.2. Review, discuss and possibly approve the First Amendment to Employment Agreement between the Incline Village General Improvement District and Indra Winqest (Requesting Staff Member: District General Counsel Joshua Nelson) (MOVED TO GENERAL BUSINESS ITEM I.4.)

I. GENERAL BUSINESS (for possible action)

I.1. Review, discuss and provide feedback on draft revisions to selected Board Policies and Practices, including:

- **Fund Balance Policy – (Board Policy 7.1.0 and Board Practice 7.2.0)**
- **Working Capital Policy – (Board Policy 19.1.0 and Board Practice 19.2.0), and**
- **Capitalization Policy – (Board Policies 8.10 and 9.10, and Board Practice 2.9.0)**

(Requesting Staff Member: Director of Finance Paul Navazio)

Director of Finance Paul Navazio reviewed the submitted materials. There were no questions from the Board of Trustees.

I.2. Review, discuss and possibly authorize Additional Services Amendment #1 and Amendment #2 to the professional design services contract for the Mountain Golf Cart Path Replacement

Project – Fund: Community Services; Division: Golf; CIP# 3241LI2001; Vendor: Lumos and Associates in the amount of \$45,800.00 (Requesting Staff Member: Director of Public Works Brad Underwood) (REMOVED FROM THE AGENDA IN ITS ENTIRETY)

- I.3. Review, discuss and possibly approve award of low-bid procurement contract for the replacement of 80 Championship Course Golf Carts for the 2022 season – (CIP Project #3141LV1898) (Requesting Staff Member: Director of Golf/Community Services Darren Howard)**

Director of Golf/Community Services Darren Howard gave an overview of the submitted materials. Director of Finance Navazio shared a PowerPoint presentation that is an overview of what is included in the report and it will be provided/available after the meeting. Trustee Schmitz said one of the things she has been thinking about is that she knows that Staff, Trustee Wong and others have been collaborating and trying to come up with ideas on how to financially get the golf course covering its operational costs and if she is remembering correctly, she believes that Staff reported about 25% of our rounds are for non-picture passholder guests and asked if that was correct roughly? Director of Golf/Community Services Howard responded roughly, yes. Trustee Schmitz continued by asking what percentage of the current fleet has had their batteries replaced? Director of Golf/Community Services Howard said 30% right now or 26 carts that have had batteries replaced. Trustee Schmitz said so if we have 30% of our current fleet that has been updated, has anyone thought about potentially saying let's not replace the entire fleet. Let's replace half of the fleet so that when we have reservations for people who are paying \$200 a round that when they make their reservation, they are given one of the new carts and at the same time when we have our club members who are really wanting value pricing for their rounds of golf they would be helping accomplishing that by making use of a portion of our current fleet. Director of Golf/Community Services Howard asked if she wanted him to answer that? Trustee Schmitz said she is just wondering if it has been discussed or thought about? Director of Finance Navazio said what strikes him in that concept is the cost of maintaining the existing carts is potentially more expensive than the lease. Director of Golf/Community Services Howard said, from an operational standpoint, that would be a nightmare - telling a resident that they can't use a new golf cart but a non-resident can. Board Chairman Callicrate asked about the GPS system and would agree with Staff and that we would all be hung at the Chateau; not to dis your comment as he understands the basis. Trustee

Dent said he thinks that Trustee Schmitz has suggested a creative approach and that he doesn't see it as complicated as it is being made out to be rather he sees it as an upgrade as they are having their round subsidized but don't have to pay for it. One thing he struggles with is that we have golf carts that are underutilized however our wear and tear is much higher. How do we get better at that and how do we get our carts to last longer? An additional year and picking up 25% is more than previous Boards have done and how do we lower the wear and tear – he doesn't see that. We have never had an analysis or something done to help him understand it - there is an investment cost and a refurbishment cost. Just like a private business, there are cranes that are 35 years old and they maintain them. How do we do better at that and maintain our costs and maintenance? Are we not charging enough – he doesn't know and are we trying to figure it out? Director of Golf/Community Services Howard said he has heard this several times and the qualifier is what are their service standards. As to maintenance costs to keep up the carts after 4 years, the golf cart manufacturers know that 4 years, on an acid battery, is where the battery is no good anymore and the operating costs are probably pretty high. As the industry moves into lithium batteries, he thinks there is an opportunity to keep them 5 or 6 years, with the warranty being 5 years, and that it may go longer but right now there is a lack of data. However, as more golf courses get lithium battery operated carts, the warranty will go up. Trustee Dent said let's not talk about months because for 7 months they just sit. It seems like maybe we should do better with negotiation of the warranty and asked if there was a way to do better and asked why couldn't we ask for something like that? Director of Golf/Community Services Howard said we could ask however the warranty is standard but Staff can try but he doesn't think they are going to move as the standard is a 5-year warranty. Trustee Dent said the expended to date amount, \$73,000, is it from July 1 or January 1? Director of Golf/Community Services Howard said one is a fiscal year and the other is a season. When the Board decided to keep the carts, we got quite a few batteries replaced under warranty and he thinks it was from December. Director of Finance Navazio said that the calendar year straddles the fiscal year so that was the calendar year which includes prepping them in March or April and that Staff ran the numbers both ways. Trustee Dent said thank you and that it looks like that is pretty close to what you said during budget season. Trustee Tonking said she likes the idea of doing a 54-month lease to provide that cost savings. As to her initial reaction to Trustee Schmitz' suggestion, she apologizes. She is not seeing a financial savings as 30% are done already and then we would be adding another \$50,000 to get us another half of our carts. She agrees we would have a hard time telling the residents they don't get the new carts however she does appreciate the idea of cost saving and,

again, apologizes for her initial reaction. As for the lease idea, we don't need to own them outright however do they cover the maintenance? Director of Golf/Community Services Howard said we cover day to day maintenance and they cover the battery, electrical components, etc. There is a savings, utility cost savings specifically, basically these are a zero maintenance battery because they require no water and that will help out our Fleet Department with maintenance and that this affects everybody. Trustee Wong said she would prefer going the route of getting new carts and leasing them as it is the financial responsible route to go. Presently, the GPS systems don't work. To Trustee Schmitz, quite frankly she doesn't think our community would be amenable to substandard service. We have been saying, as a Board, that our residents are our number 1 priority and to give them a service different than that would be detrimental. She does know some of the recommendations that are coming and one of them is to serve our residents first whether they are in a golf club or not. To Trustee Dent, she does understand your questions and points. She owns two cars all year round, drive one for 6 months and the other for the other 6 months, and yes, she does have to maintain both of them. There is a cost of having both of them all year long. She understands what you are saying, gets your point, and there is a cost to be had to keeping them all year round. Trustee Schmitz said there were a couple of comments, in public comments, about outright selling our used carts ourselves – what are your thoughts on trade in value versus selling on the open market? Director of Golf/Community Services Howard said it has been his experience that you get the highest value from the golf cart companies. Trustee Schmitz said she would never indicate selling them individually however is there an opportunity, in the open market, for a fleet? Director of Golf/Community Services Howard said typically no, and we have always gone through the golf cart companies because they are going to give us a higher value. Trustee Schmitz said have we been provided with a purchase option at the end or do we have to ask for that as additional information? Director of Finance Navazio said, going to the chart where we summarized the proposals, one of the bidders gave us 48-month lease terms with a purchase option. Those are the things we could explore as we don't have that option. Trustee Schmitz asked if there was a down side to requesting that? Director of Finance Navazio said no. Trustee Schmitz asked if you have determined, with the recommendation, what the operational costs per round would be? Director of Finance Navazio said we need to do a more refined analysis and that there is a tie in to the pricing. Spending \$80,000 to maintain them versus \$80,000 in annual lease term - total cost versus incremental costs – absolutely, there is a cost to pay for the carts to the golf course. By spending \$80,000 for a lease, he would view that as incremental because at 24,000 rounds, it is \$3 per round and you can

factor that into the pricing and who you want to pay for the operational costs. Trustee Schmitz said that makes sense. Director of Finance Navazio said there is still some discussion to occur on choice of cart as it is not to fall on the residents but the Board has to decide where it is going to fall. Trustee Schmitz said, referring to agenda packet page 383, looking at Club Car, base with lithium batteries, it is \$533,000 and then with GPS package, it is \$533,000 and then when you go down to the end of the lease it is substantially different – can you please explain why? Director of Finance Navazio said in the bid from Club Car for lithium, agenda packet pages 406 and 407, under a purchase scenario, the cost of the GPS is included in the purchase price however under the lease, you get screen and hardware, and at the bottom of agenda packet page 406, you are paying a monthly subscription for the GPS service. Under the lease, there is a cost for the cart and then a cost for the GPS; this is just based on their proposal – agenda packet pages 406 and 407. Trustee Schmitz said she understands why you are saying; thank you. Trustee Dent said, in government, maintenance costs just keep going up and never back come down. Trustee Schmitz said request 54-month lease with a purchase option at the end. Board Chairman Callicrate said this is a two-part situation and determine what cart we want first. Board Chairman Callicrate asked District General Counsel if we can give direction or make a motion? District General Counsel Nelson said we want to make sure there is sufficient support from the Board if it is a lease as it has to pass with a 2/3 affirmative vote. Director of Finance Navazio agreed and said we should discuss about placing the order and then coming back with next steps – we need to be careful. Board Chairman Callicrate said with a 54-month lease that has been discussed which would bring down the cost, looking at to purchase them at the end or what? Director of Finance Navazio said if the Board is comfortable with replacement of the carts and that Staff recommends we accept Club Car as the low bid and if we want a lease, Staff will come back with the options so that the Board can make a decision so we need direction, from the Board, if we are going with a lease. Board Chairman Callicrate said he is in favor of a lease and looking at purchase at the end of 54-months or just a straight lease because technology is changing so often. Also, does putting in a lithium battery, reduce the weight? Director of Golf/Community Services Howard said yes about a 200-pound reduction. Trustee Wong said she is fine with Club Car and prefer the lease and give them direction to go back with 54-months and that Staff can go up to 60-months to give them ultimate flexibility. Trustee Schmitz said she is fine with doing what the Director of Finance laid out as that is the right approach. Trustee Tonking said she agrees with what the Director of Finance laid out. Trustee Dent said he can support what the Board wants to do. Board Chairman Callicrate asked if we need to do two

motions or has the direction been sufficient? District General Counsel Nelson said he would defer to Staff. Director of Finance Navazio asked for a formal motion and accept Club Car as the low bidder in order to put in an order to get into the cue and then come back with purchase or financing as having clear direction that we are going to replace the fleet with lithium batteries avoids some issues that we are dealing with on other topics.

Trustee Wong made a motion to accept the low-bid quote from Club Car, LLC for the manufacture and delivery of 80 Tempo - Lithium Battery electric golf carts. Trustee Tonking seconded the motion. Board Chairman Callicrate, hearing no further comments, called the question – the motion was passed unanimously.

Board Chairman Callicrate said that Staff can now proceed with doing the financing options as discussed and hopes that it calms down those in the golfing community who thought the Board was going in a different direction.

I.4. Review, discuss and possibly approve the First Amendment to Employment Agreement between the Incline Village General Improvement District and Indra Winquest (Requesting Staff Member: District General Counsel Joshua Nelson) *(Was Consent Calendar Item H.2.)*

District General Counsel Nelson gave an overview of the submitted materials. Trustee Dent said, as an overall comment, if we are going to be extending the District General Manager's contract an additional year, we should have his review done prior to then, so for the long range calendar, let's start working on it in May and do it in June. It feels like the timing is a little off and that we should be talking about reviewing this in June. He is not in favor of this and wasn't at the meeting as the timing is off, we need to do this in June, table it, and then move forward from there. Trustee Schmitz said she agrees with Trustee Dent and that if we do an extension now, then in July 1, it would be another extension – correct based on how this contract is written, correct? It is not as if there would be nothing, no extension happening. Her feeling is given the optics of what has been going on with the Mountain Golf Course cart path and the internal controls, she thinks it is in his best interest to defer this, do it in June of next year, and make sure his review is done in a timely manner. Trustee Schmitz continued and said that she did discuss this with Dr. Bill Mathis and his statement to her was that because this was a new General Manager without having General Manager experience, he felt it was most important for us, as a Board, to come together and make sure that we are all understanding evaluations and that we are

working together on this. Dr. Mathis' recommendation was that we would review this in June of next year. Part of the Board training that he wanted to give us was guidance and assistance on creating really measurable performance objectives that our District General Manager would be able to demonstrate before June of next year and that way we would all be confident and feel as though we are really going the right direction and that would be to renew the contract July 1 of next year. Trustee Tonking said so Trustee Schmitz are you saying that we don't renew for one year right now? As she is a little bit confused on the wording of the extension and that she is reading that it automatically renewed each year. District General Counsel Nelson said so the way it reads it says on July 1 it is extended unless either party notifies the other so right now it is extended to June 30, 2023. If next year, there is no action by either party then it extends to June 30, 2024. Trustee Schmitz said what she is trying to get out, and this has been discussed with District General Manager Winquest, is there have been some areas identified for development and improvement and that she thinks he has the capability and desire to accomplish those things and she thinks that if we could defer taking this action until late June of next year so we don't end up with a 3 to 2 vote. To her it is really important for the Board to come together and make unanimous decisions on these things and we didn't make a unanimous decision on the performance measurement that was given. So her thought process was that our District General Manager has the opportunity, desire and clarity on the areas where there were some things to develop and improve and we have a wonderful opportunity to have a 5 to 0 vote to extend it when we see those items have been addressed. Trustee Wong said maybe we can tweak the language to the automatic renewal such that it happens with an annual evaluation of MR or ER and it is contingent upon the process being done. Board Chairman Callicrate said when we have the opportunity to meet with Dr. Mathis and go through the training and based on the evaluation this year, it might be better or have more robust tools to use such that instead of MR or ER, we might have something that is more flexible. Next time we do this, we may have a better tool to use so he doesn't want to lock in the language if we find ourselves using a better tool through Human Resources and Dr. Mathis. Trustee Wong said we can amend that language and that the only reason the evaluation was this late was that there was a ton of turnover within the District General Manager's Staff and one of those were, in particular, the Director of Human Resources. The Board of Trustees can commit to getting it done and doing it after the end of fiscal year as that is because of those preliminary fiscal year end results. Trustee Wong concluded that she would like to see the agreement extended for at least a year and then address the reoccurring nature of it later. Board Chairman Callicrate said he agrees to that and that was the vote

last time – 3 to 2. He would like to ask our Attorney if the tweaking of language is an option or is it not and is this sending a message as we did accept that language? District General Counsel Nelson said that the Board directed him to prepare an amendment based on the last meeting so the Board can absolutely tweak the language if that is what is the Boards will. Trustee Dent said it is extending the agreement through June 2024 right now so when we meet in June to review him, we wouldn't be doing anything, assuming he has a meets or exceeds expectations, and that we wouldn't be doing an extension because we are doing that now and a few months early. Is his understanding correct? District General Counsel Nelson said yes, if we follow your schedule and we make sure the District General Manager's performance evaluation is completed before July 1 of next year, if the Board took no action, then the District General Manager's contract would expire June 30, 2024 and if the Board was not satisfied they could elect not to extend the contract and his contract would terminate at the end of 2023. Trustee Dent said his biggest hesitation with the reoccurring is that we went down this route once before where we hurried to have a meeting otherwise our District General Manager was going to have a 3-year extension and we wouldn't have been reviewing him at that time. So let's do a change in the language and making it contingent on the Board having the review either at the last meeting of June or the first meeting in July and not prematurely move such that July 1 came and you get an extension given where the dates fall and the meetings fall and he thinks that the Board should have something in there that aligns with the Board meeting versus an automatic renewal on July 1. We have gone down that path before, six years ago, and he doesn't think that's where we should go again. Trustee Schmitz said she doesn't see how the answer to Trustee Dent's question is written here because what she sees written is that it ends in 2022, correct? District General Counsel Nelson said yes. So it would be extending it to 2024 and then July of next year, it would either automatically or then it does get extended to 2025. District General Counsel Nelson said that is not correct and sorry for interrupting. If you take the action before you, you do not automatically extend the District General Manager's contract to June 30, 2024. You set it up so that if the Board does not take action on July 1, 2022, the District General Manager's contract will extend to June 30, 2024. If before July 1 of next year, the Board votes not to extend the option then the contract will expire on the current termination date of June 30, 2023. Trustee Schmitz said so we are not talking about making an extension today, we are talking about an extension that would take effect at July 1 of next year. District General Counsel Nelson said that is correct but the only thing, and to Trustee Dent's point, that extension would be automatically provided under the current language unless the Board took action not to exercise the option. Trustee Schmitz said

that she liked Trustee Wong's comment about instead of it having it be automatic, which Trustee Dent was speaking against also, if it was tied to language relative to the review, it holds us accountable to say we need to get the review done and we need to do it in a timely fashion. Board Chairman Callicrate said, it does if we put in the language of MR or ER and that then holds the Board to accountability before the date of July 1 of next year – would that satisfy your concerns? Trustee Schmitz said if she is understanding this correctly, so let me just reiterate to make sure she is understanding. We are not actually going to be today, if this gets approved, it is not extending his contract today. It's setting up his contract for July of next year to add a year unless action is taken not to add a year. District General Counsel Nelson said that is correct Trustee Schmitz. Trustee Schmitz said ok. Board Chairman Callicrate said it is kind of convoluted but he thinks we finally got there. Trustee Dent said he could support this if we do add a long range calendar item to June 2022 to review the District General Manager. District General Manager Winqwest said he is only going to comment on the timing of his evaluation. He absolutely agrees and concurs with Trustee Dent and others that have brought that up. He would prefer to have his evaluation close to the end of the year, of the term of that year. He thinks it was definitely wonky doing his evaluation on September 30, 3 months after that year that he was being evaluated on. The reason why he says that is for several reasons – one is sometimes 3 months later it is not fresh in your mind and a Trustee as far as where everything that went on prior to June 30; it is very typical for our evaluations within the District where we require our Staff to evaluate and complete an evaluation very near to the date of their anniversary date of when they were hired. So he absolutely agrees with that and he has no issue with being evaluated at the end of June or first meeting in July whatever makes sense to the Trustees. District General Counsel Nelson said he would appreciate whoever makes the motion to include or exclude whether the performance evaluation must be satisfactory or not.

Trustee Wong made a motion to approve first amendment to the General Manager's employment agreement with an amendment that includes adding a clause to the one-year extension that is subject to a satisfactory performance evaluation on an annual basis.

District General Counsel Nelson said what he would propose is to look at what is on agenda packet page 329, Section 2.1 in the middle, third sentence which begins the two-year term shall automatically be extended for an additional year. He would propose that this sentence be amended as follows – the two-year term shall be extended for an additional year effective

July 1, 2021 and July 1, 2022 if the General Manager receives a satisfactory performance evaluation as determined by the Board of Trustees. Trustee Schmitz said so her question is do we need to use the language of meets expectations as a minimum of meets expectations or is satisfactory clear enough? District General Counsel Nelson said he would defer to the Board and his recommendation is that satisfactory is fine to accommodate future scoring and if we use meets or exceeds expectations we might have language that is in conflict with future scoring criteria.

Trustee Wong restated her motion - Approve first amendment to the General Manager's employment agreement with amended language as District General Counsel Nelson just described. Trustee Tonking seconded the motion. Board Chairman Callicrate, hearing no further comments, called the question and the motion was passed unanimously.

Board Chairman Callicrate said thank you to all and that he appreciates the unanimous vote.

J. APPROVAL OF MEETING MINUTES (for possible action)

J.1. Meeting Minutes of September 2, 2021

District Clerk Herron said that she and Trustee Schmitz are working through a correction on a small portion of the minutes and once we have that worked out, she will e-mail the agreed to change to the Board members and update it on the website. She would appreciate an approval with that stipulation in order to be in compliance with time restrictions. Board Chairman Callicrate said the meeting minutes of September 2, 2021 are approved with those necessary corrections.

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

Cliff Dobler said he is doing this all ad lib and that given his experience on golf carts, he has had mortgages on a couple of golf courses and probably played several hundred golf courses around the country. He thinks everybody is right and you can't get into maintaining your golf carts especially at IVGID as they just don't have the bandwidth to do it. The idea of replacing 26 carts with batteries and that they had to go to the outside for \$34,000 of outside labor is not controllable. So the best thing is just to lease them. Now, he is an accountant and he thinks that was not in the

presentation and that he thinks is important is that we actually own our current fleet. So if we are going to trade it in for \$164,000 then really we should be recording a gain on that sale because it has been fully appreciated and explain to the people that the cost of the carts to lease are higher. We didn't just decide to take \$164,000 of our assets to lower the lease price and he doesn't think that was properly disclosed but come on we are giving up an asset that we own to turn around and just do a straight lease. He is not for owning the carts, he thinks you should do a 54-month/60-month lease as we know the lithium batteries will last that long and the only thing that will happen will be the cabs themselves will deteriorate and that will be the windshields, GPS and the seating. He was out there just a couple of days ago and the carts from the inside, those three items he just mentioned, are getting old but the cabs themselves are in good condition. But let's not get into speculating on options to buy and trying to maintain carts over 5 years. He just doesn't think that is a good idea so he is for just leasing them for 54 months or 60 months and be done with it. But disclose it – you are trading an asset in to look over the lease price. Thank you.

Mike Abel said during the Board of Trustees meeting on September 2, he made comments at that time that expressed his concerns and questions about the presentation for the contract for the Mountain Golf Course project. At that time, he has some serious apprehensions about the project and as we can see, it turned into a real Donny Brook disaster. He wanted to make sure that you guys knew that he had apprehensions about what was going on at that time and he thinks that the presentation that Staff gave to the Board of Trustees was pretty poor and did not even include a map which he made a big deal about. The second thing he wanted to address is that Trustee Wong is our resident drama queen, who made an outrageous comment this evening criticizing Sara Schmitz for her comments about the lack of restricted funding on the Effluent Pipeline Project. Not only is she the Board's angriest member, always making nasty and angry comments, but she also has the poorest memory on the Board. To wit, on 4/4/2020, at a Board of Trustees meeting, the Board voted to restrict \$9.6 million by a 5 to 0 vote. Wong was a member of the committee at that time and she was one of those 5 voters voting to restrict the \$9.6 million. Not only has she been nasty criticizes Trustee Schmitz, she has a pretty poor memory too. He noticed that she was sitting there looking all smug with her little Disneyland picture such that maybe she should move to Disneyland and works as an actor there because she is IVGID's worst dramatic actor. Anyway, he has a lot of apprehensions about this contract that you guys have voted to extend to our current General Manager. If he messed up a \$200,000 to \$400,000 project, how the heck can he be managing something that is coming up that

is in the area of \$20 to \$30 million like the Effluent Pipeline Project? That is pretty much his comments this evening and he is obviously not real happy with some of the stuff that went down this evening. Does want to give some kudos to the Director of Golf/Community Services as he is one of the few IVGID people who does a decent job around here but don't let that compliment go to your head.

L. 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: Public comments by Clifford F. Dobler at Board of Trustee meeting on October 13, 2021

Submitted by Iljosa Dobler: Public Comment, Board of Trustee meeting 10-13-2021

Submitted by Judith Miller: 10/13/21 IVGID Board of Trustees Meeting public comment

Submitted by Aaron Katz: Written statement to be included in the written minutes of this October 13, 2021 regular IVGID Board meeting – Agenda Item I(3) – Possible lease of 80 lithium powered Champ golf carts at a cost to the public of over half a million dollars!

Submitted by Aaron Katz: Written statement to be included in the written minutes of this October 13, 2021 regular IVGID Board meeting – Agenda Item C – Public Comments – What do we do with a General Manager (“GM”) who refuses to bring matters to the Board for possible action – here refusing to assess “dwelling units” beach (“BFF”) and/or Recreation (“RFF”) facility fees

Submitted by Aaron Katz: Written statement to be included in the written minutes of this October 13, 2021 regular IVGID Board meeting – Agenda Item C – Public Comments – What do we do with a General Manager (“GM”) who refuses to do his job – here not assuring that increased solid waste removal fees and charges are appropriate

Submitted by Aaron Katz: Written statement to be included in the written minutes of this October 13, 2021 regular IVGID Board meeting – Agenda Item H(1) – Awarding a \$133,438 construction contract for the wetlands effluent disposal facility improvement project to contractor F.W. Carson Co. (“Carson”)

Submitted by Aaron Katz: Written statement to be included in the written minutes of this October 13, 2021 regular IVGID Board meeting – Agenda Item H(2) – Proposed amendment (the language itself) to our General Manager’s (“GM’S”) employment contract

Submitted

Public Comments by Clifford F. Dobler at Board of Trustee meeting on October 13, 2021

To be included in minutes of the meeting.

My comments relate to two items

General Business item I- 2 - Two proposed amendments to Lumos design contract for the Mountain Golf Course Cart Path replacements and Underwood's memo dated 10-13-2021

- \$3,500 for construction administration of a completed project except for Hole #9 which will probably be postponed. A little late?
- \$42,500 to complete design, permitting, bidding and erosion assistance for Phase 2 and Phase 3. Erosion assistance is not in the amendments
- NO date or inclusion of the MOU with TRPA
- NO date or inclusion of the Pavement Evaluation & Recommendations report
- Indicates the amendments are on the consent Calendar which is incorrect.
- The Table listing expenditures and encumbrances does not include the \$7,600 contract with Reno Tahoe Geo Associates, nor does it include the IVGID staff time to manage construction of Phase 1.
- The 10% construction reserve is not a reserve but a design contingency. The amendments do not contemplate any construction.
- No timeline for completion are in the amendments

General Managers update. item E -

The GM has made a unilateral decision that the revised Raftelis report dated August, 2021 is final. The GM cannot even provide the proper name of the report. It is NOT a "Utilities Performance/Asset Management Review" but a "Utilities Management Review and Asset Assessment".

On August 3, 2021, I submitted a memo to this Board regarding errors in the analysis of Fund Balance/Reserves Policy section contained in the Raftelis July report. None of the errors were corrected in the revised report.

There are at least 18 incorrect statements on only two thirds of a page regarding Fund Balance/Reserves Policy. By inserting conflicting language and not following Policies and Practices or simple logic, the conclusion reached is that \$5.5 million in "reserves" exist which is **Entirely false**. Reserves are not described in the Policies or Practices. Applying a logical interpretation of the Policies and Practices for an Appropriate Levels of Working Capital, there is negative working capital of **\$261,647 at June 30, 2020 but should have been \$5,762,204**. The Report attempts to portray an idea that undefined "reserves" are reasonable when in fact the Utility Fund is broke if funds were properly set aside and restricted. A cash infusion of over \$6 million is required to comply with Policies and Practices.

I will be glad to provide a proper presentation if anyone is interested. Why accept or consider a report with so many errors and with an incorrect conclusion regarding the financial soundness of the Utility Fund? Thank you.

Public Comment - Iljosa Dobler

Board of Trustee Meeting 10-13-2021

To be included in the minutes of the Meeting

My comment relate to the October 6, 2021 informational memo by Brad Underwood regarding the change in scope of work on the Mountain Golf Course Cart Path Replacement

To begin with, my husband and I have been equal partners since 1979 in the development, construction and financing of a variety of real estate projects of all types and sizes. Since our investments and time were together, I can assure you that I am quite familiar with contracts.

So a few points:

1. Whenever there is a large disparity in bids almost 100% in this case, something is surely wrong
2. We would never agree to a change order without first establishing a cost increase or decrease, for a major change in scope.
3. The immense scope change after the Carson bid should be closely monitored. Here are a few fact to consider:

For comparison two average adult people would occupy one cubic yard

The plans called for the removal and haul off of about 609 cubic yards of existing asphalt and aggregate base. The use of a 12 cubic yard dump truck would required 50 loads to be disposed of at a waste site. This was not done by Carson.

The plans called for the installation of about 348 cubic yards of NEW aggregate base which was not done. A cubic yard is approximately a ton of aggregate base which would cost \$34,800 at \$10 per ton, not including delivery.

A Work Change Directive under Article 11.03 of the Carson contract is double talk as two of the three main construction elements (removal and haul off, new base and new asphalt) would require a change in price.

Carson would be entitled to an amount for pulverizing the existing asphalt and base materials.

Hole #9 has not been not completed and would require a reduction in the Carson contract.

Lumos, the engineer of record, apparently was not engaged or informed by IVGID about the change in plans.

4. Cliff and I are of the opinion that the project should have been rebid and the approach used by IVGID was not appropriate.

Citizens can only hope that an outside arbitrator will be engaged to settle up this contract. Thank you.

There have been many Board packets with several objectionable items, but I haven't seen this much rotten stuff since the power went out for six days and I had to clean out my refrigerator. This packet is replete with items that are incredibly offensive and only serve to increase public distrust. Since I cannot possibly comment on all of these in a mere 3 minutes, please include my written comments in the minutes of this meeting.

First, we have the Raftelis report on Utilities Management and Assets.

Rather than a report to shed light on problems identified by the Board and the public, much of this report is more of a "feel good" marketing publication, not a really focused study to address problems. This is not what the Board had in mind when they approved hiring a consultant. Were members of the Audit Committee asked about their expectations?

Although the first three recommendations make sense, the fourth, an opinion about the makeup of the Audit Committee is clearly out of the scope of what this consultant and contract was supposed to address. I'm guessing staff and certain board members had the consultant include this to prop up their own view that we should not have citizens on the Audit Committee. This theory is promoted by the GFOA, but what is GFOA, an organization of public employees (finance officers), not those who oversee their activities. Of course they want only elected officials/trustees to serve on the Audit Committee. As we have already seen trustees, even the few with knowledge of government accounting, CAFR's and internal controls, often don't have the time to devote to these activities.

The statement that the primary purpose of the Board is to provide strategic direction is totally incorrect. That is the purpose that has been pushed by staff. What happened to oversight? And according to NRS Chapter 318.175 the Board has the power "To manage, control and supervise all the business and affairs of the district."

And saying there has to be uniform support for policies and practices is like saying "get in line; don't question". This is the same flawed mentality that permeates our national politics. If even one trustee sees major problems with a policy, they have every right to express their concern and hopefully through reasoned discussions, can either convince other board members or alternatively convince the public to elect likeminded trustees. Policies do need to be acknowledged and adhered to. However, numerous policies have been approved that make absolutely no sense or are outdated (by the Board's own admission). Others have been completely ignored by staff because there are no consequences. Continuous improvement of these policies, as new board members take office with perhaps greater/different areas of expertise, is something to be encouraged, not stifled.

I cannot blame Raftelis. They were told to gather information from staff, not from the public. The same thing is happening with the Utility Rate Study. The consultant has been told not to speak with members of the public. So much for transparency. I can only ask that in the future, consultants have a workshop that is open to the public where they can voice their concerns.

Next, there's the amendment to Indra's contract. I take issue with Mr. Dolan's assertion that this the contract extension will not hamstring future boards. My remarks are not intended as a criticism of our current GM. These are just considerations that any board should be aware of when drafting an employment contract. Should new candidates be elected in 2022, those new board members will take office on January 1, 2023. The GM's contract has provisions for severance pay with benefits amounting to nearly a quarter of a million dollars or more payable if the GM is terminated any time before its expiration. This would be a major impediment should a board wish to terminate the general manager. The Board would essentially be forced to keep a GM until the end of their contract. Once the proposed contract extension is approved, practically speaking, it cannot be altered. Please make a contract amendment that is fair to both parties.

<u>SCENARIO</u>	<u>SEVERANCE PAY</u>	<u>IMPACT ON NEW BOARD</u> (taking office on 1/1/2023)
Current 3 year term (likely unlawful) as written would have expired on 6/30/2023	Required severance pay for any termination before 6/30/2023.	Realistically they would not initiate any termination before 6/30/2023 (hands tied for 6 months). GM would have 6 months to negotiate a new contract with this Board.
As proposed on 9/30/2021	Required severance pay for any termination before 6/30/2025.	No termination before 6/30/2025 (hands tied for 2 ½ years). GM would have 2 ½ years to negotiate a new contract with this Board.
As proposed in 10/13 packet, 2 contract extensions would occur automatically during term of current board, extending the contract to 6/30/2024.	Required severance pay for any termination before 6/30/24.	No termination before 6/30/2024 (hands tied for 1 ½ years). GM would have 1 ½ years to negotiate a new contract with this Board.

And yet another example of lack of transparency: we still don't have an answer from our HR Director as to the source of the request for a contract extension. The one proposed was like "ruling from the grave". Please ensure in the future that when a contract amendment is proposed, we know who initiated the request.

Others will comment on the Mountain Golf Course Cart Path Phase 1 fiasco. I will just say that a Change order that is not in writing is no change order. The whole contracting process is suspect when a vendor is allowed to substitute less costly materials and service without a properly

executed change order. Please ask for an investigation by an outside agency reporting to the Board.

Then there's the sloppily prepared Championship Golf Cart procurement memo, with missing materials and confusing, not convincing, arguments in support of staff's recommendation. Please require staff to come back to the Board with a complete and coherent proposal.

Hopefully the "refrigerator" can be thoroughly cleaned out. It won't be easy for the District to get rid of all the rotten items. And if we can't get rid of the smell, maybe it's time for a new refrigerator.

Judith Miller

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 13, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM I(3) – POSSIBLE LEASE OF 80 LITHIUM POWERED CHAMP GOLF CARTS AT A COST TO THE PUBLIC OF OVER HALF A MILLION DOLLARS!

Introduction: Here staff propose the Board approve staff's replacement of the Champ Golf Course's existing cart fleet by means of a sixty (60) month lease at an alleged "total cost not-to-exceed \$386,352."¹ But as you will see, the real cost is not \$386,352. It's \$550,352! And this is for a venue which is budgeted to lose a whopping \$1,192,857² *just this year* alone! I object. And that's the purpose of this written statement.

My E-Mail of October 12, 2021: On October 12, 2021 I sent the Board an e-mail outlining my objections to the subject agenda item³. Rather than reiterating each reason, I simply restate each reason and incorporate the same by reference into this written statement.

Staff's \$80,424.62 of Alleged Maintenance Costs For Our Existing Cart Fleet⁴ is Completely Bogus: Because our staff have demonstrated they cannot be trusted to share the truth, I have made a records request to examine the particulars of the alleged expenses indicated therein. Although these records have not yet been made available for my examination, if and when they are, I will share the particulars with the Board which I fully expect have little if anything to do with true maintenance and repair. Which will mean that staff have intentionally manipulated the numbers to make it appear that it will cost us more to maintain and repair our existing fleet of carts, than to acquire new which is really their biased agenda. If/when this occurs, we will have a further discussion.

Conclusion: We own our current fleet. Unlike your typical golf course, our fleet is used only a fraction⁵ of the year. Yet without regard for the financial implications, our staff blindly promote cart turnover every four (4) years because our core golfers demand the same. Think about it for a moment. Here staff are promoting the notion we should give up our existing cart fleet, lease a replacement, and end up paying a whopping \$6,879.40/cart! And this is at a venue which is losing nearly \$1.2 million annually. Are you out of your mind? Apparently you are if you buy into this irresponsibility.

¹ See page 381 of the packet of materials prepared by staff in anticipation of this evening's Board meeting ["the 10/13/2021 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/1013_-_Regular_-_Searchable_-_Part_3.pdf)].

² See page 146 of the packet of materials prepared by staff in anticipation of the Board's May 26, 2021 meeting ["the 5/26/2021 Board packet" (https://www.yourtahoeplace.com/uploads/pdf-ivgid/0526_-_Regular_-_Searchable.pdf)].

³ That e-mail is attached as Exhibit "A" to this written statement.

⁴ See page 386 of the 10/13/2021 Board packet.

⁵ Perhaps 33⅓% (4 months out of the year).

And to those asking why their Beach (“BFF”) and/or Recreation (“RFF”) Facility Fees are as unnecessarily high as they are, now you have another example.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

EXHIBIT "A"

Agenda Item I(3) From the Board's October 13, 2021 Meeting - Possible Installment Purchase of 80 Champ Golf Carts

From: <s4s@ix.netcom.com>
To: "Tim Callicrate" <callicrate_trustee@ivgid.org>
Cc: "Matthew Dent" <dent_trustee@ivgid.org>, "Wong, Kendra" <Wong_trustee@ivgid.org>, "Sara Schmitz" <trustee_schmitz@ivgid.org>, "Michaela Tonking" <tonking_trustee@ivgid.org>
Subject: Agenda Item I(3) From the Board's October 13, 2021 Meeting - Possible Installment Purchase of 80 Champ Golf Carts
Date: Oct 12, 2021 4:46 PM

Chairperson Callicrate and Other Honorable Members of the IVGID Board -

Here staff urges the Board to authorize the purchase of 80 Tempo-Lithium battery powered carts with Visage 10.1" GPS screens on an installment lease/option purchase basis totaling \$77,270/year over 5 years for a total of \$386,352 (see pages 383 and 387 of the Board packet) with a balloon payment then due which is not clearly disclosed. Putting aside the fact any installment purchase requires approval by four board members [see NRS 350.087(1)], staff contend the purchase is necessary because they contend:

- 1) \$80,424-\$83,424 has been expended this 2021 golf season alone on the District's existing cart fleet (see page 386 of the Board packet) "associated with maintaining availability of carts" (see page 382 of the Board packet); and,
- 2) The implication is that this sum will be similarly incurred in future years ["staff estimates that annual incremental maintenance costs to keep the current golf cart fleet operational though the 2022 golf season will (conservatively) be in the range of \$80,000" (see page 386 of the Board packet)].

My complaint is we don't have enough information to make an intelligent decision so the agenda item should be removed from the calendar and rescheduled.

Let me say that before I prepared this e-mail I reached out to Darren Howard to ask if he could show me where the relevant figures I share with the Board exist. After all, I don't want to share incorrect information. And according to disingenuous comments made by people like Trustee Wong and former Trustee Peter Morris, all members of the public have to do to get answers to their questions is to reach out to staff who allegedly are there to help. Well history has demonstrated this is more staff propaganda because staff like Mr. Howard will not speak to me.

As a result, I was forced to piece together the financial information which follows to the best of my knowledge.

Staff assert the District's cost to lease new golf carts is \$386,352. But this is not true. The District will be required to trade in its existing fleet of carts which have a trade in allowance of at least \$2,050/cart [see page 407 of the Board packet. Also see supplemental page 428 which states "trade-in-value incl. (in) quote"].

So when we add in the trade in value of our current cart fleet (\$164,000) to the lease cost we see that the real cost is \$550,352 [actually, it's \$697,360 or \$8,717/cart (see page 407 of the Board packet) which I believe is what we will pay if the purchase option is exercised at the end of 5 years]. If these numbers are accurate, then it means a balloon payment will be due if the option to purchase is exercised 5 years down the road (see discussion below).

And that's the second question. What is the option price to purchase these carts if that's what we choose 5 years down the road? Because when we know that price, we will see that the real cost of these carts is higher than \$8,717/cart. You need to secure this number so everything is out in the open.

Staff recite that on November 18, 2020 the Board chose to deter cart fleet replacement directing staff to refurbish the existing cart fleet (see page 382 of the Board packet). The most costly element of cart repair are the batteries. Staff tell us that "to date 26 of the 80 carts in our fleet have had batteries replaced" (see page 386 of the Board packet). They want the Board and the public to believe it costs less to lease new carts (\$77,270) than to pay "in the range of \$80,000" annually to maintain our existing fleet. Besides the fact these numbers are not accurate because it's costing us \$410/cart/year over the five year lease term (\$2,050/five) times 80 carts (an additional \$32,800), I question the accuracy of the "in the range of \$80,000" number.

For this reason I have made a public records request to examine records which evidence the alleged validity of the maintenance and repair numbers staff represent. For instance, do staff expect us to conclude it is reasonable to spend \$34,416.86 with outside labor to install new batteries on 26 carts (\$1,323.73/cart)? If so, why then do we have Internal Services - Fleet personnel? They're an absolute waste which is what I have argued before.

Moreover, if the real cost/cart to replace it is \$110,070 (the \$77,270 staff admit plus the add'l \$32,800 paid in the form of trade in allowance), at an average \$69.82 revenue/round (see page 019 of the 2020 Golf Season Wrap Up), it means that we have to sell 1,576.48 rounds [6.83% of all 23,053 rounds allegedly played in a year (see page 012 of the Wrap Up)], before we're able to generate \$1 of real revenue. Does this sound like something smart to be doing? Especially given there's a warranty on the 26 cart batteries we've already installed so their useful lives should be a whole heck of a lot more than a year.

Then there is the issue of the real losses our Champ course generates every year. If you examine page 146 of the May 26, 2021 board packet you will see where the Board budgeted to lose \$1,192,857 this fiscal year at the Champ Golf Course. So when you're losing this kind of money and requiring local property owners to involuntarily pick up the deficiency, you think it's reasonable to tack on a \$110,070 yearly cost for golf carts? Does this sound like something smart to be doing?

Until we get more details from staff, I request the Board simply deny or defer the proposed installment-purchase agreement. Or put the issue to bed once and for all. How about two of you Board members simply voting no?

Respectfully, Aaron Katz

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 13, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – WHAT DO WE DO WITH A GENERAL MANAGER (“GM”) WHO REFUSES TO BRING MATTERS TO THE BOARD FOR POSSIBLE ACTION – HERE REFUSING TO ASSESS “DWELLING UNITS” BEACH (“BFF”) AND/OR RECREATION (“RFF”) FACILITY FEES

Introduction: Nevada’s Open Meeting Law (“OML”) prohibits public bodies¹ from taking action² unless by a majority of members³ of their governing bodies⁴ at a public meeting⁵ where the action has been agendized and first noticed to the public⁶ a minimum of three days prior to that meeting⁷. Since IVGID’s GM prepares the agenda for each public Board meeting⁸, he in essence is the “gate keeper”

¹ IVGID is a “public body” inasmuch as NRS 241.015(4)(a) defines the term as “any administrative, advisory, executive or legislative body of the State or a local government consisting of at least two persons which expends or disburses or is supported in whole or in part by tax revenue or which advises or makes recommendations to any entity which expends or disburses or is supported in whole or in part by tax revenue.” The IVGID Board consists of five (5) members [see NRS 318.083(2)(c)], and the District is supported, in part, by *ad valorem* tax revenue (see NRS 318.225).

² See NRS 241.015(1)(a) which defines “action” as “a decision made by a majority of the members present, whether in person or by means of electronic communication, during a meeting of a public body.”

³ See NRS 241.0355(1) which instructs that “a public body...may not take action by vote unless at least a majority of all the members of the public body vote in favor of the action.”

⁴ See NRS 241.015(1)(d) which instructs that where as here “all the members of (the) public body must be (and are) elected officials,” no action is effective unless by means of “affirmative vote taken by a majority of all the members of the public body” present.

⁵ See NRS 241.010 which instructs “that all public bodies exist to aid in the conduct of the people’s business. It is (therefore) the intent of the law that their actions be taken openly and that their deliberations be conducted openly.”

⁶ See NRS 241.020(3)(d) which states “written...notice must include...an agenda consisting of: (1) A clear and complete statement of the topics scheduled to be considered during the meeting; [and], (2) A list describing the items on which action may be taken.”

⁷ See that portion of NRS 241.020(3) which instructs “written notice of all meetings must be given at least 3 working days before the meeting.”

⁸ See Policy 3.1.0.4 (page 8 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Board_Policies_1.pdf) which states “the General Manager...in cooperation with the General Manager, is responsible for preparing the agenda and supporting materials for each meeting...If a person or party, including the general public, wishes to have a matter considered by the Board, a written request should be submitted to the General Manager, in advance of the meeting.”

insofar as access to the Board is concerned. Stated differently, if a matter for possible Board action doesn't make it past the GM, it can never be voted upon by the Board.

Accordingly, on August 25, 2021 I sent an e-mail to the Board and our GM in accordance with NRS 318.203⁹, asking the board set a date for a hearing to determine whether the separate short term rental at 659 Cristina Drive, Incline Village is being used as a dwelling unit" and as such, should be assessed multiple RFFs/BFFs (a copy of that e-mail is attached as Exhibit "A" to this written statement). And how did it respond? My request and the District's response is the purpose of this written statement.

Since NRS 318.203 is Clear, Why Won't Our GM Bring This Matter to the Board For Decision? Why won't our GM do his job? And when he doesn't, our entirety community suffers because he holds the keys to the gate and he won't share them. Although Indra has reasons, those reasons are immaterial because he's not the one who gets to make the ultimate decision. Moreover, he's not even a member of our community as he lives in Reno and owns no real property in Incline Village/Crystal Bay subject to the BFF and/or RFF.

My E-Mail of October 7, 2021: After waiting for over a month for our GM to place this matter on the Board's meeting calendar and hearing nothing, on October 7, 2021 I sent a follow up e-mail asking if he ever intended to bring this matter to the Board for decision and if so, when¹⁰?

Our GM's October 8, 2021 Refusal: On October 8, 2021 Indra finally responded to me¹¹. And what was his response? We take our data from Washoe County and since the County doesn't tell us there are multiple dwelling units constructed upon 659 Cristina Drive, we don't have to do as NRS 318.203(3) instructs which is to shift the burden of proof to the owner to "provide...evidence satisfactory to the board that the unit referenced in (my) affidavit is not being used as a dwelling unit."

What is a "Dwelling Unit?" Putting aside the fact the County doesn't tell the public what is a "dwelling unit" and how many are constructed on a parcel,, NRS 318.203(4)(a) provides the answer for NRS 318.203 purposes:

⁹ Which instructs that "1. If...an(y)...person has a reasonable belief that a dwelling unit exists that is not currently being charged for services provided by a general improvement district...the...person may submit an affidavit to the board of trustees of the district, setting forth the facts upon which the... person bases his or her belief...2. If a board of trustees receives an affidavit described in subsection 1, the board may set a date for a hearing to determine whether the unit referenced in the affidavit is being used as a dwelling unit."

¹⁰ I have attached an e-mail string between myself and our GM as Exhibit "B" to this written statement. My subject October 7, 2021 e-mail is the first e-mail in that string.

¹¹ Indra's subject October 8, 2021 e-mail is the second e-mail of the string attached as Exhibit "B" to this written statement.

“As used in this section: (a) ‘Dwelling unit’ means a structure that is designed for residential occupancy by one or more persons for living and sleeping purposes, consisting of one or more rooms, including a bathroom and kitchen.”

Is 659 Cristina Drive a structure designed for residential occupancy by more than one person? Does it consist of multiple segregated portions for living and sleeping? Do these portions include their own bathrooms and kitchens? Since according to the attachments included in Exhibit “A” the answer is clearly yes, the simple fact of the matter is that 659 Cristina Drive consists of multiple dwelling units under the NRS definition.

My Response of October 11, 2021¹²: In the same I asked the question of the difference between separate apartments under a common roof on a single parcel and separate segregated dwelling units under a common roof on a single parcel? Since the answer is “no difference,” then why the difference when it comes to assessing the BFF and/or RFF?

If Two Dwelling Units Exist on 659 Cristina Drive, IVGID Provide Recreation and Beach Facilities to Both: Take a look at Resolution No. 1889 adopted May 26, 2021¹³; the most recent resolution which adopts the RFF/BFF and elects to have them collected on the county tax roll. First, ¶I(A) of the Report adopted thereinto declares that “each dwelling unit , whether such unit stands alone or is part of a multiple unit residential structure and whether or not such unit is separately assessed by the County Assessor” shall be assessed the RFF and if applicable, the BFF, “for the availability of use of the recreational facilities above described.”¹⁴ Second, 4 of Resolution No. 1189 recites that the Board has already found “that each parcel assessed pursuant to this Resolution and in its report for the collection on the Washoe County tax roll of standby and service charges for the fiscal year 2021-22 is specifically benefited” by the District’s Beach and/or Recreation Facilities¹⁵. Given the Board has already found that each dwelling unit on a residential parcel is specifically benefited by the District’s Beach and/or Recreation Facilities which are provided, the question is not now subject to a different determination.

Conclusion: I did not engage in the colloquy referenced by the attached e-mails to debate the underlying issue. Rather, I expected our GM to do his job of agendizing the subject issue on a future Board meeting calendar for possible decision. The fact he won’t speaks volumes and unnecessarily

¹² My subject October 11, 2021 e-mail is the third e-mail of the string attached as Exhibit “B” to this written statement.

¹³ See pages 184-193 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/0526_-_Regular_-_Searchable.pdf (“the 5/26/2021 Board packet”).

¹⁴ See page 190 of the 5/26/2021 Board packet.

¹⁵ See page 185 of the 5/26/2021 Board packet.

costs the rest of us. Not only do I object, but I ask what the Board intends to do with a GM who won't do his job and parses out discriminatory benefits to favored collaborators?

And to those asking why their BFF and/or RFF are as unnecessarily high as they are, now you have another example.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

EXHIBIT "A"

Accessory dwelling unit STR at 659 Cristina which isn't being assessed a separate RFF/BFF

From: <s4s@ix.netcom.com>
To: Callicrate, Tim <tim_callicrate2@ivgid.org>
Cc: Dent, Matthew <dent_trustee@ivgid.org>, Wong, Kendra Trustee <wong_trustee@ivgid.org>, Schmitz, Sara <schmitz_trustee@ivgid.org>, Tonking, Michaela <tonking_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: Accessory dwelling unit STR at 659 Cristina which isn't being assessed a separate RFF/BFF
Date: Aug 25, 2021 10:59 AM
Attachments: [659Cristina_FloorPlan.png](#) [Screenshot \(356\).png](#) [Screenshot \(354\).png](#) [Screenshot \(355\).png](#) [Screenshot \(357\).png](#) [Screenshot \(358\).png](#)

Chairperson Callicrate and Other Honorable Members of the IVGID Board:

Indra states that he is going to agendize Policy 16.1.1 for discussion at the next Board meeting.

This Policy speaks of exemptions. They should be eliminated as I have previously provided evidence that IVGID has no power whatsoever to exempt any parcel from paying the RFF/BFF.

Well there's another party of Policy 16.1.1 which needs to be discussed. And that's what a "dwelling unit" is and why all the units which meet this definition in town aren't being separate assessed.

Policy 16.1.2.4 defines dwelling unit as "any building or portion thereof, which contains living facilities with provisions for sleeping, eating, cooking, and sanitation."

659 Cristina. The owner of this unit has constructed a second, separate dwelling unit as the attachments evidence. This unit meets the requisite definition. It is no different than a duplex or apartment building with two dwelling units but for the zoning classification. If you don't believe me, then how about you direct your professional staff to examine the same and report back to the Board and the public. Because this property is only being assessed a single RFF/BFF.

If you're really going to be fair and uniform, you are going to assess this parcel multiple RFFs/BFFs. And you're going to do the same for the many hundreds of similar multi-dwelling units in town.

NRS 318.203(1) states that "if an(y)...person has a reasonable belief that a dwelling unit exists that is not currently being charged for services provided by a general improvement district...the...person may submit an affidavit to the board of trustees of the district, setting forth the facts upon which the...person bases his or her belief." I have reasonable belief and I had submitted evidence attached to this e-mail which supports my belief.

Now this e-mail isn't an affidavit, however, if you're going to hold this distinction against me, please advise and I will put it into an affidavit.

NRS 318.203(2) states that once "a board of trustees receives an affidavit described in subsection 1, the board may set a date for a hearing to determine whether the unit referenced in the affidavit is being used as a dwelling unit." So are you going to do as this section instructs?

Thank you for cooperation. And please post a copy of this e-mail request, together with attachments, on the communications portion of the District's web site. Aaron Katz

EXHIBIT "B"

RE: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m. - Multiple Dwelling Units

From: <s4s@ix.netcom.com>
To: Winquest, Indra S. <ISW@ivgid.org>
Cc: Tim Callicrate <callicrate_trustee@ivgid.org>, Matthew Dent <dent_trustee@ivgid.org>, Wong, Kendra <Wong_trustee@ivgid.org>, Sara Schmitz <trustee_schmitz@ivgid.org>, Michaela Tonking <tonking_trustee@ivgid.org>
Subject: RE: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m. - Multiple Dwelling Units
Date: Oct 11, 2021 10:02 PM

Thank you Indra -

But your response is irresponsible and wrong. You state you "see no evidence...on the Washoe County site...of what (I am) describing." What exactly are you looking for? And since when does anything on the county site override NRS 318.203(4)(a) ["Dwelling unit" means a structure that is designed for residential occupancy by one or more persons for living and sleeping purposes, consisting of one or more rooms, including a bathroom and kitchen"]? Moreover, the Assessor does not report the number of dwelling units on a parcel. Sometimes he reports "units per parcel." However, there is no definition on the Assessor's web site for this term. Nor does it necessarily mean dwelling units. It means units, whatever that definition happens to be. And it applies to units in a hotel or motel which the District is intentionally exempting from assessment. Moreover, even if the term meant dwelling units, the Assessor is not going to use IVGID's definition of "dwelling unit" in Policy 16.1.1 which differs from the county's definition (whatever it may be). So what exactly are you looking for that you can't seem to find on the Assessor's site?

Whether or not there are multiple dwelling units, as that term is defined in NRS 203(4), is not resolved by how the Washoe County Assessor describes a property. So why are you pointing to something that does not exist? Like I said. Irresponsible and wrong.

Is the subject "unit" I have brought to your attention at 659 Cristina part of "a structure that is designed for residential occupancy by one or more persons for living and sleeping purposes, consisting of one or more rooms, including a bathroom and kitchen?" Given the answer is obviously yes, this property consists of multiple dwelling units. Moreover, the owner of this parcel has applied for a STR permit where he/she admits there are multiple dwelling units.

Let's look at a couple of additional parcels which house multiple dwelling units yet IVGID staff refuse to recognize the same for NRS 318.203 purposes.

Take a look at the Parkside Inn motel parcel at 1003 Tahoe Blvd. (APN 130-163-31). In addition to the 38 unit motel proper, the Assessor tells us there's a single family residence constructed on the parcel. Yet according to you this evidence doesn't constitute multiple dwelling units because you're looking for something else on the Assessor's site (heaven knows what that is) that doesn't exist. Notwithstanding the SFR on this parcel, and the definition at NRS 318.203(4)(a), you wrongly assess a single RFF/BFF.

Take a look at the Tahoe Incline Apartments parcel at 786 Southwood Blvd. (APN 132-202-05). First of all, this parcel is not a residential parcel. This means you can't assess multiple RFFs/BFFs based upon multiple dwelling units because multiple dwelling units under both Policy 16.1.1 and NRS 318.203(4) on residential parcels. Putting this fact aside, I believe there are 6 separate buildings and 75 apartment units housed on this single parcel. Where does the County describe this parcel as 75 dwelling units? Nowhere! Yet you wrongly assess 75 RFFs/BFFs.

Moreover, what's the difference between individual apartments under a common roof or series of common roofs on a single parcel at Southwood Blvd., and the individual separate dwelling units [according to Policy 16.1.1 and NRS 318.203(4)(a)] under a common roof at 659 Cristina on a single parcel?

Take a look at APN 126-273-04. This parcel consists of nearly 16 acres. The Assessor tells us there are two detached SFRs (just like Southwood Blvd's dwelling units are not all attached) on the parcel each designed for and actually being used for residential occupancy by one or more persons for living and sleeping purposes, consisting of one or more rooms, including a bathroom and kitchen. The first faces Eagle Dr. and has been assigned the 735 Eagle Drive address. The second faces Fairview Blvd. and has been assigned the 775 Fairview Blvd. address. Yet only one RFF/BFF has been assigned.

There are many, many other similar examples around town and you intentionally ignore them to the detriment of those of us who are assessed.

So your explanation holds no water. And IMO, you're not doing your job. And the reason you're not doing your job, again IMO, is because in your heart of hearts you know we should not be assessing the RFF/BFF based upon dwelling units. Rather, they should be assessed, if at all, upon parcels of real property [see NRS 318.201(1)]. If you adhered to Policy 16.1.1 and NRS 318.203(4) you would create massive dissension in town which for political reasons, you refuse to do. Same reason why you won't assess the Hyatt 488 RFFs/BFFs which is what the District did up until 1982-83 (why was it appropriate to do prior to 1982 and now it's not?)

But really, the purpose of my e-mail to you was to engage in this colloquy but rather, because you hold the keys to the Board access gate, members of the public are forced to go through you. And when you pick and choose who gets a key, which is what you're doing here, you're discriminating against citizens which I view as wrong.

So when we look to modifying Policy 16.1.1, you see we have many, many more problems than the scant few you propose addressing.

Respectfully, Aaron Katz

-----Original Message-----

From: Winquest, Indra S.

Sent: Oct 8, 2021 9:21 AM

To: s4s@ix.netcom.com

Cc: Tim Callicrate , Matthew Dent , Wong, Kendra , Sara Schmitz , Michaela Tonking

Subject: RE: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m.

Mr. Katz –

I have received your email. I have researched this property on the Washoe County site and see no evidence of what you are describing. We utilize the County's data as you know. If you have information that speaks to something different, please provide to both the county and IVGID.

Thanks, Indra

Indra Winquest

General Manager

Incline Village General Improvement District

893 Southwood Blvd, Incline Village NV 89451

P: 775-832-1206

F: 775-832-1380

isw@ivgid.org

<http://www.yourtahoeplace.com>

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]

Sent: Thursday, October 7, 2021 2:47 PM

To: Winquest, Indra S.

Cc: Tim Callicrate ; Matthew Dent ; Wong, Kendra ; Sara Schmitz ; Michaela Tonking

Subject: Fw: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m.

Hello Indra -

I just received the agenda for next Wednesday's Board meeting.

Nowhere do I see where you have agendized a hearing to assess 659 Cristina Drive, Incline Village, NV. multiple RFFs/BFFs as I requested in my e-mail of August 25, 2021, and my written statement of September 2, 2021. You have a duty to ensure that all non-exempt dwelling units within the District's boundaries are assessed a RFF and if applicable a BFF, and that no parcel owner pays more in RFFs/BFFs than required by ensuring that all dwelling units subject to the RFF/BFF pay their fair share.

And to the extent Chairperson Callicrate is the one who refuses to agendize this matter, he has a fiduciary and statutory (see NRS 318.203) duty to do so.

Do you intend to agendize this matter for hearing? If so when? If not, why not?

Thank you for your cooperation. Aaron Katz

-----Forwarded Message-----

From:

Sent: Oct 7, 2021 12:49 PM

To:

Subject: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m.

This meeting will be conducted via Zoom

10/13/2021 IVGID BOT Regular Meeting Agenda

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WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 13, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM C – PUBLIC COMMENTS – WHAT DO WE DO WITH A GENERAL MANAGER (“GM”) WHO REFUSES TO DO HIS JOB – HERE NOT ASSURING THAT INCREASED SOLID WASTE REMOVAL FEES AND CHARGES ARE APPROPRIATE

Introduction: Nevada’s Open Meeting Law (“OML”) prohibits public bodies¹ from taking action² unless by a majority of members³ of their governing bodies⁴ at a public meeting⁵ where the action has been agendized and first noticed to the public⁶ a minimum of three days prior to that meeting⁷. Since IVGID’s GM prepares the agenda for each public Board meeting⁸, he in essence is the “gate keeper”

¹ IVGID is a “public body” inasmuch as NRS 241.015(4)(a) defines the term as “any administrative, advisory, executive or legislative body of the State or a local government consisting of at least two persons which expends or disburses or is supported in whole or in part by tax revenue or which advises or makes recommendations to any entity which expends or disburses or is supported in whole or in part by tax revenue.” The IVGID Board consists of five (5) members [see NRS 318.083(2)(c)], and the District is supported, in part, by *ad valorem* tax revenue (see NRS 318.225).

² See NRS 241.015(1)(a) which defines “action” as “a decision made by a majority of the members present, whether in person or by means of electronic communication, during a meeting of a public body.”

³ See NRS 241.0355(1) which instructs that “a public body...may not take action by vote unless at least a majority of all the members of the public body vote in favor of the action.”

⁴ See NRS 241.015(1)(d) which instructs that where as here “all the members of (the) public body must be (and are) elected officials,” no action is effective unless by means of “affirmative vote taken by a majority of all the members of the public body” present.

⁵ See NRS 241.010 which instructs “that all public bodies exist to aid in the conduct of the people’s business. It is (therefore) the intent of the law that their actions be taken openly and that their deliberations be conducted openly.”

⁶ See NRS 241.020(3)(d) which states “written...notice must include...an agenda consisting of: (1) A clear and complete statement of the topics scheduled to be considered during the meeting; [and], (2) A list describing the items on which action may be taken.”

⁷ See that portion of NRS 241.020(3) which instructs “written notice of all meetings must be given at least 3 working days before the meeting.”

⁸ See Policy 3.1.0.4 (page 8 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Board_Policies_1.pdf) which states “the General Manager...in cooperation with the General Manager, is responsible for preparing the agenda and supporting materials for each meeting...If a person or party, including the general public, wishes to have a matter considered by the Board, a written request should be submitted to the General Manager, in advance of the meeting.”

insofar as access to the Board is concerned. Stated differently, if a matter for possible Board action doesn't make it past the GM, it can never be voted upon by the Board.

Accordingly, on September 8, 2021, if not before, I sent an e-mail to the Board and our GM⁹ asking the board compel Indra to do his job of verifying that Waste-Management's ("W-M's") recent solid waste disposal rate and charge increases were appropriate. And how did he respond? Because I was ignored, this is the purpose of this written statement.

My E-Mail of October 7, 2021: After waiting a month for our GM to place this matter on the Board's meeting calendar and hearing nothing, on October 7, 2021 I sent a follow up e-mail asking if he ever intended to bring this matter to the Board for decision and if so, when¹⁰?

The Current Solid Waste Disposal Franchise With W-M¹¹: Reference to the quoted portions contained in my attached e-mails can be gleaned from an examination of that franchise.

Why Won't Our GM Bring This Matter to the Board For Direction? Why won't our GM do his job? And when he doesn't, our entirety community suffers because he holds the keys to the gate and he won't share them. Although Indra has reasons, those reasons are immaterial because he's not the one who gets to make the ultimate decision. Moreover, he's not even a member of our community as he lives in Reno and owns no real property in Incline Village/Crystal Bay subject to the BFF and/or RFF.

Conclusion: The simple fact of the matter is that W-M's recent increase in our sold waste removal fees is not justified. But we can't seem to get our GM to do his job. The fact he won't speaks volumes and unnecessarily costs the rest of us. Not only do I object, but I ask what the Board intends to do with a GM who won't do his job?

And to those asking why their Beach ("BFF") and/or Recreation ("RFF") Facility Fees are as unnecessarily high as they are, now you have another example.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

⁹ I have attached an e-mail string between myself and our GM as Exhibit "A" to this written statement. My subject September 8, 2021 e-mail is the second e-mail in that string.

¹⁰ My subject October 7, 2021 e-mail is the third e-mail in that string attached as Exhibit "A" to this written statement.

¹¹ Go to https://www.yourtahoepace.com/uploads/pdf-public-works/2016-10-01_Waste_Management_Franchise_Agreement_no_Exhibit_B.pdf.

EXHIBIT "A"

Fw: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m.

From: <s4s@ix.netcom.com>
To: <ISW@ivgid.org>
Subject: Fw: IVGID BOT Regular Meeting Agenda for Oct. 13, 2021 at 6 p.m.
Date: Oct 7, 2021 4:18 PM

Hello Indra -

I just received the agenda for next Wednesday's Board meeting.


Nowhere do I see where you have agendized possible Board action in response to my September 10, 2021 e-mail re: inappropriate solid waste rate increases (see that e-mail replicated below). Where is the evidence:

1. The solid waste franchise with Waste-Management ("W-M") entitles W-M to include a portion of its federal income taxes (given Nevada is a non state income tax state) as an allowable operational expense which reduces its net income for rate adjustment purposes? Does the Board need a legal opinion, or are members competent enough to read and understand the franchise themselves?
2. GAAP mandates that W-M's federal income taxes be included in the formula which reduces its net income for rate adjustment purposes? Wouldn't a simple question of our Finance Director answer this question one way or the other?
3. Of W-M's income tax returns and confirmation that its proration/allocation of its operations within the District total the \$77,000 represented? If nowhere, why not? And if not, why haven't you requested the particulars of W-M's calculations along with copies of its income tax returns (actually, it's not W-M's income tax returns. It's Reno Disposal's) and shared them with the Board and the public?
4. Of the \$28,000 of claimed other general & admin costs represented by W-M? And where is the evidence of how and why they've allegedly increased by \$24K in just the last year?
5. Of the latest lease between W-M and Reno Disposal (its subsidiary) for the solid waste transfer station on Sweetwater? Where is your sharing of the amount of expenses represented by W-M attributable to this lease? Where is your sharing of how much in rent costs have increased over the last five years?
6. Of having requested an audit of W-M's financial operations within the District which is guaranteed by the franchise agreement?
7. Of the legal justification for charging W-M a franchise fee which ends up getting passed on to rate payers in the form of higher solid waste fees? IVGID incurs no costs associated with the delivery of solid waste services. Therefore, it has no power under NRS 318.197(1) to charge W-M a rate, toll or charge for services or facilities NOT furnished by the district because none has been furnished.

Moreover, the overwhelming majority of streets in our community are neither owned nor serviced/maintained by IVGID. They have been publicly dedicated to the county. So where does IVGID get off charging W-M a franchise fee for the alleged wear and tear on the use of those streets when they belong to someone other than IVGID?

If there were no franchise fee, according to W-M its expenses would total \$314,000 less than they do. Therefore its annual net income before taxes would total \$681,000 instead of \$367,000. And as a result, there would be no solid waste rate increase.

When I made my request I thought you would bring these matters to the Board and secure direction to ensure that W-M's recent rate increases are justified. Yet you have done nothing. And according to the three amigos on our Board, this non-action represents an "exceeds requirements" for bonus compensation purposes.

If you're not going to do your job and protect local solid waste rate payers from unjust, unreasonable and impermissible rate increases, then I appeal to the Board to expressly direct Indra to do the same. 

So do you intend to agendize these matters for hearing? If so when? And if not, why not and will any individual trustee request that these matters be agendized for possible action?

Thank you for your cooperation. Aaron Katz

 -----Original Message-----From: s4s@ix.netcom.comSent: Wednesday, September 8, 2021 12:06 PM

To: ISW@ivgid.org

Cc: Herron, Susan ; Callicrate, Tim ; Dent, Matthew ; Wong, Kendra ; Schmitz, Sara ; Tonking, Michaela

Subject: It's Everything You and Your Beloved Staff Do - And the Board Does Nothing - Now It's the Latest Increase in Our Solid Waste Rates

Hello Indra -

Before I start criticizing, and since our Board refuses to do its job of responsible oversight on behalf of our community, how about you fill in the missing blanks by answering some questions insofar as our recent W-M solid waste rate increase is concerned? And since I am sending a copy of this e-mail to the Board, paper work evidencing that increase is attached as an exhibit because I'm certain some or all of our elected stewards haven't even examined the same.

So here W-M sent you a letter with documentation allegedly supporting a 4.41% increase in solid waste rates on March 25, 2021. In other words, a 44,295 increase (4.41% of \$3.272M in total revenues).

So what did you do to confirm the propriety of any of this? I'm guessing NOTHING but like I said, you fill in the blanks.

While we're waiting for you to fill in the blanks, let's review the franchise agreement since I'm certain few trustees have. That franchise can be examined online at:

https://www.yourtahoeplace.com/uploads/pdf-public-works/2016-10-01_Waste_Management_Franchise_Agreement_no_Exhibit_B.pdf.

I've replicated below some salient provisions so you don't have to scour over all of this legalese.

1. The rates set forth in Exhibit "B" shall be adjusted annually by a percentage equal to the annual percentage change in the Consumer Price Index (see ¶11.1);
2. Notwithstanding, Collector shall not be entitled to the annual CPI rate adjustment if Collector's rolling annual average Return on Revenue for the prior three calendar years exceeds 9% [see ¶11.1(a)];
3. Return on Revenue means the ratio of Net Income to Gross Receipts (¶1.26);
4. Rolling Annual Average. There is no definition;
5. Gross Receipts means all revenues received (but for) revenues generated from the sale of Recyclables or rebates for Recyclables (¶1.19);
6. Net Income is defined as Gross Receipts minus Allowable Expenses (including taxes) (¶1.23). What kind of "taxes?"

There is no definition. I will return to this subject below as I do not consider income taxes which have nothing to do with operational costs included in this exclusion;

7. Allowable Expenses means those expenses incurred by the Collector (which) do not exceed the fair market value of comparable goods or services, and are commercially reasonable and prudently incurred, calculated according to Generally Accepted Accounting Principles ('GAAP' and) prorated or allocated to the Collector's operations within the District (§§1.1).

Is the inclusion of non-operational income tax expenses as a factor in adjusting rates commercially reasonable? What about prudently incurred? What about calculated according to GAAP?

What about W-M's payments to itself for rent on the transfer station which is mandated by the franchise?

8. Let's talk about another allowable expense. Collector shall pay to the District a franchise fee in an amount equal to ten percent (10%) of Gross Receipts. The Franchise Fee hereunder shall not include any revenue received by Collector from the sale or other disposition of Recyclables (§§12.1). I'll have more to say about this one below;

9. According to W-M, IVGID's Franchise Fee has increased \$35,000/annually, from \$279,000 to \$314,000;

10. According to W-M, annual operational costs & expenses have decreased by \$61,000, from \$2.292M to \$2.231M. But how much of these costs include the rent paid to itself for lease of the transfer station? We don't have the answer to this question;

11. Additionally, according to W-M annual general & administrative costs have increased by \$24,000 from 04,000 to 28,000. What costs make up the increase? We don't have the answer to this question;

12. According to W-M, its three year rolling average pre tax return on revenue has exceeded 9%. Specifically 10.07%;

13. However because of the inclusion of \$77,000 of presumably prorated and allocated federal income taxes, as an alleged allowable expense, W-M's Return on Revenue has dropped below 9% (specifically, 8.87%). And its three year rolling average return on revenue has dropped below 8% (specifically, 7.95%). Thus both warrant an increase in rates;

14. So the questions: Assuming arguendo W-M's \$77,000 income tax number is an accurate proration and allocation, and it's proper to include this number in allowable operational expenses, how much of a Return on Revenue increase would be necessary to exceed the 9% threshold? And how much of a Return on Revenue increase would be necessary to exceed a rolling three year average threshold of 9%?

15. The ratio of Net Income/Gross Receipts for the previous year ($\$290,000/\$3,272,000$) = 8.86%. Therefore, if net income for the previous year increased by only \$4,500 (to \$294,500), either by increasing receipts or decreasing expenses, the ratio of Net Income/Gross Receipts would exceed the 9.0% threshold;

16. And if net income for the previous year increased by 00,750 (to \$390,750), either by increasing receipts or decreasing expenses, the three year rolling average ratio of Net Income/Gross Receipts would exceed the 9.0% threshold;

17. Remember, \$77,000 of this 00,750 net income number is attributable to W-M's alleged income taxes. And another \$23,750 is attributable to IVGID's \$35,000 franchise fee increase. If both were removed, there would be no solid waste rate increase. Stated a bit differently, we are allowing W-M a 44,295 rate increase because of its alleged inability to realize an additional 00,750 of net income due to the federal income taxes it pays, and IVGID's franchise fee.

18. Are you getting the picture Indra?

19. The District may request and/or perform, either using its own personnel or a consultant or contractor, an independent audit of the Collector's operation(s), billings, and collections. There's really no cost to the District because the cost of such an audit shall be an Allowable Expense (the Collector incurs) (§7.5).

So have you asked for an audit of W-M's financials? I'm guessing you haven't but like I said, you fill in the blanks.

Now not that it's my job (it's YOURS), but:

20. Where in the franchise does it entitle W-M to include a portion of its federal income taxes (given Nevada is a non state income tax state) as an allowable operational expense which reduces its net income for rate adjustment purposes? Putting aside the fact your predecessor was stupid in allowing this language to be included in a franchise brought to the Board for approval, the franchise does not identify what types of taxes are included in allowable expenses. Since an income tax is not an operational expense, why is it included in the formula for determining net operational income? And why do you sit blindly by allowing this to occur?

If I were Josh Nelson I would be telling you that because you have sat on your rear and done nothing for "x" amount of time, you're guilty of laches and the public has no remedy.

21. Does GAAP mandate that W-M's federal income taxes be included in the formula which reduces its net income subject to permissible rate increases? If not, why do you sit blindly by allowing this to occur?

22. Have you examined W-M's income tax returns and confirmed that its proration/allocation for the Collector's operations within the District total the \$77,000 represented? If not why not? And if not why haven't you requested the particulars of W-M's calculations along with copies of its income tax returns (actually, it's not W-M's income tax returns. It's Reno Disposal's)? And how about doing so now?

23. Have you secured a breakdown of the \$28,000 of claimed other general & admin costs represented, and how have they allegedly increased by \$24K in the last year? If not why not? And how about doing so now?

24. I have asked for this many times before and am again asking it now. Have you obtained a copy of the latest lease between W-M and Reno Disposal (its subsidiary) for the transfer station? How much of the expenses represented by W-M are attributable to this lease? And how much in rent costs have increased over the last five years? These are material questions which go to the root of W-M's claim that net income has not reached the threshold to eliminate future solid waste rate increases. If you don't have answers, why don't you? And how about getting them now?

Since we have a right to an audit you can request answers to all of these questions and examine the documents which support them. All you have to do is ask. And if W-M refuses, you can compel an audit at their expense.

And yet I suspect you and your team do nothing. So any illusion the public or the Board has that staff is looking out for their interests is nothing more than that; an illusion!

25. Finally, since a copy of this e-mail is going to the Board, where do you get off charging W-M a franchise fee which ends up getting passed on to rate payers in the form of higher solid waste fees? IVGID isn't providing solid waste disposal services. It has contracted for those services with W-M. Therefore IVGID incurs no costs associated with the delivery of solid waste services. Therefore, it has no power under NRS 318.197(1) to charge W-M a rate, toll or charge for services or facilities furnished by the district because none has been furnished.

Moreover, the overwhelming majority of streets in our community are neither owned nor serviced/maintained by IVGID. They have been publicly dedicated to the county. So where does IVGID get off charging W-M for the alleged wear and tear on the use of those streets when they belong to someone else?

Don't you get it? If there were no franchise fee, W-M's expenses would total \$314,000 less than they do, its annual net income before taxes would total \$681,000 instead of \$367,000, there would be no solid waste rate increase, and our solid waste fees would be lower than they currently are. But this is counter to staff's interests.

Who benefits by this fee? Certainly NOT the public. And certainly the District. Which helps explain for whose benefit the District actually exists. It's a window into everything you do!

So what do you intend to do about this Indra? And while you're thinking of the answer or no answer, please consider items 20-25 to be requests to examine any/all of the documents referenced therein as public records, whether they currently exist or you request and receive them from W-M. I am sending Ms. Herron a copy of this e-mail so she can't assert I never made request upon her.

Thank you for your cooperation and I'm waiting Indra. Aaron Katz

-----Forwarded Message-----

From: Herron, Susan
Sent: Sep 7, 2021 4:59 PM
To: 's4s@ix.netcom.com'
Cc: Tim Callicrate , Matthew Dent , Wong, Kendra , Sara Schmitz , Michaela Tonking , Winquest, Indra S.
Subject: RE: So Where's the W-M Trash Rate Increase Notice and Statement of Operations Requested Aug 13?

Mr. Katz,

Here is the document as requested.

Susan

-----Original Message-----

From: s4s@ix.netcom.com [mailto:s4s@ix.netcom.com]
Sent: Tuesday, August 31, 2021 11:14 AM
To: Herron, Susan
Cc: Tim Callicrate ; Matthew Dent ; Wong, Kendra ; Sara Schmitz ; Michaela Tonking ; Winquest, Indra S.
Subject: So Where's the W-M Trash Rate Increase Notice and Statement of Operations Requested Aug 13?

Hello Ms. Herron -

Do you claim these materials have been sent to me and I just didn't receive it?

Do you intend to provide the same and when given more than 5 business days have elapsed?

If you don't intend to provide what are your reasons why not?

Thank you for your cooperation.

BTW, sending a copy to the Board so they can see, again, how conscientious staff is in sharing information/providing requested records. And BTW, these materials should have been readily available with minutes if not hours. Rather than 18 days so far.

Respectfully, Aaron Katz

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 13, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(1) – AWARDING A \$133,438 CONSTRUCTION CONTRACT FOR THE WETLANDS EFFLUENT DISPOSAL FACILITY IMPROVEMENT PROJECT TO CONTRACTOR F.W. CARSON CO. (“CARSON”)

Introduction: “The District owns and maintains 900 acres of land in Douglas County for the disposal of WRRF effluent...The effluent is distributed through...various cells via channels and pipes for transportation, evaporation and percolation. The property also contains...large areas of warm water springs that a(re) kept separate from the effluent cells...There is an extensive system for the wetland cells and surrounding levees to protect the facility from flooding. There is a road network of over 10.5 miles within the wetlands facility, with an additional 4.5 miles of levees, a control building and infrastructure for controlling the flow of effluent to and between cells.”¹ Here staff propose that the Board award a \$133,438 construction contract to Carson for the prosecution of Capital Improvement Project (“CIP”) 2599SS1103, labeled “the Wetlands Effluent Disposal Facility Improvements Project.”² Notwithstanding contract documents for this project (“the contract”) are included in the Board packet³, *nowhere* is the scope of work clearly and completely set forth. At best, Article 1.01 of the contract describes “the proposed work (to)...include:

1. Grading (at unspecified locations)...to re-establish effluent re-use channels;
2. Removal of (an unidentified) berm within an existing (unspecified) channel to re-establish flow;
3. Adding excavated on-site material to re-build an (unidentified) existing berm; and,
4. Provid(ing) rockery rip rap for slope stabilization” at unidentified locations⁴.

Yet the Project Summary for this CIP⁵ by-and-large describes something different:

¹ See page 327 of the packet of materials prepared by staff in anticipation of this October 13, 2021 Board meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/1013_-_Regular_-_Searchable_-_Part_2.pdf (“the second 10/13/2021 Board packet”).

² See page 139 of the packet of materials prepared by staff in anticipation of this October 13, 2021 Board meeting [“the first 10/13/2021 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/1013_-_Regular_-_Searchable_-_Part_1.pdf)].

³ See pages 179-325 of the second 10/13/2021 Board packet.

⁴ See page 179 of the second 10/13/2021 Board packet.

⁵ See pages 326-327 of the second 10/13/2021 Board packet.

“Levees and roadways need to be maintained...There are infrastructure improvements that need to be addressed...such as replacement of piping, valves, vegetation control, invasive weed mitigation, junction boxes, flow control boxes, master inflow meter and sample locations.”

Yes some of the proposed work may technically be included in the project summary. However, not encompassing nearly 73% of the full \$183,500 budgeted! But when an additional \$50,000 assigned to “internal staff...design/permit” fees, “construction reserves” and in-house “construction management” is added onto the proposed \$133,438 contract price, we see that very little of the work described in the project summary is proposed to be completed.

Moreover, staff have placed this matter on the Board’s Consent Calendar (see discussion below) which unless removed means there can be no discussion. For these reasons I urge the Board to summarily reject this agenda item. And that’s the purpose of this written statement.

This Matter Has Been Improperly Placed on the Consent Calendar: Policy 3.1.0.4⁶ addresses matters placed on a Board meeting’s Consent Calendar and it reads as follows:

“In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of ‘Consent Calendar.’ A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section.”

Take a look at the staff memorandum in support of this agenda item⁷. Show me where it “include(s) the justification” for this matter having been placed on the Consent Calendar? Staff tells us because “it is routine business...and within the currently approved District Budget.”⁸ Do any of you think that this project, as described, represents “routine business?” Or is there something more going on here? For these reasons alone the matter should be rejected. Or if not, transferred to the General Business Calendar where it can be discussed and possibly be modified. In fact on October 10, 2021 I sent the Board an e-mail⁹ where in part, I made this request.

⁶ Go to page 10 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Board_Policies_1.pdf.

⁷ See pages 139-141 of the 10/13/2021 Board packet.

⁸ See page 140 of the 10/13/2021 Board packet.

⁹ This e-mail is attached as Exhibit “A” to this written statement.

Any Member of the Board May and Should Ask That This Agenda Item Be Transferred to the General Business Calendar: Policy 3.1.0.4⁶ instructs that: “any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the General Business section of the meeting.” I ask that at least one Board member do as this policy instructs.

My October 10, 2021 E-Mail to the Board on This Subject the Subject: As aforesaid, on October 10, 2021 I wrote to the IVGID Board objecting to this agenda item and the fact it had been placed on the meeting’s Consent Calendar⁹. So the Board has been placed on notice.

What’s Really Going on Here: Take a look at my e-mail of October 10, 2021⁹. The subject episode between Mr. Underwood and Carson isn't the first such episode between the two. Take a look at agenda G(3) on the Board’s September 2, 2021 meeting agenda¹⁰. ANOTHER contract with this same favored collaborator for phase 1 of the Mountain Golf cart pathway project. And like phase 1 of the Mtn Golf cart pathway project, here staff published a RFP. And similarly, there were only two bidders - RaPiD Construction and Carson. And similarly, Carson's bid was barely 2/3rds of RaPiD's⁸. And just like Carson's cart path project bid, “staff reviewed the bid...checked references for the Contractor (and)... recommends awarding the Bid to...Carson.”⁸ If the foregoing is not sufficient for at least one of you to pull this matter from the Consent Calendar as Policy 3.1.0 allows you to do, look at Article 3 of the proposed agreement with Carson: “IVGID's Engineering Division (will)...act as Owner’s representative... and have the rights and authority assigned...in the contract.”⁴ In other words, the Board will be giving Mr. Underwood the same power to modify this contract as he asserts he had to modify the Mtn. Golf cart pathway project. Look how the latter exercise of discretion worked out. And now we intend to replicate the wrongs of the past involving the same two players? Do you see any similarities here? Given the cart pathway fiasco, do you see any red flags which warrant investigation? Quoting from a line in one of my most favorite movies, “wake up and smell the coffee Mrs. Bueller!” Don't you get it? We can't trust our Public Works Dep't. We can't trust Mr. Underwood. In fact, I don't even understand how the Board allows him to be employed by the District given the Board has the statutory power to hire and fire employees.

Conclusion: For the reasons stated, I ask that the Board:

1. Pull this Wetlands CIP project from the Consent Calendar;
2. Ultimately vote "NO" on this agenda item¹¹;

¹⁰ See pages 62-307 of the packet of materials prepared by staff in anticipation of this October 13, 2021 Board meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0902_-_Regular_-_Searchable_-_Part_1.pdf (“the 9/2/2021 Board packet”).]

¹¹ At page 141 of the 10/13/2021 Board packet Mr. Underwood tells the Board it may “not authorize the construction and defer the(se)...improvements.”

3. Order a forensic audit of not only possible bid rigging on this project, but on the phase 1 of the Mtn. Golf cart pathway project as well (haven't I demonstrate enough wrong doing Ms. Wong for you to agree that possibly, a forensic audit might be in order?);

4. Immediately take away staff's authority to modify any construction contract initially approved by the Board (if there are to be any modifications, they must come before the Board and be approved by the Board); and,

5. Stop Mr. Underwood or anyone else [see proposed Amendment #1 to agenda item H(2)] from executing any change order with Carson insofar as the phase 1 of the Mtn. Golf cart pathway project is concerned.

And to those asking why their Recreation ("RFF") and Beach ("BFF") Facility Fee(s) are as unnecessarily high as they are, now you have another example.

Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

EXHIBIT "A"

It's Nearly Everything Your Vaunted Staff Do - Now it's the Wetlands Improvement CIP - Agenda Item H(1) of the October 12, 2021 Board Meeting

From: <s4s@ix.netcom.com>
To: "Callicrate, Tim" <tim_callicrate2@ivgid.org>
Cc: "Dent, Matthew" <dent_trustee@ivgid.org>, "Wong, Kendra Trustee" <wong_trustee@ivgid.org>, "Schmitz, Sara" <schmitz_trustee@ivgid.org>, "Tonking, Michaela" <tonking_trustee@ivgid.org>, <ISW@ivgid.org>
Subject: It's Nearly Everything Your Vaunted Staff Do - Now it's the Wetlands Improvement CIP - Agenda Item H(1) of the October 12, 2021 Board Meeting
Date: Oct 10, 2021 11:04 AM

Chairperson Callicrate and Other Honorable Members of the IVGID Board -

I realize three of you amigos are in love with our vaunted staff, but the truth of the matter is that many are liars. And today we're going to talk about one of them - Brad Underwood.

Have you examined his CYA memo of October 6, 2021 re the phase 1 of the Mtn Golf cart path replacement project (see pages 55-59 of the Board packet for Wednesday's Board meeting)? This is a perfect example of what happens when a liar gets caught in his own web of lies. It's an example of attempting to cover up wrongdoing with even more lies.

First of all let's be clear. The original construction contract as executed required removal and haul away of the existing cart pathway and replacement with new aggregate base rock as I have demonstrated to the Board. We know this is true because Mr. Underwood now tells us that "on September 9/10...Carson verbally requested to use...pulveriz(ed)...recycled...base" material instead of the aggregate base rock mandated by the construction contract.

Next he tells us that HE had the power to modify the construction contract's aggregate base rock requirement based upon Carson's verbal request, and he did. Guess what? HE DIDN'T!

I wonder how much of our Rec and Utility fees Mr. Underwood wasted on conversations with Josh Nelson designed to come up with a legally supported analysis which allegedly supported his assertion that he had the power to modify the contract? After all, didn't our Josh approve the proposed contract approved by the Board as to form and content? Does anyone really think Mr. Underwood alone has the knowledge or expertise to be quoting cherry picked sections of EJCDC® C-700, Standard General Conditions for the Construction Contract (2018) [see page 116 of the Sep. 2 Board packet]? He's an engineer for GOD's sake. Not a lawyer!

I will henceforth prove that Mr. Underwood had no power to modify once I secure the written documentation I require to back up my assertion (I have an outstanding records request to Ms. Herron). But in the interim please trust me. Mr. Underwood is a liar (you'd know about this one, wouldn't you Chair Callicrate?).

Next, and if you didn't go to school to eat your lunch, think about it for a moment. Mr. Underwood tells us that on Sep. 13 he granted Carson's verbal request for a contract modification, and on Sep. 16, 2021 he issued a Notice to Proceed (see page 56 of the Board packet for Wednesday's meeting). Yet as of October 6, 2021, the date of his memo, he had still NOT prepared an appropriate change order to reflect approval? Why would you issue a Notice to Proceed without first securing an appropriate change order Mr. Underwood?

And of even greater concern, why would you delay an appropriate change order to at least October 6, when the terms of the contract mandate that all "Work will be substantially complete on or before October 15, 2021" (see page 112 of the Sep. 2 Board packet)? Now there's professionalism, wouldn't you agree?

This isn't the first evidence of Mr. Underwood's dirtiness, but rather, it's the hump which has broken the camel's back.



Now consider this one. The subject episode between Mr. Underwood and F.W. Carson isn't the first such episode. Take a look at agenda H(1) on Wednesday's Board meeting agenda. ANOTHER contract with this same favored collaborator for alleged wetlands remedial work. Like phase 1 of the Mtn Golf cart pathway project, staff published a RFP. And similarly, there were only two bidders - RaPiD Construction and Carson. And similarly, Carson's bid was barely 2/3rds of RaPiD's (see page 140 of the Board packet for Wednesday's meeting). And just like Carson's cart path project bid, "staff reviewed the bid...checked references for the Contractor (and)...recommends awarding the Bid to...Carson" (see page 140 of the Board packet).

Do you see any similarities here? Do you see any red flags which warrant investigation? Let me share some more.

What is the scope of this work? I defy any of you to examine the contract documents (see pages 179-325 of the Board packet for Wednesday's meeting) and show me where that scope of work is "clearly and completely" stated. After all, if we don't know the scope of work, how do we know if and when it is completed? Be that as it may, Mr. Underwood tells us this project has been budgeted as project number 2599SS1103. The project summary for this CIP appears at pages 326-327 of the Board packet. Putting aside the fact that the project description tells us the subject CIP is really nothing more than an operational maintenance item, we are told "there are infrastructure improvements that need to be addressed in order to keep the facility in good working order such as replacement of piping, valves, vegetation control, invasive weed mitigation, junction boxes, flow control boxes, master inflow meter and sample locations."

Okay, now refer back to Mr. Underwood's memo where he tells us his real intended scope of work: "this project consists of grading work to re-establish channels in a few locations that have silted in and become overgrown with vegetation. Also included is grading work to repair the berm between cells 1A and 1B...Cell 1A work will also include re-establishing channel flow, building up the existing berm between Cell 1A and Cell 1B, placing and compacting aggregate base on top of the berm...and providing rockery rip rap slope stabilization...These modifications will provide a clear path for the effluent to flow through" (see pages 139-140 of the Board packet). Does this description say anything about replacing piping, valves, vegetation control, invasive weed mitigation, junction boxes, flow control boxes, master inflow meter and sample locations? Am I the only one who sees a problem between the work Mr. Underwood seeks to commence and the work the Board has actually approved as a CIP?

And of even more concern, is that this wetlands project has been placed on the Board's consent calendar because allegedly "this item is...routine business...and within the currently approved District Budget." Really? Is it "routine?" Is the description of Work in accordance with the project summary for which funds have been appropriated? Is it really a CIP rather than routine maintenance? I don't think so!

Or is there something more going on here?

Quoting from a line in one of my most favorite movies, "wake up and smell the coffee Mrs. Bueller!"

If the foregoing were not sufficient for at least one of you to pull this matter from the Consent Calendar as Policy 3.1.0 allows you to do, look at Article 3 of the proposed agreement with Carson (page 179 of the Board packet): "IVGID's Engineering Division (will)...act as Owner's representative...and have the rights and authority assigned...in the contract." In other words, the Board will be giving Mr. Underwood the same power to modify this contract as he asserts he had to modify the Mtn. Golf cart pathway project with Carson. Look how the latter exercise of discretion worked out. And now we intend to replicate the wrongs of the past involving the same two players?

Don't you get it? We can't trust our PW Dep't. We can't trust Mr. Underwood. In fact, I don't even understand how the Board allows him to be employed by the District given the Board has the statutory power to hire and fire employees.

IMO you need to:

1. Pull the Wetlands CIP project (agenda H(1)) from the Consent Calendar;
2. Ultimately vote "NO" on this agenda item (at page 141 of the Board packet Mr. Underwood tells the Board it may "not authorize the construction and defer the(se)...improvements;"
3. Order a forensic audit of not only possible bid rigging on this project, but on the phase 1 of the Mtn. Golf cart pathway project as well (haven't I demonstrate enough wrong doing Ms. Wong for you to agree that possibly, a forensic audit might be in order?);
4. Immediately take away staff's authority to modify any construction contract initially approved by the Board (if there are to be any modifications, they must come before the Board and be approved by the Board); and,
5. Stop Mr. Underwood or anyone else [see proposed Amendment #1 to agenda item H(2)] from executing any change order with Carson insofar as the phase 1 of the Mtn. Golf cart pathway project is concerned.

Thank you for your cooperation. Respectfully, Aaron Katz

WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS OCTOBER 13, 2021 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(2) – PROPOSED AMENDMENT (THE LANGUAGE ITSELF) TO OUR GENERAL MANAGER’S (“GM’S”) EMPLOYMENT CONTRACT

Introduction: Here staff propose the Board modify¹ the GM’s July 1, 2020 employment agreement² via the creative language our attorney has crafted³ in accordance with the Board’s alleged direction given at its September 30, 2021 meeting¹. But instead of extending the term of that agreement by an additional year⁴, Mr. Nelson’s proposed language retroactively modifies its three (3) year term⁵ with a one (1) year term extension, to two (2) years with two possible (“unless either party... provide(s) written notice of its decision to decline the extension”) one (1) year term extensions (“effective July 1, 2021 and July 1, 2022”) each.

Moreover, staff have placed this matter on the Board’s Consent Calendar which unless removed means there can be no discussion. For these reasons I urge the Board to reject the proposed language. And that’s the purpose of this written statement.

This Matter Has Been Improperly Placed on the Consent Calendar: Policy 3.1.0.4⁶ addresses matters placed on a Board meeting’s Consent Calendar and it reads as follows:

¹ See page 328 of the packet of materials prepared by staff in anticipation of this October 13, 2021 Board meeting [“the 10/13/2021 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-ivgid/1013_-_Regular_-_Searchable_-_Part_2.pdf)].

² See pages 93-102 of the packet of materials prepared by staff in anticipation of the Board’s September 30, 2021 Board meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/0930_-_Regular_-_Searchable_-_Part_1.pdf (“the 9/30/2021 Board packet”)].

³ See pages 329-330 of the 10/13/2021 Board packet.

⁴ Which is what three (3) members of the Board actually directed at its September 30, 2021 meeting.

⁵ See ¶2.1 at page 95 of the 9/30/2021 Board packet. A copy of this page is attached as Exhibit “A” to this written statement.

⁶ Go to page 10 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Board_Policies_1.pdf.

“In cooperation with the Chair, the General Manager may schedule matters for consideration on a Consent Calendar. The Consent Calendar may not include changes to budget, user rates or taxes, adoption or amendment of ordinances, or any other action which is subject to a public hearing. Each consent item shall be separately listed on the agenda, under the heading of ‘Consent Calendar.’ A memorandum containing all relevant information will be included in the packet materials for each Consent Calendar item. The memorandum should include the justification as a consent item in the Background Section.”

Take a look at the staff memorandum in support of this agenda item⁷. Show me where it “include(s) the justification” for this matter having been placed on the Consent Calendar? The answer is a simple. *NOWHERE!* For this reason alone the matter should be transferred to the General Business Calendar where it can be discussed and possibly be modified. In fact on October 12, 2021 I sent the Board an e-mail⁸ where in part, I made this request.

Any Member of the Board May and Should Ask That This Agenda Item Be Transferred to the General Business Calendar: Policy 3.1.0.4⁶ instructs that: “any member of the Board may request the removal of a particular item from the consent calendar and that the matter shall be removed and addressed in the General Business section of the meeting.” I ask that at least one Board member do as this policy instructs.

My October 12, 2021 E-Mail to the Board on This Subject the Subject: As aforesaid, on October 12, 2021 I wrote to the IVGID Board objecting to this agenda item and the fact it had been placed on the meeting’s Consent Calendar⁸. So the Board has been placed on notice.

What’s Really Going on Here: Take a look at NRS 354.626⁹. It states as follows:

“1. No governing body or member thereof, officer, office, department or agency may, during any fiscal year, expend or contract to expend any money or incur any liability, *or enter into any contract* which by its terms involves the expenditure of money, in excess of the amounts appropriated for that function, other than...long-term contract(s) expressly authorized by law. Any officer or employee of a local government who willfully violates NRS 354.470 to 354.626, inclusive, is guilty of a misdemeanor and upon conviction thereof ceases to hold his or her office or employment...”

⁷ See pages 328-330 of the 10/13/2021 Board packet.

⁸ This e-mail is attached as Exhibit “B” to this written statement.

⁹ Go to <https://www.leg.state.nv.us/nrs/nrs-354.html#NRS354Sec626>.

2. Without limiting the generality of the exceptions contained in subsection 1, the provisions of this section specifically do not apply to...(e) Contracts between a local government and an employee covering professional services to be performed *within 24 months following the date of such contract or contracts entered into* between local government employers and employee organizations.”

When the Board entered into the employment contract with our GM (on July 1, 2020⁵), it arguably violated NRS 354.626 in that it entered into a contract to expend money in excess of the amounts appropriated for fiscal year 2020-21. Yet although the contract was between a local government and one of its employees, it covered professional services to be performed within thirty-six (36) months following the date the contract was entered into between the District and our GM. In other words, in excess of the 24 month safe-harbor period. Given the willful violation NRS 354.470 to 354.626, inclusive, is unlawful; and the contract in question was drafted by Mr. Nelson as well as “approved as to (its) form;” Mr. Nelson has a problem which has nothing to do with the particulars of proposed amendments.

So Mr. Nelson is using this opportunity to correct his inappropriate past behavior. Instead of simply extending the term of the existing employment agreement, he is attempting to retroactively change an impermissible three (3) year term agreement into a permissible two (2) year term¹⁰. And at his client’s expense no less. I and others I know object.

If the Board Approves This Matter Over My Objection, Let the Record Be Clear Our GM May Have Contracted Away His Severance Benefits: Our GM’s current agreement includes a severance compensation provision which is set forth more particularly at section 6¹¹. According to ¶6.5, “if General Manager is terminated by the Board of Trustees without cause, then (he) shall receive” a year’s worth of compensation in addition to other specified benefits. But let’s assume Mr. Nelson’s proposed contract amendment language is adopted. And let’s assume that prior to July 1, 2022 the Board decides to decline to extend the GM’s employment extension. Given that decision will not be one to terminate the GM’s employment without cause, the severance provisions under the contract will not be triggered. Is that what you intended Indra?

Conclusion: For the reasons stated, I ask that the Board reject Mr. Nelson’s proposed language. Instead, he should do what three (3) members of the Board directed; extend the current agreement by one (1) year. If the original agreement is inappropriate and it is the product of Mr. Nelson’s professional advice, then the chips should be allowed to fall where they may.

¹⁰ See “2. Amendment” at page 329 of the 10/13/2021 Board packet. A copy of this page is attached as Exhibit “C” to this written statement.

¹¹ See pages 96-97 of the 9/30/2021 Board packet. A copy of these pages is attached as Exhibit “D” to this written statement.

And to those asking why their Recreation (“RFF”) and Beach (“BFF”) Facility Fee(s) are as unnecessarily high as they are, now you have another example.


Respectfully, Aaron Katz (Your Community Watchdog), Because Only Now Are Others Beginning to Watch!

EXHIBIT "A"

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
AGREEMENT
GENERAL MANAGER**

conduct necessary to ensure the integrity and impartiality of government, free from conflicts of interest between public duties and private interests of state and local public officers and employees.

SECTION 2. TERM OF AGREEMENT

2.1 General Manager shall serve as the IVGID Manager effective July 1, 2020 ("the Effective Date"). This Agreement shall thereafter continue in full force and effect for a three (3) year term or until such time as either party terminates this Agreement pursuant to the provisions hereof. General Manager's employment as IVGID General Manager shall be at will. This means that General Manager may be terminated from his employment with IVGID at any time, without cause, and without notice, subject to the provisions hereof. 

SECTION 3. SALARY

3.1 IVGID agrees to pay General Manager an annual base salary for services rendered in the amount of one hundred ninety five thousand dollars (\$195,000) ("Base Salary").

3.2 General Manager shall receive annual compensation cost of living increases provided to other management-level IVGID employees.

3.3 In accordance with Section 7 below, the Board of Trustees shall conduct annual evaluations of General Manager's performance and the Board of Trustees shall consider the results of these performance evaluations when deciding whether to provide additional compensation. However, all salary increases and/or performance incentives shall be provided in the sole discretion of the Board of Trustees.

SECTION 4. BENEFITS

4.1 General Manager shall receive the health, dental, and vision insurance and recreational benefits provided to other management-level IVGID employees.

~~4.2 IVGID shall provide one hundred percent (100%) of the cost for life and disability insurance for the General Manager. The life insurance policy shall not be for less than \$1,000,000.00.~~

4.3 IVGID shall contribute that percentage of the employer's share defined contribution (457) program provided to other IVGID employees with same years of service and shall further contribute that percentage of the General Manager's income toward retirement benefits provided to other IVGID employees with the same years of

EXHIBIT "B"

It's Nearly Everything IVGID Staff and Their Cronnies Do - Now it Has Extended to IVGID's Attorney - Agenda Item H(2) - Please Remove This Item From the Consent Calendar So it Can Be Discussed

From: <s4s@ix.netcom.com>
To: "Callicrate, Tim" <tim_callicrate2@ivgid.org>
Subject: It's Nearly Everything IVGID Staff and Their Cronnies Do - Now it Has Extended to IVGID's Attorney - Agenda Item H(2) - Please Remove This Item From the Consent Calendar So it Can Be Discussed
Date: Oct 12, 2021 6:29 PM

Chairperson Callicrate and Other Honorable Members of the Board -

I always speculated how apparent honest and ethical persons before employ with IVGID can turn into the less than honorable and deceitful persons which permeate the District. But I never thought the kool aid could extend to third parties such as the District's attorney. That is until now.

This item is supposed to be nothing more than approving language in GM's employment agreement which extends its term by an additional year. That's what three Board members directed at the Board's Sep 30 meeting (listen to the livestream). But that's NOT what Mr. Nelson has done. Instead, he has modified the existing term provisions of the agreement from three (3) years with a one (1) year term extension, to two (2) years with two possible ("unless either party...provide(s) written notice of its decision to decline the extension") one (1) year term extensions ("effective July 1, 2021 and July 1, 2022") each. This is not what the Board directed at its Sep 30 meeting.

What we have here is an example of how our attorney drafted and approved the GM's employment agreement as to form for a term that apparently violates the law [see NRS 354.626(1)(e)]. Now he's trying to cover his ass ("CYA") at the District's expense by after the fact changing an agreement which was entered into on July 1, 2020 so it circumvents his apparent violation of law.

I object!

Do what the Board directed Mr. Nelson. Extend the agreement's existing three (3) year term by one (1) year through and including June 2024. Do not be a conduit for circumvention of the law which seems to be the standard procedure for this District. If Mr. Nelson drafted something inappropriate, then let the chips fall where they may should a party object.

And BTW, it is my opinion that under Mr. Nelson's proposed language, the term of our GM's agreement can end prior to June 30, 2024 and he is NOT entitled to severance pay. As that what the Board intended Mr. Nelson? How about you Indra?

Respectfully, Aaron Katz

EXHIBIT "C"

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT FIRST AMENDMENT
TO EMPLOYMENT AGREEMENT
GENERAL MANAGER

This First Amendment to Employment Agreement ("Amendment") is made and entered into this 13th day of October, 2021, by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT ("IVGID") and INDRA WINQUEST ("General Manager").

WHEREAS, IVGID and General Manager previously entered that certain Employment Agreement, dated July 1, 2020 ("Agreement"); and

WHEREAS, IVGID and General Manager wish to amend the Amendment as set forth in this Amendment and as permitted in Section 13.6 of the Agreement;

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IVGID and General Manager agree to amend the Agreement as follows:

1. Salary Adjustment. Pursuant to Section 3.3 of the Agreement, the Board of Directors hereby provides an adjustment in the Base Salary based on the General Manager's Fiscal Year 2020-2021 performance evaluation of three percent effective July 1, 2021. Moreover, General Manager previously received a cost of living adjustment in his salary under Section 3.2. As such, General Manager's salary effective July 1, 2021 shall be Two Hundred Six Thousand Seven Hundred Dollars (\$206,700). This salary may be furthered adjusted as provided in Section 3 of the Agreement.

2. Amendment. Section 2.1 of the Agreement is amended in read in full as follows:

"2.1 General Manager shall serve as the IVGID Manager effective July 1, 2020 ("the Effective Date"). This Agreement shall thereafter continue in full force and effect for a two (2) year term or until such time as either party terminates this Agreement pursuant to the provisions hereof. The two year (2) term shall automatically be extended by an additional year effective July 1, 2021 and July 1, 2022 unless either party has provided written notice of its decision to decline the extension prior to such extension date. General Manager's employment as IVGID General Manager shall be at will. This means that General Manager may be terminated from his employment with IVGID at any time, without cause, and without notice, subject to the provisions hereof."

3. Amendment. Section 4.4 of the Agreement is amended in read in full as follows:

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
AGREEMENT
GENERAL MANAGER**

service. Retirement benefits shall be provided by the way of IVGID's existing 401(a) plan or such other mechanisms as IVGID may implement in the future.

4.4 General Manager shall receive a phone/technology allowance of fifty dollars (\$50.00) per month.

SECTION 5. LEAVE

5.1 Annual Vacation Leave. IVGID shall include General Manager in its Annual Leave Program and provide him with an annual accrual of two hundred (200) hours of Annual Vacation Leave. General Manager shall accrue Annual Vacation Leave in the manner described in the IVGID's Personnel Policies and shall be subject to the cap on accrual of such leave as described therein. The General Manager shall be entitled to retain any existing Annual Vacation Leave existing as of the Effective Date.


5.2 General Manager shall be entitled to sell back to IVGID up to one hundred (100) hours of Annual Vacation Leave at the end of each calendar year.

5.3 Paid Holiday Leave. IVGID shall include General Manager in its Paid Holiday Leave program as described in IVGID's Personnel Policies and General Manager shall be paid for the designated Holidays.

5.4 Sick Leave. IVGID shall include General Manager in its Sick Leave program as described in IVGID's Personnel Policies. Subject to any changes to such policies, the General Manager shall accrue four (4) hours of sick leave in the first and second pay periods each month.

SECTION 6. TERMINATION OF AGREEMENT & SEVERANCE


6.1 Termination by IVGID. General Manager understands and agrees that General Manager has no constitutionally-protected property or other interest in General Manager's employment as IVGID General Manager.

6.2 General Manager understands and agrees that General Manager works at the will and pleasure of the Board of Trustees, and that General Manager may be terminated, or asked to resign, at any time, with or without cause or advance notice. 

6.3 Notice of termination shall be provided to General Manager in writing. "Termination," as used in this Agreement, shall also include: (i) a request by a 4/5's super majority vote of the Board of Trustees that General Manager resign occurring within ninety days before or after an election for the Board of Trustees; (ii) a request by the majority vote of the Board of Trustees that General Manager resign occurring

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT EMPLOYMENT
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at any other time; or (iii) any material reduction in the powers and authority of the IVGID General Manager including but not limited to the existing terms of Resolution 1480.

6.4 Termination by General Manager. General Manager may voluntarily terminate employment at any time by giving not less than thirty (30) days' notice. 

6.5 Severance Benefit. If General Manager is terminated by the Board of Trustees without cause, then General Manager shall receive a one-time, lump sum cash payment equivalent to the sum of (i) General Manager's then-current monthly salary multiplied by twelve (12), (ii) the cash value of General Manager's then-current monthly medical premiums multiplied by twelve (12) as of the effective date of termination of employment and (iii) the cash value of his Annual Vacation Pay balance.

6.6 Eligibility for such severance payment is expressly conditioned upon General Manager's execution of (i) a waiver and release of any and all of General Manager's claims against IVGID, and (ii) a covenant not to sue. All normal payroll taxes and withholdings as required by law shall be made with respect to any amounts paid under this Section.

6.7 Ineligibility for Severance (Termination for Cause; Voluntary Resignation). Notwithstanding the terms in this Section 6, General Manager shall not be eligible to receive, and IVGID shall not be obligated to pay, and shall not pay, any severance amounts or continue any benefits, if General Manager is terminated for Cause.

6.8 "Cause," as used herein, shall mean, and be limited to, a termination for any of the following reasons: (i) conviction of a felony or other crime involving moral turpitude (ii) fraud, material dishonesty, or gross negligence in the General Manager's performance of his duties as IVGID General Manager; or (iii) civil liability for a violation of statute or law constituting misconduct in office or ethical violation.

6.9 In the event the Board of Trustees terminates General Manager for Cause, General Manager's sole remedy shall be a judicial action in declaratory relief to determine whether there was Cause. If the court determines there was no Cause, General Manager shall receive the severance pay provided in this Section 6, but no other damages, litigation costs or expenses, or attorneys' fees. Further, IVGID shall not be obligated to pay any severance amounts or continue any benefits in the event General Manager voluntarily resigns his employment.

6.10 In the event of discharge of General Manager from his employment hereunder or any termination of this Agreement, General Manager shall return to IVGID as soon