

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
Interim General Manager

SUBJECT: General Manager's Status Report
Prepared for the meeting of April 14, 2020

DATE: April 8, 2020

Interim General Manager & Board of Trustees Priority Projects & Tasks

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Filing of Preliminary Budget to Department of Taxation by 4/15/2020	4/15/2020	GM Winqest/Director of Finance Navazio/Board of Trustees	Preliminary budget filing items on agenda for 4/14/2020.
Effluent Pond Lining Project Review Scope of Services	5/6/2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being developed for Project Review/Manager. Need USACE Partnership Agreement
Effluent Pipeline Project Review Scope of Services	5/6/2020	GM Winqest/Director of PW Pomroy Trustees Wong/Dent	Scope of Services being developed for Project Review/Manager.
USFS Parcel Acquisition	Ongoing	GM Winqest	Met with USFS Staff 4/2/20 process of filing a special use permit. Will be delayed as a result of COVID-19
Burnt Cedar Pool Project	10/31/2021	Engineering/GM Winqest	Currently out for RFQ for a design team. Need to set up advisory committee meeting.
Guest Access Ticket Revision	Completed	GM Winqest	Included details of new process in GM Report on 4/1 and 4/14.
No Smoking/Vaping Policy	Completed	GM Winqest	Resolution approved by BOT on 4/1. Implementation beginning.
Internal Controls Audit/Questions regarding the 18-19 Audit/CAFR	Ongoing	Audit Committee/GM Winqest	In beginning Stage. Scope of Services Development
Audit Charter/Policy 15.1.0 Update	Ongoing	Audit Committee	Will be on 5/6 Agenda

ACTION ITEM	TARGET DATE COMPLETION	RESPONSIBLE PARTY	STATUS
Ordinance 7 Administrative Revisions	TBD	GM Winqest	Public Hearing - Postponed due to COVID – 19 Virus impact
Smith vs IVGID Litigation	5/20/2020	Legal Counsel/Board of Trustees/GM Winqest	Will be meeting with third party Legal Counsel to review case. Court has set a status hearing date of May 12, 2020
2020-22 Strategic Plan	7/1/2020	Senior Management Team/Board of Trustees	Planning for workshop in June 2020
2020-21 Budget Workshop	05/07/2020	Senior Management Team/Board of Trustees	Planning for a workshop at the Chateau unless COVID-19 stay at home order is extended then it will be virtual

COVID – 19, Impacts to the District & update on closures and restrictions

Diamond Peak and the Recreation Center closed on Monday, March 16th. Additionally, all community programming has been cancelled or postponed until further notice. Public Works, Administration, and Chateau all closed to the public on Tuesday, March 17th. The beaches are available for walk in only and social/physical distancing is being monitored closely. The Parks remain open for drop in use and social/physical distancing is being monitored closely. Staff is working on an essential/critical employee basis.

504 Staff at Diamond Peak were laid off on March 16th, and an additional 127 staff have been furloughed. These staff were paid “Pandemic Pay” from March 16 – 27th. Hiring of Spring/Summer seasonal staff will be delayed until further notice. We have placed the hiring of J1’s on hold and we will continue to evaluate the COVID-19 situation as we hope to begin gradually bringing back Staff when safe and as venues begin opening.

Many full time staff are working from home and/or are working a combination of on site and home as well as utilizing sick and/or vacation leave. Additional cost savings steps, as they relate to Full Time Year Round Staff, are being evaluated. Seasonal and hourly are currently working on a critical need basis only. Our Human Resources team is doing an outstanding job of working through the State and Federal guidelines for our workforce.

Our Finance, Accounting & Payroll team are working diligently to make sure the operations and business of the District keep moving. The team is currently and will continue to work on projections for a variety of different financial implications as a result of the COVID-19 outbreak.

The Community Services team are working on developing reopening strategies to make sure a healthy and safe environment is provided so that our residents and guests are comfortable visiting our venues and participating in activities. Additionally, Staff is working on digital and online resources to keep the community active and engaged. The golf courses and parks

staff will continue with normal preparation for upcoming seasons although it is universally understood that there may be impacts as a result of COVID-19. The Recreation Center is closed until further notice, however, Recreation Counter Staff is available to answer phone calls and respond to emails.

The Public Works & Utilities team continues to provide outstanding service while protecting the water and sewer infrastructure during this extremely crucial and challenging time. Engineering staff continues to work on project development and management, Public Works Administration is closed to the public but Staff is answering phones and responding to emails during normal business hours.

- *IVGID Public Works will temporarily suspend disconnections and penalty charges for delinquent accounts during this time. We will work with customers facing financial hardship to develop payment plans in order to assist with past due balances. We encourage any of our customers to contact us if they have concerns about their account balances.*

On April 8, effective 11:59 p.m., Nevada's Governor Sisolak issued Directive 13 which closed all public recreational spaces such as the skate park, golf courses, etc. Staff began the process of posting signage to be in compliance with this directive.

Capital Projects Update April 8, 2020

Design

Championship Golf Maintenance Building Drainage and Washpad Improvements

A 2020 Capital Improvement Project, this project will improve surface and sub-surface drainage, construct a modern wash pad facility, and spot treat pavement failures at the Championship Golf Maintenance Building. An engineering consultant has been hired to complete the design and currently working with staff to develop construction documents for bidding in Spring 2020 and construction in Summer/Fall 2020.

Martis Peak Road - Water Main Replacement

A 2020 Capital Improvement Project, this project includes slip lining a 14-inch water main under State Route 28 and replacing aging steel water main in Martis Peak Road and Rifle Peak Court. IVGID Engineering staff is completing the design and is on schedule to bid in Spring 2020 and construction in Summer/Fall 2020.

Tennis Center Renovation

The Board approved on June 19 for staff to begin the design of the tennis center renovation. The architectural, design and permitting services scope of work was approved at the August 14 BOT meeting with the removal of Bocce Courts. The key project objectives are renovation of the pro-shop buildings and surrounding site to renovate aging restrooms, expand the pro-shop by enclosing outdoor kitchenette area, expand and enhance the deck area, improve wayfinding and flow of traffic through the Tennis Center. The Board selected a design

development alternative on November 13th and authorized public advertisement for bids on March 11th. Project permitting and public bidding will occur in the coming months and the bid results are tentatively scheduled to be presented to the Board on June 10th.

Effluent Pipeline Project

District Staff provided a detailed Effluent Export Project update to the Board of Trustees on January 29, 2020. The immediate priority is to replace all of the remaining Segment 3 pipeline (12,385 linear feet) and to make immediate repairs to the Segment 2 pipeline (17,314 linear feet) to extend its life and mitigate a potential future leak site. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board to begin replacement of Segment 3, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. The annual CIP amount of \$2,000,000 will be allocated to this project. At the March 11, 2020 Board of Trustees meeting, the Board of Trustees unanimously approved to restrict \$9,656,890 to the Effluent Pipeline Project, Project #2524SS1010 from the Unrestricted Net Position in the Utility Fund effective March 12, 2020.

Effluent Pond Lining Project – 2599SS2010 (this is a new capital project #) – PO#

A component of the Water Resource Recovery Facility (WRRF) operation is a non-permitted 2.4 million gallon effluent storage basin located adjacent to the wastewater resource recovery facility (Plant). The WRRF Effluent Storage Alternative Analysis Memorandum, September 2018, recommends a reinforced concrete or the combination of concrete and shotcrete lining that provides the best long term value, maximizes storage volume, and has low maintenance to keep in service. At the February 26, 2020 Board of Trustees Meeting, a design services scope of work was presented to the Board for lining the pond, the scope of work was not approved. The Board has placed this project on hold pending the hiring of a Project Manager to conduct a complete project review of the Effluent Export Project. On February 27, 2020, Staff set up a new capital project for the Effluent Pond Lining and that project number is noted above. It is also included as an unbudgeted project for the 2020-21 CIP Budget

Construction

WRRF Aeration System Improvements

The aeration process of wastewater treatment supplies oxygen to facilitate the biological activity that converts raw sewage into treated wastewater effluent. The plant has six-200,000-gallon aeration basins with two jet aeration clusters per basin supplied by computer controlled multistage centrifugal aeration blowers. This project funds the design and replacement of the aeration system equipment at the WRRF. The Board awarded the construction contract to the lowest responsive bidder, KG Walters, on December 11. A preconstruction meeting was held on January 15, 2020 and the Contractor is currently preparing submittals for all the required equipment. The project will continue until December 2020. Progress meetings are held every two weeks. Construction will start in mid-April.

K. G. Walters Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,508,500	\$0	\$1,508,500	\$0	\$1,508,500

Water Reservoir Safety and Security Improvements – Phase 1

This project would replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices. The exterior access to the roof area is required to meet the needs of the District to monitor the water quality in the reservoirs and perform routine repairs to radio communication equipment. The ladders also need to be secured from access by the public. The reservoir ladders, fall protection, platforms, and protective railings will meet the current Occupational Safety and Health Administration (OSHA) safety standards. The Board awarded the contract to Resource Development Company on April 10, 2019 for 10 of 13 reservoirs. Construction begins this summer and is expected to be substantially complete by September 30, 2020.

Resource Development Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$362,600	\$0	\$362,600	\$0	\$362,600

Water Reservoir Safety and Security Improvements – Phase 2

The second phase of this project would replace the ladders that access the top of the water reservoirs, install intermediate access platforms, install protective railings and install new fall protection devices for the remaining 3 reservoirs. Bid results are under review and are tentatively scheduled to be presented to the Board on May 6th. If awarded, construction is scheduled to begin this summer and is expected to be substantially complete by October 15, 2020.

WPS 2-1 Incline – (Adjacent to Burnt Cedar Beach)

Water Pump Station 2-1 (WPS 2-1) is located at the Burnt Cedar Water Disinfection Plant (BCWDP) and pumps the disinfected potable water into the water distribution system to serve all customers. This project replaces the electric motor control centers (MCCs) and switchgear at WPS 2-1 dating to the original 1972 installation. Jacobs Engineering completed the design. The Board awarded the contract on August 28, 2019 to San Joaquin Electric. Notice to proceed was issued on September 9, 2019. The project is now complete and retention will be held for 30 days.

San Joaquin Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$291,000	\$0	\$291,000	\$276,450	\$14,550

Mountain Course Clubhouse Renovation

On August 11, 2018 a fire occurred in the Mountain Course Clubhouse which led to the closing of the kitchen area. The Board approved renovation plans include a revised allocation of floor space, changes to access and substantial change to customer flow. A new ADA accessibility to the lower level for food service and construction of a new and expanded deck and the installation of new windows and doors. The Board approved the design on May 22, 2019 and authorized advertising for bids which then occurred on June 21, 2019. The Board awarded the construction contract to Houston Smith Construction at the August 14, 2019 BOT meeting. Project is nearing completion. Work schedule for the next complete weeks include inside finish work, installation of kitchen equipment, site paving, and exterior painting.

Houston-Smith Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed to Date	Current Balance to Completion (including retainage)
\$1,006,000	\$83,575	\$1,089,575	\$916,365	\$173,210

IVGID Recreation Center Paver Entrance

A 2020 Capital Improvement Project to replace the cracking concrete entrance at the IVGID Recreation Center with concrete pavers will address an outstanding safety concern. Engineering staff has completed design and the project has been awarded to Eric's Concrete Pavers, Inc. Project start date has been moved to April 13th to take advantage of the Recreation Center closure. Completing the project during the closure will significantly reduce the user conflicts and hazards to the public.

IVGID Recreation Center Site Lighting Replacement

A 2020 Capital Improvement Project to replace bollard and site lights with modern LED fixtures. An outside Electrical Engineering firm has completed design and the project has been awarded to Intermountain Electric, Inc. Construction is scheduled to start the week of May 4th.

Incline Village Bocce Courts

At the August 14, 2019 Board of Trustees meeting, the Board prioritized construction of bocce courts. Two bocce courts were initially included in the Tennis Center Remodel Project but were removed in favor of maintaining the existing hitting wall. At the November 13, 2019 Board of Trustees meeting, a preferred site was selected adjacent to the IVGID Recreation Center. Engineering staff has completed design and the project has been awarded to Rapid Construction, Inc. Construction is scheduled to start the week of June 1st.

Priority Projects & Items

Resolution 1480 Update

As stated in Resolution 1480, the General Manager has direct supervision over all District employees, with the exception of the Attorney. The General Manager will ensure that the District's Organizational Chart reflects that Legal Counsel reports to the Board of Trustees while the General Manager coordinates the legal work of the District consistent with Board of Trustees direction. Additionally, all Legal Counsel invoices will be provided to the Board of Trustees for review and approval prior to payment.

Beach Guest Access Ticket Revised Process

At the December 11, 2019 Board of Trustees meeting, Staff was directed to develop an alternative to the existing Beach Guest Access Ticket process/s. This update was originally included in GM Report for the 4/1/20 BOT meeting. All the below key components will require no change to Ordinance 7. Staff has met with multiple property management agencies over the past few months explaining the reasoning for this change and gathering feedback to aid in the development of a new process. The goals of this change are to add more control of beach access, create efficiencies within the operations, and to provide improved data as it relates to guest access. The revised process transitions the guest access ticket to a pay to play model. The key components include:

- Guest must be authorized by parcel owner or property manager. All property managers must have a completed agent authorization form on file signed by the parcel owner.
 - Guest required to provide a Guest Authorization form signed by parcel owner or agent.
 - Guest required to provide rental agreement.
 - Guest must pre purchase daily passes at the Recreation Center. Guest cannot pay directly at the beach gates.*
 - Guest can only purchase a pass during the length of stay determined by required documentation
 - No refunds allowed
- *guest can pay at the beach gates only if IVGID Passholder is present

Washoe County Collaboration

Washoe County Commissioner Marsha Berkbigler, on behalf of Washoe County, has provided \$11,000.00 in funding to purchase and install bear boxes along the Lakeshore Pathway. Staff will be selecting locations for installation and install when warmer temperatures allow.

Washoe County is also committed to installing the no overnight parking signage along Incline Way and other selected areas later this spring. This has been delayed by the current situation with COVID-19.

Financial Transparency

As we write this update, the District has closed all venues to the public due to the COVID-19 Nevada Stay at Home order. Staff continues to evaluate the effects on the current fiscal year budget, with a primary focus on the Community Services and Beach Fund operations, under scenarios where venues and non-essential services are closed a) through May and b) through June.

With the strong financial performance through the first three quarters, we anticipate both funds ending the year *ahead of budget*, assuming avoidance of staffing and program costs, consistent with curtailment of facility operations. While financial results absent closures would have yielded results with significant favorable variance compared to the adopted budget, within the Community Services Fund, under the closure scenarios, the fund is expected to end the year with a net favorable variance of between \$400,000 and \$1,100,000, for closure through June and May, respectively. This is primarily attributable to revenues generated by Diamond Peak through March 15. For the Beach Fund, year-end results are conservatively projected to yield a favorable budget variance in the range of \$500,000 to \$650,000 as compared to the adopted budget.

While both the General Fund and Utility Fund revenues are largely buffered from short term impacts from facility closures and level of activity, additional cost-savings measures are being implemented including reduced work hours for staff (limited to essential services), reduced contract services, and deferring non-essential expenditures. The General Manager is evaluating additional personnel cost-saving measures should closures extend beyond the next thirty days.

Consistent with Board direction, Staff is also evaluating current year capital projects through development of criteria to inform decisions on proceeding with or deferring capital expenditures, with a focus on health and safety, mandates and assessment of long-term impacts on services upon return to quasi-normal operations.

The effects of the economic slowdown, social/physical distancing, and the downturn in tourism is also being evaluated in conjunction with refinement of the FY2020-21 budget process. To inform Board direction on the final budget, Staff is evaluating alternative scenarios contemplating closures and/or reduced program activity through July (one-month), September (3-months) and December (6-months) into the new fiscal year. These budget scenarios – including both operating and capital budget impacts – will be presented to the Board at the May 7th budget workshop.

Capital Project Being Evaluated because of COVID-19 Economic Impacts

The following table has the projects in the 2019-2020 Capital Improvement Project Budget that are being evaluated for deferral or re-budgeting, or cancellation.

Department	Project Title	2019-20 Budgeted Amount	Note
Public Works	Household Hazardous Waste Building Improvements	\$15,000	Cancelled
Facilities	Chateau – Replace Carpet	\$62,000	Being Evaluated
Facilities	Replace Hallway Tile at Chateau	\$65,000	Deferred
Recreation Center	Replace Fitness Equipment	\$45,000	Being Evaluated
Champ Golf	Printer Copier Replacement	\$10,000	Deferred
Champ Golf	Venue Signage Enhancements	\$40,000	Being Evaluated