MINUTES

REGULAR MEETING OF APRIL 10, 2019
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 Chairwoman Kendra Wong on Wednesday, April 10, 2019 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

A. **PLEDGE OF ALLEGIANCE**

The pledge of allegiance was recited.

B. **ROLL CALL OF THE IVGID BOARD OF TRUSTEES**

On roll call, present were Trustees Tim Callicrate, Matthew Dent, Phil Horan, Peter Morris, and Kendra Wong.

Also present were District Staff Members Director of Finance Gerry Eick, Director of Public Works Joe Pomroy, Diamond Peak Ski Resort General Manager Mike Bandelin, Communications Coordinator Misty Moga, and Director of Parks and Recreation Indra Winquest.

Members of the public present were Victor Salcido, Steve Dolan, Pete Todoroff, Claudia Andersen, Cari Gitchell, Denise Davis, Sara Schmitz, Aaron Katz, Judith Miller, Jack Dalton, Juliet Ashton, Jacquie Chandler, and others.

(36 individuals in attendance at the start of the meeting which includes Trustees, Staff, and members of the public.)

C. **PUBLIC HEARING (TIME CERTAIN FOR 6 P.M.) — Proposed Amendments to Sewer Ordinance #2 "An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District" and Water Ordinance #4 "An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District" and the Schedule of Service Charges and Fee Schedule**

Trustee Horan made a motion to open the public hearing; Trustee Morris seconded the motion. Chairwoman Wong asked for any comments, receiving none, called the question and the motion was passed unanimously.
Director of Public Works Pomroy acknowledged that the District has complied with the required notices.

Director of Public Works Pomroy gave the presentation included the Board packet.

Aaron Katz said he had a procedural request. Chairwoman Wong said there will be no procedural request. Mr. Katz said that the Board is in violation of Nevada Revised Statute 318.199(4) which specifically states that the public shall be given a reasonable time period. This Board gave Staff ninety minutes at a previous meeting and tonight gave him ten and a half more minutes so it is reasonable to give the public three minutes, he doesn’t think so. Mr. Katz continued that he has discovered wrongdoing with our water rates as Staff has entered into contracts to sell wastewater for their purposes. There are two clients – Clear Creek and Schneider Ranch and the agreement haven’t been approved by the Board rather Staff has negotiated them on their own. To get wastewater over to Clear Creek, we are spending twenty three million dollars or more for that pipeline and what are they paying – Staff won’t tell me yet. Did the Board know about these contracts? The difference between the customers and Schneider Ranch is that they don’t have to pay any access fees and neither does IVGID who is using over a hundred million gallons of water. Mr. Katz asked the Board to suspend this hearing, make Staff come forward, submit the facts, discuss it, and then do what is right. Nevada Revised Statutes 318.140(1)(b) specifically says that the Board has the right to sell any byproduct. Mr. Katz concluded by stating he has a written statement to submit.

Sara Schmitz said that she has a couple of questions that she is hoping the Board will answer during its discussion; is the water that is used to irrigate or to make snow treated drinking water as that is very expensive. Ms. Schmitz said that she opposes this rate schedule and rate hike because, based on a financial analysis, there isn’t appropriate working capital for the Utility Fund and that it is $3.5 million to $4.5 million dollars short and that this conversation hasn’t come before this Board however it should before approval as clarification needs to be provided.

Hearing no further comments, Chairwoman closed public comments.

Trustee Horan made a motion to close the public hearing and Trustee Morris seconded the motion. Chairwoman Wong called the question and the motion was passed unanimously.
D. **PUBLIC COMMENTS**

Aaron Katz said we have a common problem at all these meetings and that is that the ends justify the means and that you don't care about statutes, facts, or laws. All we care about is three of you acting as a rubber stamp and you do it and you are going to do it again for the utility rate. District General Counsel prepared the Schneider Ranch document and approved Staff to sign it. District General Counsel did not realize the need for a public hearing and he didn't think the Board should decide it - you have a really problem. He has already gave written statements and they demonstrate that the law requires just and reasonable rates that cover our costs and are allocated over the customer base. It doesn't grant discrimination, doesn't allow transfer to other funds, rather just what is necessary to bring the service to the customer. A median customer uses three thousand gallons per month, Diamond Peak uses twelve million gallons in less than one month and he gets charged twice the rate. IVGID pays no excess fees, he pays capital improvement costs based on the size of his meter as if he uses all the water. IVGID pays CIP costs 5.333 times what he pays and for using twelve million gallons of water for snowmaking which is unfair yet you won't raise the rates to IVGID so you will continue to lose more money and you can't handle that so you are giving them a pass which is unfair. Mr. Katz concluded by stating that he has another written statement on the punch passes.

Judith Miller said a couple of topics, one you have probably heard at least something along these lines from her before but she can't help it when she sees items on the agenda where Trustee Horan is talking about the IVGID code and ways to move the process along and another item where we note the lack of progress on revising Ordinance 7 which has been out there for years thus you can probably guess what she is going to suggest. There is no way a Board of five people with all the responsibilities that you have can effectively address these not unless you quit your day jobs, night job, families and everything else to devote to that so what she is suggesting, once more, is that a Citizen Advisory Committee, much like those used in many other public organizations but that for whatever reason you choose not to use. By the way, she doesn't know if he is still working for free but the most productive sessions ever on Ordinance 7 were the ones facilitated by Mr. Lyons. Other thing that she has noticed more often than not is that official IVGID documents, in PDF format like the minutes and agenda packets are not entirely searchable. Searchable documents, you know where you can type in the word and it finds it as many times as it is in the document. She doesn't know what system we use but when she looks at County records she can search the entire document. Ms. Miller said that she would like to request that all official Board documents be captured as searchable PDF documents to the greatest extent.
possible. Most monitors and commercial scanners have settings that enable OCR, optical character recognition, without sacrificing any efficiency. She notices that IVGID replaces office equipment on a regular basis and they don’t scrimp on the costs so she is sure the feature is readily available. Sometimes the source documents can be the problem as you may not have the ability to control the formatted document sent to you by outside agencies but Staff should certainly be directed to prepare all their reports in a format that can be easily converted to searchable PDF’s. She is sure the District’s IT Director can provide Staff with appropriate guidelines and please bear in mind that this would not only help the public, it would help IVGID Staff especially when you get involved in litigation and you have to search for documents this would make your life much easier so she hopes you will consider it.

Steve Dolan said he is providing a public service comment. He hears a lot of people asking the Board to include public opinion on the items you are voting on and that almost everyone that speaks has asked for it. He wants everyone to know that they can get it and what you do is you get one of these forms [Request to Speak/Public Comment Form] and you fill it out and then mark the item you would like to speak on such as I would like to speak on agenda item H.7. You then walk over and hand to the Clerk and it gets to the Chair and she gets to decide. It is her right to decide on if you can make your comment. That is how you do it. You have to ask for that which you have the right to, and you should, but understand it is up to them. The Board can put it up to a vote. He wanted to let the public know as it hasn’t been publicly addressed thus this public service comment. Your request can be ignored and tabled by the Trustees, then you have the right to practice civil disobedience, after they have ignored the paperwork, and that is to stand up and give your public comment. They will ask to sit down and if you don’t, they can call the Sheriff, and you can sit down or not.

Gary Scott said he would like to request that the Board reconsider the contract you let for water sports at Ski and Incline beach. He has been here for twenty five years and he is a local business. His business rescues tow barges and is part of the community so they try to give back. Mr. Scott than gave a list of charitable contributions which were the same as in his letter. The contract went to a friend who doesn’t live here and operates a wave runner business off of Ski Beach from a bright yellow boat so you are condoning that behavior with this award. His company is the biggest account at the gas station, we buy hamburgers on the weekends, work hard and stay safe, and has letters from various agencies about his service. They try and help where we can and give back to the community. Mr. Scott said he went to the Tahoe Regional Planning Agency (TRPA) and nineteen thousand dollars for his permits and now the contract has been given to someone.
else so we need to resolve that problem and he asked that the Board look into this matter and why the decision was made the way it was.

Pete Todoroff said he has a meeting every other Friday where the community has a chance to speak to our elected officials face to face. He just had a meeting on the cell tower and he is a little concerned with Tahoe Prosperity Center (TPC) as they solicited votes for the cell tower. He represents the community, or rather the majority of it, and there were twenty people who came to oppose. He has a problem with TPC soliciting as they are not representing the entire community which is what he is doing. TPC should be providing housing, etc. instead of soliciting friends, etc. to sign on in support of the cell tower. He has a computer full of e-mails who are opposed to this tower for several reasons. TPC could put their time to better use with housing etc. instead of this eyesore. The cell tower will be thirty seven feet above the tree line, there will be an ugly fence, etc. There is a nice, clear field now and they will have an aboveground generator. He doesn’t know about noise of this generator. He represents the community who is opposed to this. Maybe TPC should concentrate on what they should be doing which is they should be helping the community instead of opposing it.

Jamie Donovan said he came to meeting to speak about the watercraft concession. He took a crack at it and didn’t get it either. He enjoyed being part of the process as his company are also participating members of the community as well. He has worked at Diamond Peak, golf course, IVGID engineering, all the beaches and parks and recreation so he has been around. He also worked at Sand Harbor and he teaches lifeguard classes and issues first aid certifications. It was competitive and all were qualified. He took a fair whack at it and he too got shot down; thank you for letting us be part of it.

E. APPROVAL OF AGENDA (for possible action)

Trustee Callicrate said he had questions on all three of the items on the Consent Calendar; Chairwoman Wong said that as requested, all three of the Consent Calendar items are moved to the start of General Business.

F. REPORTS TO THE BOARD OF TRUSTEES*

F.1. Parasol Tahoe Community Foundation Annual Report

Claudia Andersen, Chief Executive Officer of the Parasol Tahoe Community Foundation, read a prepared statement which is attached hereto.
Chairwoman Wong asked for an update on PTFC’s Strategic Plan; where you are at and when do you expect the full report. Ms. Andersen said that it is a three part process – they have executed a full community assessment which is going to her Board tomorrow and will be made available shortly. On the Strategic Plan, they are mid-way through that process and hopefully it will be approved mid-May. The third part is the service mapping which was released and it is a searchable database that was made available a week or two ago and is available on their website.

Trustee Morris said continued thanks for all that Parasol does in this community and wider across the country. It was great to hear that you are one of the top performed in the country and he highly commends you and your Board and particularly your donors; thank you.

Trustee Horan said he would echo Trustee Morris and noted that Parasol is a valuable asset to the community and helps make us better.

Chairwoman Wong thanked Ms. Andersen for the update as they really appreciate it.

F.2. **Verbal follow up on beaches and verbal update on watercraft concession by Director of Parks and Recreation Indra Winquest**

Director of Parks and Recreation Indra Winquest said for beaches that Staff is going to do preferred parking again at Burnt Cedar Beach and that it will be the same dates as Incline Beach and that Staff, as a team, decided that we are going to proceed as we did last year and that is to allow Staff to have the discretion if a parking lot doesn’t fill up with preferred parking that they will be allowed to let anyone park there. We will go through a full season with this effort and make some tweaks along the way and that this will give us a very good sample size. We are also adding a dedicated security patrol during peak weekends and paying $5,500 for this service with the remaining $3,500 for enhanced security services during off season. This patrol is additional to the one that we already have and this additional patrol will be dedicated to beaches and Staff is excited to have that extra layer of support. We are also having a Beach Manager to oversee the daily operations and this individual will be reporting directly to him. We are confident that this individual, who has worked with us for several years, understands those operations and will do a fantastic job; this position is a seven month seasonal manager position. Regarding pop-up tents, Staff is discussing options and they like the idea of a pilot program so they are exploring that and will try
some things out. It is important to offer some sort of shade and noted that this is becoming a problem all over the country. Staff is taking the issue seriously. Staff will also be using the tags on the chairs again and will continue to report back on that. Staff is also exploring several different options on dynamic pricing; the history of pricing was reviewed including holiday pricing. Staff is proposing a peak summer fee starting June 29 and running through August 10 and proposing going to $15 for adults and keeping the youth fee flat.

For the 4th of July, he attending a meeting with Washoe County this morning and there is now an Incline Village Crystal Bay Fireworks Coalition which just started fundraising as they have two thirds of the funds for the fireworks already. That effort is moving forward and they are well ahead of last year with very few looming issues; IVGID’s responsibility is for the traffic plan and he is meeting with the vendor and NLTTPD on Friday and then it will go through Washoe County Commissioners for approval. The events are being permitted by the different partners and while most events will occur, not happening this year is the parade and wine and cheese.

Trustee Morris said thank you for the update and with regarding to the 4th of July there continues to be a misunderstanding about what is where so more communication would be good for us and the community. Specifically, with the fireworks, is IVGID contributing financially to those fireworks other than services. Director of Parks and Recreation Winquest said IVGID is only contribution the cost of the traffic and safety plan which is sixteen thousand dollars and even if there were no fireworks we would need to do that plan anyway so that is IVGID’s contribution in addition to his time spent. District General Manager Pinkerton said and that is more than covered by the peak day pricing. Trustee Morris said so we have got to do the traffic study anyway because of the crowds. Commendations to you and your team for all you do for this community.

Trustee Callicrate said thank you and asked if there was going to be any additional signage for resident entrances and/or extra gates. Director of Parks and Recreation Winquest said that Staff has added other options for ingress and egress and they did add some signage. The busiest time is between 8:30 and 9:00 p.m. and Staff will delineate lines and be adding signage to the gates. Staff started doing that last year and will be putting up sandwich boards a little further down on Lakeshore. Staff is also working on ideas to help with the notification process.
Trustee Dent said four budget cycles ago, we decided in October or after Labor Day, regarding manning the beaches, to expand the time. In the past, you have asked for recommendations and in looking at the numbers that you sent to him in October, it appears that no one goes there so does it make sense to keep people out of the beaches or should we shrink the perimeter to only allow for the swimming pool which would be a savings to us. Director of Parks and Recreation Winquest said we have done it a couple of different way over the years and that for years we have been getting requests to keep the Burnt Cedar pool open longer. Incline Beach is staffed because of boat launching so Staff is trying to be fair at all our beaches. It is not necessarily about the financial gain rather it is about service level. We have a lot of people ask us why we don’t staff the gates all year round; that just doesn’t make any sense. There is no additional cost for Parks as they are cleaning the restrooms. In September, when we didn’t staff the beaches, there were probably more because some shouldn’t be there. Staff believes it has found the sweet spot but of course the Board can revisit. Trustee Dent said he appreciates the feedback and please keep us posted as that does change.

Trustee Horan said that he is really pleased about having a full time manager at the beaches and we are lucky to get that individual to do that job as he is really experienced which is really going to improve that experience. Director of Parks and Recreation Winquest said it should also free up some of his time to focus on other issues and that he is very comfortable with this member of the team and his ability as he is positive he can handle ninety percent of the situations.

Director of Parks and Recreation Winquest said that the Board has heard from some of the non-motorized watercraft participants and noted that requests for proposals for localized services are never easy however Staff provided a very fair and consistent process which he then described and noted that it had the IVGID pass holder requirement included. Why did we go out to bid; we were getting a lot of pressure from other locations and no one had anything negative to say about the current provider which has held the business for the past nine years. There was a mandatory meeting held in March and four vendors showed up and all were very clear on the process. Submittals were due on a particular date/time and three submittals were received. All three were very qualified, capable, and met the qualifications. They all went through an interview process with Staff who understands beach operations and it was a very professional and well experienced panel. He was confident that all three firms could do the job and that this selection
was about who was the right choice for IVGID. All three firms interviewed well, questions were about service, experience in the basin and knowledge of regulations, etc. In the end, as a panel, it was decided that Sand Harbor was the top choice followed by Action Watersports and then Mr. Donovan’s firm. This decision was unanimous by the panel. This is a twenty-two thousand dollar revenue concession contract and it is about providing service to our customers. That was the process and he is happy to bring it back to the Board if they want to approve this contract and he is happy to offer all three submittals as well as written statements from the panel members.

Chairwoman Wong said to clarify this watercraft is nothing that is motorized; Director of Parks and Recreation Winquest said that is correct; it is non-motorized watercraft. He is sure that minor issues will arise and that they will be worked through as a team. This was not an easy decision and he will assure the Board that when Staff goes out for a request for proposal for alcohol sales at our beaches, it will be extremely political.

Trustee Horan said his personal opinion is that you have the right firm and that he would add no value to the process as the Director of Parks and Recreation is a good manager thus he will support his decision.

Trustee Callicrate said didn’t envy the team in making their decision and he is not looking forward to alcohol. He knows all three vendors and they are great folks. Mr. Scott has done a tremendous job with Action Watersports. He was caught by surprise as he didn’t know that IVGID was going out to bid so please give the Board a heads up next time as he was unaware of this process happening. He doesn’t want to get involved in the process and while he understands that he has been out of town he wants to go on the record to thank Mr. Scott for the past nine years of service as he has created a good program. When we do the work at the beaches, it would be a good time to reassess the situation in a broader context as we go forward. He felt a little blindsided. Director of Parks and Recreation Winquest said he has given an update at the last two meetings where he provided an update on this process as he would never blindside the Board. Staff has a top choice but has no signed contract as of today as we still have some homework to do. As to the permitting of the sites, Action Watersports was informed last year that the District was going out to bid and we have reached out to TRPA about this and that they did know we were going out to request for proposals. It was Action Watersports choice to get that permitting. Trustee Callicrate followed up by asking what has to happen with the permits now that they
have already been issued; he wants to make sure we are doing the right thing. Director of Parks and Recreation Winquest said he has spoken with TRPA and they don’t give refunds. There are some potential options to work through as the sites still need to be permitted which will be at the cost of the selected vendor and it is about four thousand dollars per site. Assuming we move forward with our selection, he will work with TRPA to see if a transfer is possible. TRPA has said they don’t give refunds per their planner; he will do his best to work through that and to assist.

Trustee Morris said he would echo Trustee Horan’s comments; Staff put together the right team and he is more than happy to take the team’s recommendations on whatever happens. He knows that Staff will do all it can to help but it was a business decision to do what they did prior to the award of a contract so we have to recognize that. He knows there are I’s to dot and T’s to cross but that this is about a good customer experience at our beaches and asked if there are any service level agreements such as staffed during certain hours, etc. Director of Parks and Recreation Winquest said yes, there are stipulations about timeframes, season, daily hours, etc. We did discuss staging and all three could do the job. This was a panel decision and all can provide great service.

Trustee Morris asked if this needed to come back to the Board for a vote; Chairwoman Wong said no.

Trustee Dent asked what Staff was thinking for contract duration. Director of Parks and Recreation Winquest said three years with one (1) two (2) year option and that we would go out for proposals every five years and that the agreement will include options to terminate. This is the same type of model we would use for anything at the beaches in the future.

Chairwoman Wong said that setting that standard would be helpful for the Board, public, community, and vendors. Thanks to you and your Staff as the process sounded very open and collaborative especially with our Staff and those involved with the beaches. We do open our IVGID customer service training sessions to our vendors which helps establish that consistency. She wished Staff the best of luck this summer as it will be a crazy summer with the lake level.

Trustee Callicrate said that he knows that there have been discussions about getting some professional assistance at the boat ramp which is a standalone situation from this so what is the status as this is a critically
important situation and it is going to be a nightmare down there this summer. Is there an opportunity to work with a well-qualified vendor? Director of Parks and Recreation Winquest said that he and the current vendor has been discussing this issue for the last couple of years and the entry point is the concern as well as the increased insurance concern. Staff would love to have someone down there launching boats and we are definitely open to that which would take someone with a robust amount of experience. Opportunities are out there but timing is an issue.

At 7:30 p.m., Chairwoman Wong called for a break; the Board reconvened at 7:40 p.m.

Chairwoman Wong asked the Board if it would be agreeable to have the representative from Tri-Strategies go next.

H.0. Review, discuss, and possibly provide input and guidance on legislative matters for the 2019 State of Nevada Legislative Session following a verbal presentation on legislative matters provided by Tri-Strategies representative(s) *(was General Business H.2.)*

Victor Salcido of Tri-Strategies gave an overview/update of the report included in the Board packet. Senate Bill 279 had a work session last week which was an opportunity to have the Legislators discuss and vote. The bill passed out of committee and is now going to Senate floor for an up or down vote. The next important deadline is April 23. Assuming it passes that, this bill will have to go through the Assembly and the exact same process. Tri-Strategies is following a handful of bills and there is another deadline of midnight this Friday for their survival.

G. **CONSENT CALENDAR** *(for possible action)*

G.1. Review, Discuss, and Possibly Award a Construction Contract for the Repair of the Deck, Stairs, and Powder Coat all Patio Deck Railings (Recreation Center) Project – 2017/2018 Capital Improvement Project: Fund: Community Services; Division: Recreation Center; Project # 4884FF1502; Vendor: Bruce Purves Construction in the amount of $111,673 *(moved to General Business Item H.0.)*
G.2. Review, Discuss, and Possibly Award a Construction Contract for the Water Reservoir Safety and Security Improvements Project – 2018/2019 Capital Improvement Project: Fund: Utilities; Division: Water; Project # 2299DI1701; Vendor: Resource Development Company in the amount of $362,600 * (moved to General Business Item H.0A.)*

G.3. Review, discuss, and possibly authorize a contract for the Leak Study R2-1 14-inch water transmission steel pipeline; 2018/2019 Capital Improvement Project (CIP): Fund: Utilities; Division: Water; Project # 2299WS1801; Vendor: Pure Technologies in the amount of $52,500 * (moved to General Business Item H.0B.)*

H. GENERAL BUSINESS (for possible action)

H.0. Review, Discuss, and Possibly Award a Construction Contract for the Repair of the Deck, Stairs, and Powder Coat all Patio Deck Railings (Recreation Center) Project – 2017/2018 Capital Improvement Project: Fund: Community Services; Division: Recreation Center; Project # 4884FF1502; Vendor: Bruce Purves Construction in the amount of $111,673 * (was Consent Calendar Item G.1.)*

Chairwoman Wong asked Trustee Callicrate, who asked for this item to be removed from the Consent Calendar, to begin the discussion.

Trustee Callicrate said when you start looking at the budget for this item, it exceeded the original budget and we are doing less work with this scope so how come that changed. Director of Public Works Pomroy said that Engineering Manager Charley Miller is on vacation; Staff is seeing lots of increased costs especially in vertical construction and that bids are coming in higher and higher so Staff is scaling the scope of work and doing what they can to be under that budget by reducing the scope to fix the most critical parts of the scope. We will not accomplish as much due to increasing prices.

Trustee Dent said if we are doing a project however the budget for the project far exceeds the actual budget then we are getting less which is something that we should at least discuss instead of putting it on the Consent Calendar moving forward and that this being that far over budget, it shouldn’t be on the Consent Calendar.
Trustee Callcrete said that one thing we should know is if it is over or under the budget and can we amend the budget or do something else so it can come back once rebudgeted so that it makes sense. When Staff starts dropping this and/or have carryover, it gets really confusing. He is sure there will be others like this due to construction costs.

Chairwoman Wong said that generally items that are on the Consent Calendar are approved in the budget and that she is not sure how you are calculating this to be over budget because agenda packet page 136 clearly detailed that there are funds and that is explained. It is within our management’s expertise to change the scope of the projects and that she thinks that when something needs to be discussed, you will pull it off the Consent Calendar like you did tonight. If our Staff needed more money, they you say it is over budget and that we need to reallocate. With the rising costs of construction, we have a couple of options – do the project or scale back the project. While she is not an engineering expert, she thinks that our Staff does an excellent job with maintenance and if they feel they can come in with the budgeted funds and it meets critical needs, she is supportive of that approach.

Trustee Dent said so there was $36,300 to resurface the patio deck and Staff is not contracting for that work but they are using that budget. Director of Public Works Pomroy said that is correct. Trustee Dent said he would like Staff to save up that money for another project and that he stands by his number of being 191% over budget.

Trustee Horan said that the Board did pull this item off the Consent Calendar and that perhaps it could have been clearer and it might have been better to have it as General Business but that he had a discussion with Staff about it and he understood it – there is where we have an established budget and we aren’t completing all the work. District General Manager Pinkerton said we are completing the work. Trustee Horan said it would have been clearer if it had not been on the Consent Calendar. District General Manager Pinkerton said Staff will try and make it really clear. We have a finite amount of time for our meetings so it was put on the Consent Calendar.

Trustee Morris said he will support a motion to get this work done while Staff continues to work on clarity so that there is not a misunderstanding and we can see what is happening and why decisions are being made.
Trustee Morris made a motion to award a lump sum construction contract to Bruce Purves Construction in the amount of $111,673 for the construction of the Repair Deck, Stairs, and Powder Coat all Patio Deck Railings Project and authorize Chair and Secretary to execute the contract with Bruce Purves Construction based on a review by General Counsel and Staff. Trustee Horan seconded the motion. Chairwoman Wong asked for Board comments.

Trustee Dent said that he knows that we need to do projects and make improvements but he thinks there needs to be a better system and evaluating what our costs are going to be as Staff is way over budget in capital improvement projects. He has asked for a reserve study, we should do a reserve study and that the consultant could help us. Trustee Dent closed by stating he will not be supporting this motion.

Trustee Callicrate said that it is not about the work but rather it is the process. He knows about the costs being higher and he can’t support this motion based on the fact that we are so over budget and we are not getting projects done.

Hearing no further comments, Chairwoman Wong called the question – Trustees Wong, Horan and Morris voted in favor of the motion and Trustees Dent and Callicrate voted opposed; the motion passed.

H.0A. Review, Discuss, and Possibly Award a Construction Contract for the Water Reservoir Safety and Security Improvements Project – 2018/2019 Capital Improvement Project: Fund: Utilities; Division: Water; Project # 2299DI1701; Vendor: Resource Development Company in the amount of $362,600 (was Consent Calendar Item G.2.)

Chairwoman Wong asked Trustee Callicrate, who asked for this item to be removed from the Consent Calendar, to begin the discussion.

Trustee Callicrate said that in looking through this item we have fourteen water tanks and this contract is for ten so the original estimate has been reduced to ten tanks so again this is grossly under the budget that we are being asked to move forward. There are safety concerns but this is way out of whack with the budget and that it gives the wrong impression or whatever to the community like we don’t know how to manage our monies. The
impression is that we are not managing our monies nor how we are budgeting therefore he can’t support this.

Trustee Dent asked how we can do a better job. Director of Public Works Pornroy said put a whole gap year in the project process which he then explained and/or add years to projects. District General Manager Pinkerton said neither makes sense as costs go up.

Chairwoman Wong said that we will still be off as a budget is an estimate. Our Staff uses the best available information and when they go to do a project, they get the bid and identify the actual cost so you will never have a budget that equals your costs.

Trustee Callicrate said $260,000 has been estimated for the three tanks and what else is included; he said he agrees with the Chairwoman that we can’t get a perfect budget but a ten to twenty thousand dollars discrepancy versus a two hundred to three hundred thousand dollar one is a sizeable difference and that is his concern. This District has so much deferred maintenance that we need to do a better job overall in addressing critical infrastructure that hasn’t been addressed. We need an aggressive schedule which is his concern as he is not doubting ability rather it is the process that isn’t working like it should with the gaps in the costs and how these projects go out for several years.

District General Manager said when you look at our projects over a ten year period, construction goes against and then goes with you. If you look at it over that time, we will be within one or two percent. Staff is doing an outstanding job in getting bids for special purpose construction.

Trustee Horan said Staff could do a better job in their presentation and that he disagrees with Trustee Callicrate about Staff doing a poor job with the management of monies. Whether the presentation could be improved upon, he would agree but he takes exception to the comment about managing monies.

Chairwoman Wong asked Trustee Horan if he would be willing to work with Staff to add more information; Trustee Horan said he would be happy to do that.

Trustee Morris said this is a financial and budgeting discussion and that he has nothing more to add. By not supporting this project, as this is a safety
and security project, sounds like one is saying no and continue to have deteriorating and safety issues with these reservoirs which is voting against the safety of our Staff.

Trustee Callicrate said he is not voting against the safety of our Staff but rather to look at again the variance, etc. It is the process we go through so please don’t characterize it as safety, just don’t. Look at the entirety, amend it and then take care of the balance in the future. Based on the information presented in the manner that it is, he can’t support it.

Trustee Morris said Staff is telling us why this is the way it is and that it is important to this work for the safety of our Staff. Stuff has got to be done and we come can come back and have that discussion. For him, he will support this because we have to have safe environments.

Trustee Dent asked if there will be $260,000 in the future budget or are we doing something else there. Director of Public Works Pomroy said that next year we have $10,000 budgeted to create a new project that will then be designed and bid and then budget construction dollars so that is the money that will be in new funds for approval. Trustee Dent asked of the $260,000 in new funds, we will be getting anything other than the three remaining tanks and if the cost is that much higher. Director of Public Works Pomroy said that this goes back to the budget. We put out $260,000 because we didn’t know about the costs and took our best estimate. Prices will continue to rise so as we are working into next year’s budget, we may drop the pricing. Trustee Dent said he appreciates Staff being conservative in moving forward with the budget.

Trustee Morris made a motion to award a construction contract to Resource Development Company in the amount of $362,600 for the construction of the Water Reservoir Safety and Security Improvements Project and authorize Chair and Secretary to execute the contract with Resource Development Company based on a review by General Counsel and Staff. Trustee Horan seconded the motion. Chairwoman Wong asked for any further comments.

Trustee Dent said he will not be supporting this motion and that it has nothing to do with safety rather it has to do with principle. Staff needs to do a better job and can do a better job as we shouldn’t have such a big swing. Hire a consultant to get more accurate budgets going forth.
Trustee Morris said that he didn't understand how reserves are affected.

Chairwoman Wong, hearing no further comments, called the question – Trustees Horan, Morris, and Wong voted in favor of the motion and Trustees Callicrate and Dent voted opposed; the motion passed.

H.0B. Review, discuss, and possibly authorize a contract for the Leak Study R2-1 14-inch water transmission steel pipeline; 2018/2019 Capital Improvement Project (CIP); Fund: Utilities; Division: Water; Project #2299WS1801; Vendor: Pure Technologies in the amount of $52,500 (was Consent Calendar Item G.3.)

Chairwoman Wong asked Trustee Callicrate, who asked for this item to be removed from the Consent Calendar, to begin the discussion.

Trustee Callicrate asked if this was about adding redundancy to pumping capacities uphill and to allow another line, built in 1961 that has been shut down, to be reactivated. Director of Public Works Pomroy said yes, that is correct and it is about doing condition assessment. Trustee Callicrate said so this is about inspecting 2,200 feet of pipe. Director of Public Works Pomroy said that is correct and it is working on the first section of pipe with other watermains. Trustee Callicrate asked why Staff is not check the entire line. Director of Public Works Pomroy said that Staff knows that line is in a fully deteriorated condition and that we have watermains in place in other places to tie in. Trustee Callicrate said he appreciates the clarity and that the verbal explanation is much better than what is included in the Board packet.

Trustee Morris made a motion to authorize Staff to enter into a professional services contract with Pure Technologies in the amount of $52,500 for condition assessment of the 14-inch water transmission steel pipeline and authorize Staff to execute the contract documents based on a review by District Counsel and Staff. Trustee Horan seconded the motion. Chairwoman Wong asked for further comment, hearing none, called the question – the motion was unanimously passed.

H.1. Review, discuss, and possibly approve Resolution No. 1866 for Proposed Amendments to Sewer Ordinance No. 2 and Review, discuss, and possibly approve Resolution No. 1867 for Proposed Amendments to Water Ordinance No. 4 and Review, discuss, and
possibly approve Resolution No. 1868 for schedule of service charges and fee schedule that includes a utility rate increase
(Requesting Staff Member: Director of Public Works Joe Pomroy)

Director of Public Works Pomroy gave an overview of the submitted memorandum.

Trustee Morris made a motion to approve Resolution 1866 amending Sewer Ordinance No. 2 “An Ordinance Establishing Rates, Rules and Regulations for Sewer Service by the Incline Village General Improvement District”. Trustee Horan seconded the motion.

Trustee Dent said, back in January, when Staff proposed a budget and there was a capital improvement project budget that included twenty six projects, we are now two months further along, and twenty two of the twenty six projects have changed in value. Some have been pushed off to the future and eight have lower estimates with three having increased by almost a million dollars and four new projects being added and it has been two months that we have been talking about this rate study. The Board voted to move forward with the proposed rate study and now the information that was presented to the Board has changed so how do we do better and only have a ten to twenty percent changes in the projects. Director of Public Works Pomroy said that when the rate study is presented, it was being prepared in September or October so when it comes to the Board, Staff is dealing with capital improvements projects which is going to become year one and it is twelve month old data. Staff doesn’t have great ideas on how to alleviate that issue. Staff makes a lot of adjustments after the rate study is complete and align them with the project cost estimates, etc. An example is the aeration project – Staff put in an amount, it went through design and came in a one million dollars. Staff then changes projects around to find the money for the most important project. The District will always have that struggle and that over five years, the spend matches or stays within one to one and half percent of the estimates. It is a constantly evolving process and Staff is trying the best they can but the rate study is about one year behind. District General Manager Pinkerton added that Staff can’t have a static process and that what is provided to the Board is a snapshot for that point in time and that Staff always has a rolling one year and a five year look. We are doing this the same way as others do it and in looking back and looking forward, Staff is doing the best they can with their estimates.
Trustee Dent said he gets changes but usually up to fifteen percent and we have had others that are higher so how do we improve. District General Manager Pinkerton said that fifteen percent is not bad as we have always changing numbers.

Chairwoman Wong gave kudos to our Staff for taking historical knowledge and looking at current information and for not being stuck on what they planned but their willingness to make the changes. She would be more worried if Staff was one hundred percent correct because they are always learning more and more. Our Director of Public Works did a really good job of explaining the capital improvement project process especially on capital and effluent. This is all part of the estimation process which is revise and keep moving forward. In terms of getting better, keep trying to get better estimates every year. District General Manager Pinkerton said that Staff meets on a regular basis and we go into a deep dive. We had a meeting today as we decided this year to start early on the rate study so we have plenty of iterations. Each year, Staff is doing everything they can to maximize checks and balances. On all of these projects, until final design, you don’t have a good idea of costs. Staff attempts to do that by the time we give the capital improvement projects presentation along with staying within resource and staffing allocations. The Board is getting the amount accomplished that we can get accomplished and that Staff is always looking at three to five years which we have tried to explain.

Trustee Dent said we can get better at this process and his question is how we do it. Are other agencies this far off? We need to have a consultant do a rate study for us as well as a reserve study. Maybe they will come up with the same numbers. District General Manager Pinkerton said that a lot of agencies have two, three or five year rates. Staff gives the Board a lot more precision that those who go with a five year plan. He is not sure if any other agency does a one year rate study as it is usually done over a longer time period. Director of Public Works Pomroy said that South Tahoe just noticed a five year rate. Staff has to look at all the projects and do a balancing act and that sometimes that has to do with working with other agencies. Staff works within the existing rate study and balances that against our workload and we move things out and then some things we move up based on priorities and opportunities. It is always balanced against a fair and reasonable rate to our customers. District General Manager Pinkerton said that the proof is in the pudding as our method has yielded the lowest rates in the region.
Trustee Callicrate said if we were able to perhaps have an outside consultant, which frees up our Staff to do day-to-day operations, we could do a closer estimation of what we need and perhaps we need to raise our rates more. That is not what he wants to do. As to the selling of treated effluent, he knew nothing about Clear Creek or Schneider; if that is money coming into the District, where is it coming into as he doesn’t see anything about the sale of treated effluent. In March of last year, all of us got, in our Utility mailer, for the month of March, that our water hadn’t been treated – why did it take eleven months to get that alert. Director of Public Works Pomroy said that the Schneider agreement was approved in 1970 and has been in effect over forty years. Trustee Callicrate asked if it was allocated in our utility fund and does it say we make x amount per year because this is the first he has heard about it. The Trustees need an update. Director of Public Works Pomroy said for Clear Creek that was approved by the Board in 2008. Both contracts generate revenue and that it is not in the rates rather it is done by contract so it goes into the Sewer Fund and can the public can see that by looking at effluent sales in opengov as it goes straight into the Sewer Fund. On the monitoring violation, Staff pulls fifteen samples per month and those are sent to the State. One of the samples had an unusual reading and when Staff checked three other sinks nearby, they all came back at zero. Staff didn’t write down the chlorine number; it was not a treatment violation and Staff has twelve months to notice. Trustee Callicrate said that the flyer gave the impression of no explanation thus his only concern was about timeliness and that he now understands the process; he appreciates learning something. On the Effluent pipeline, he thinks we can do a more accurate job in forecasting where we are going and making it known about the lag in our numbers. When we send something out, as a government agency, we have to be spot on and make sure it is complete. He appreciates the job Staff is doing as it is critically important but he is being asked and people are concerned. Director of Public Works Pomroy said he has nothing new of the Effluent pipeline.

Hearing no further comments, Chairwoman Wong called the question – Trustee Callicrate and Dent voted opposed to the motion and Trustees Horan, Morris, and Wong voted in favor – the motion passed.

Trustee Morris made a motion to approve Resolution 1867 amending Water Ordinance No. 4 “An Ordinance Establishing Rates, Rules and Regulations for Water Service by the Incline Village General Improvement District”. Trustee Morris seconded the motion.
Trustee Dent said he has said this several times – since the rate study came to the Board in January, it has been flawed and he thinks Staff can do better and that there is room for improvement thus he would like to hire a consultant and do a rate study and do a reserve study. Perhaps Staff will be right twenty or thirty percent of the time and he has brought this up a couple times before and that is that the rate study is replenishing the restricted portion and that fails to meet Board policies 19.1 and 19.2 therefore he will not supporting this motion.

Hearing no further comments, Chairwoman Wong called the question – Trustee Callicrate and Dent voted opposed to the motion and Trustees Horan, Morris, and Wong voted in favor – the motion passed.

Trustee Morris made a motion to approve Resolution 1868 for the Proposed Sewer Schedule of Service Charges, Water Schedule of Service Charges and Fee Schedule. Trustee Horan seconded the motion.

Trustee Dent made a request, pursuant to Policy 3.1.0, that the Chair place on the agenda for discussion the Board potentially hiring or engaging a consultant for a rate study and reserve study. He will not be supporting this motion as he thinks Staff can put better documents in front of the Board.

Hearing no further comments, Chairwoman Wong called the question – Trustee Callicrate and Dent voted opposed to the motion and Trustees Horan, Morris, and Wong voted in favor – the motion passed.

**H.2. Review, discuss, and possibly provide input and guidance on legislative matters for the 2019 State of Nevada Legislative Session following a verbal presentation on legislative matters provided by Tri-Strategies representative(s) (moved up to General Business Item H.0.)**

**H.3. Review, discuss, and possibly approve Golf Play Pass rate structure for the Incline Village Golf Courses 2019 golf season and special promotion for the Mountain Golf Course and Incline Village Tennis Center (Requesting Staff Member: Interim Director of Golf Kyle Thornburg and Director of Parks and Recreation Indra Winquest)**
District General Manager Pinkerton gave an overview of the submitted memorandum.

Trustee Callicate asked will the unused portion of the punch cards be used by the resident. District General Manager Pinkerton said that is the only type we have. Trustee Callicate asked how the portion of the punch cards is going to be recorded because there is concern by some folks about giving a fair and accurate determination of what the impact is to our golf courses which already receive a $1.5 million dollar to $1.6 million dollar subsidy and that this probably needs to put out to the community. District General Manager Pinkerton said each year, in the budget, Staff shows that allocation. In the audit, there is a page in there that for a number of years has shown how much went to where and that has been in there for at least four years. The Mountain golf passes went from 36 to 298 which is directly attributable to this promotion.

Trustee Dent said, regarding the unlimited play pass, that it remained the same so does that add more to the subsidy and what is the logic behind it. District General Manager Pinkerton said that there is a lot of price sensitivity at the golf courses. Staff is anticipating early conditions and with the raise in non-resident rates, we decided not to do it and this is because of the weather impact. Finding that it is more of an art than a science, if we get too aggressive with the rates, we will get less revenue so we have to be careful with the golf industry however it is fully up to the Board of what you want to do. Where we have seen the greatest increase in revenue is in the non-resident area and we did approve increases in those rates.

Trustee Dent said so if we are trying to incentivize, what other areas can we do a trial run and are we hoping that this moves the needle a little bit because if you aren’t here for two or three months, it is hard to get full value out of a pass. We got a lot of comments from the tennis players and by extending it out, that would give us more data as we are getting feedback. He has heard about more value to the punch cards and there has been discussion for using it in other areas but we need more data. Beaches is a different fund so we need to sort through some things. By doing it methodically, the impact on Tennis wouldn’t be as significant as this is a really good service level move and opportunity for our tennis players. District General Manager Pinkerton said that the other concern is we don’t want to create capacity problems in other areas so we are proposing it where we want to generate more activity and Staff hasn’t heard any Board member say we want to generate more activity at the beaches. Director of Parks and Recreation
Winquest added that we can explore doing it at the Recreation Center as there are times, during the day, where we have capacity issues but we can explore daily issues. Trustee Dent said that he appreciates the feedback and that what he has heard is why we can’t use it at the Championship Golf Course or to launch a boat. Anything we can do to increase the value, we need to do. He would like to get a sample or trial run at the beaches, paddle boarding, or launching of your boat because people want to see change now.

Trustee Callicrate said just to make certain that we aren’t violating Ordinance 7, as this is a touchy area, as we go into Ordinance 7, we need to clarify as our current ordinance stands right on the edge. District General Manager Pinkerton said that is why we are calling it a promotion; a one-time promotion. Trustee Callicrate said he wants to make sure we are following our own ordinance. District General Manager Pinkerton said Staff is comfortable with how we are handling it and that the goal is to have punch card reform as Staff would like to see it go to admissions and not costs. The only value to a punch card is to an owner’s guests so there is a lot of validity to make it more valuable to the property owner. Trustee Callicrate said for golf, we need to keep it just for golf so as to make sure we are okay to do that as he doesn’t want the District to create more consternation. District General Manager Pinkerton said, as proposed, Staff is very comfortable. Director of Parks and Recreation Winquest added that the punch card can be used for the daily boat launch fee and agrees we need to look at other areas and that Staff is very comfortable moving forward.

Trustee Dent said this is a really easy thing for us to discuss, giving folks more value, so let’s prioritize having this on our list.

Trustee Horan said it is only being offered at Golf and Tennis right now; District General Manager Pinkerton answered yes, that is right.

Chairwoman Wong thanked Staff for listening to our community members as we heard from the Tennis community loud and clear and we will start to hear from other people which is good as it helps us to inform our decision. Thank you to Staff for being responsive to those requests.

Trustee Callicrate said that there is an audience member that wants to make a comment; Chairwoman Wong asked if any Board member was opposed – Trustee Morris said he was opposed. Chairwoman Wong called on Sara Schmitz to make her public comment.
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Sara Schmitz said that when she moved here, she spent a great deal of time in learning about the punch cards. She was told that the Recreation Fee was like a tax and that if you don’t use it, you lose it. Now, Staff is implementing another way to get value out of the punch cards and you need to be fair to all constituents in this community and if you are giving Golf and Tennis thirty cents then you should do that for all residents so we can take advantage of that offer. Right now, you are giving preferential treatment so give it to all and give them refunds.

Trustee Morris made a motion to approve the provided Golf Play Pass rate structure for the Incline Village Golf Courses 2019 season and the special promotions at the Mountain Golf Course and Incline Village Tennis Center. Trustee Horan seconded the motion. Chairwoman Wong called for additional comments.

Trustee Callicrate said that this is a great opportunity to move forward and that he is glad we are able to keep fees stable. To the public comment made, when we get into Ordinance 7, we will look at all the venues. He feels comfortable supporting this motion.

Chairwoman Wong said that every resident does have the ability to use this as long as you have punch cards as this is open to every resident to use at the Mountain Golf Course or the Tennis Center.

Trustee Dent said that he likes where this is going, knows that this is something that a lot of Board members have talked about, we need to find ways to create value, we need to move swiftly, and have discussion. To not have more promotions next year and take an action that allows us to add more value to our residents is what he wants to do; he will support this motion.

Hearing no further comments, Chairwoman Wong called the question and the motion was unanimously passed.

Chairwoman Wong called for a break at 9:13 p.m., the Board reconvened at 9:22 p.m.

H.4. Review, discuss, and possibly approve Resolution Number 1870: A Resolution Preliminarily Approving the Report for Collection of Recreation Standby and Service Charges, Fiscal Year 2019-
2020 (Requesting Staff Members: District General Manager Steve Pinkerton and Director of Finance Gerry Eick)

Director of Finance Eick gave an overview of the submitted memorandum.

Trustee Callicrate said that he has brought this up before; there are opportunities to adjust collection at the beaches up or down for the Recreation Fee to address the whole beach situation. The District has a lot of money available to do something at the Mountain Golf Course and he has proposed $583 for Recreation and $247 for the Beaches as this would allow us to do stuff without going out for bonding. He would like it to be considered such that we draw down our reserves in the Community Services Fund and still keep the total Recreation Fee at $830. District General Manager Pinkerton said that from an agenda standpoint, it is better requested during the next agenda item. Trustee Callicrate said right but that he wants to modify these and doesn’t want it to get lost in the shuffle as there is merit to it while not having to raise the yearly per parcel assessment and not borrow any money. He wants to allocate it appropriately and legally so we can do the Mountain Golf Course clubhouse, Burnt Cedar pool, and the Incline Beach House and not be put in a precarious situation. Trustee Callicrate said that he does have a narrative that he can share which still keeps us in a good financial situation so he wanted to put that out there.

Trustee Dent said by approving this item and approving this resolution are we just saying we are going to charge fees without a value associated. Director of Finance Eick said that it is essentially a notice we are going to adopt something and that based on the work, done to date, it shows the amounts but that the Board can change it but the people should know so this resolution is only addressing one side.

Trustee Morris made a motion to adopt Resolution Number 1870 which preliminarily approves the report for collection of recreation standby and services charges (also known as the Recreation Facility Fee and Beach Facility Fee) and sets forth the public hearing date of Wednesday, May 22, 2019 at 6:00 p.m. at 955 Fairway Boulevard, Incline Village, Nevada. Trustee Callicrate seconded the motion. Chairwoman Wong asked for any further comments.

Trustee Dent said that he looks forward to further discussing what the proposed Recreation and Beach fees would be as he is in favor of the
alternative however he will be supporting this motion to move it along and that he looks forward to the next discussion item.

Hearing no further comments, Chairwoman Wong called the question – the motion was passed unanimously.

H.5. Review, discuss, and possibly authorize Form 4404LGF as the IVGID 2019-2020 “TENTATIVE” Budget for filing with the Nevada Department of Taxation by April 16, 2019 (Requesting Staff Member: District General Manager Steve Pinkerton and Director of Finance Gerry Eick)

Director of Finance Eick gave an overview of the submitted memorandum.

Trustee Callicrate said this Board has an opportunity, with the Recreation Fee, to draw down the Recreation portion to $583 and to $247 for beach which would allow us to move forward with the Burnt Cedar pool replacement which takes out the five hundred thousand dollar stop gap which Terracon said is $1.6m and to do this project in the fall and then utilizing the beach monies and not doing a stop gap measure rather it becomes all about do it right the first time. We will have a spectacular facility the first time while not spending a whole bunch of money and paying interest. For the Mountain Golf Course Clubhouse, we have enough reserves, about $7.5 million dollars, to put forth a new clubhouse. We can build new and not do any stop gaps and have a real kitchen, tear existing building down, and have a trailer up there for two summers. As to the cart barn and tanks, roll them into one project, do it right off the bat and do it right the first time. Those are two opportunities and then there is the beach building. We have an opportunity on how we allocate and that we don’t have to bond at this time. We have an opportunity to move forward on projects that the community wants us to do without lowering the level of operations and we don’t have to borrow.

District General Manager Pinkerton said that one of the things he wants to do, on May 1, as it might be better than, is that Staff is getting some good information on the Burnt Cedar pool which may have a far less expensive fix dependent on the Terracon work being done right now. We have spent about two hundred and fifty thousand dollars on the Community Services Master Plan (CSMP) and another two hundred and fifty thousand dollars on the beach studies and when you take all of these projects, you have competing projects thus it is really important before we make a decision to
shift dollars around, and given the planning monies spent, that we spend the next three months not touching that money and have a lot healthier discussion about the CSMP.

Trustee Callicrate said that the reason he brought it up is because he doesn’t want to do a piece meal project rather it be brand new. The beach house should have broken ground last year and Staff hasn’t done that and that is at the most used facilities. The pool at Burnt Cedar is the most popular facility and these are all stop gaps. He understands about the five hundred thousand dollars spent on plans but he doesn’t want to waste time and get locked into a combined fee rather he wants to be proactive on collecting the beach fees for new facilities. He understands about melding all these things and committing all this money to a stop gap measure is something that he is totally against. He wants to commit to something new and something that the community wants. We have folks who want to move forward on the dog park and then we can plan for the future. Our beaches are our number one visited assets and they have been neglected for seventeen to twenty years. He wants to make sure we have a funding mechanism in place now and that we don’t drag our feet. Let’s start moving ahead as this is the opportunity to do that and that by not raising the Recreation Fee we will still have an opportunity to bond for things like Ski Way and other projects of that nature thus nothing is off the table because we have $7.95 million dollars.

Director of Finance Eick said that the specific numbers are on agenda packet page 308. District General Manager Pinkerton said so essentially what Trustee Callicrate is proposing is making the determination to put considerable resources towards the beaches and the potential projects at the beaches as the priority. The significant change is to put another one million dollars or so towards the beaches and that would have to occur for multiple years. The Board needs to have a bigger picture discussion because that is well beyond capacity.

Trustee Callicrate said it is about collecting monies for the beaches and that if we don’t begin now, as they have been depleted, that this is an opportunity for us and maybe it should be more for the course of three years and lower amounts on the other part. He doesn’t want to lower our operations/service levels but this is a great opportunity to put this into place. Draw down our excess reserves and address the items in need as this shows the community we are listening. It shows us being proactive on the beaches that have not had the proper attention they deserve. It is a great opportunity to have the Board members consider it while not raising fees because we have the
reserves and we will still have the bonding capabilities so we are using the monies prudently and following our Board policies over and above. Let’s do a good portion of the work sooner rather than later while the consultants work is credible.

Trustee Morris said that he has been receiving a bit different feedback and that taking a huge chunk of money and spending it at the beaches isn’t going to pay for very much and not get very much else. He would like to try and get a full approach as to him it is extremely unwise to spend these monies. Also, if we are building something that is a twenty or thirty year facility, why would you want the people to pay now when the people who will use it are in the future and they are who should be paying for it. Against this idea as it is totally hypocritical.

Chairwoman Wong said that she appreciates what Trustee Callicrate is trying to say and that it is a different way to solve this problem. The idea is maybe six months too early because one of the things, and you have to go back to two weeks ago, is that this Board talked about its work plan and that one of the things we were to figure out was how all of our community services fit together and then work that out. We have done a good job of monitoring our top priority projects however what we haven’t done is to check back in with the community and she is talking about the Board Work Plan. We all need to be on the same page and start looking at the plans and have community conversations to make sure we are prioritizing the projects correctly. She does agree with Trustee Morris that what Trustee Callicrate thinks are the top five, aren’t to her. This Board needs to be get back in touch with our community and identify the probably top ten projects and then narrow that down. The other piece that is missing is that nowhere have we talked about alternative financing. The Recreation Fee is a piece of the puzzle but that we need to take a step back and look at all the pieces and all the different funding sources. Very early on in this budget process, it was suggested that we may need to have an increase in the Recreation Fee. She couldn’t support that because of the potential funding options, which are similar to your proposal. While she likes the idea and thought, there isn’t enough information to support it.

Trustee Callicrate said that he would like to back as he takes slight umbrage to what was said as it is not hypocritical at all. He has been here for thirty four years and he listed to people and the beaches are always last. We have a pool at Burnt Cedar that is leaking and there is an opportunity to do that work sooner rather than later. Don’t want to see the District do a series of
Band-Aids and then have to start collecting money because not everyone has access. It is a disservice to the community to hang on to the monies we have. We need to start collecting monies for the beach improvements as we still have plenty of money for these projects to be done on a smaller scale and still have the monies based on our policy. To go out and borrow begs the question of why are we borrowing when we have the money sitting there. While he understands what Chairwoman Wong is saying about having alternative forms of funding, we need to utilize the reserves. We need to start the ball rolling with the community priorities, make a dent, and get a down payment instead of waiting and he thinks this is a great opportunity without denigrating the process of the consultant.

Trustee Dent said he talked to Staff about raising the Beach Fee and lowering the Recreation Fee and funding some of these projects. He likes this approach and the details. It is an interesting approach that will save a lot of money in the short term. Take one project, the Burnt Cedar pool, we have five hundred thousand dollars as a Band-Aid with costs being $2.5 million dollars and the consultant says eight hundred thousand dollars so why spend five hundred thousand dollars on a Band-Aid and then start over with spending another million dollars; this is a creative approach for one legacy project. Regarding spending this money and needing to wait to have the dialogue in a few months, we are already a few months too late. Using that same logic, we should not approve a budget with any capital projects as we are talking about spending this money next year. The following, it is two million dollars on the pool so there is time. We have $682,000 in carryover projects for the Diamond Peak Master Plan and he doesn’t hear a lot of people coming forward to talk about that but he is looking forward to hearing about that so maybe that money goes away. He likes this proactive approach and would like to discuss it a little bit more as it is saving five hundred thousand dollars. We need to fix a pool that has been leaking for several years.

Trustee Morris said there is clearly a misunderstanding between us regarding the pool. Having attended the CIP tour, when Trustee Callicrate was out of town and Trustee Dent didn’t show for, this isn’t a Band-Aid rather this was something we were going to do this year anyway. Knowing how information gets turned into disinformation, he wants clarity on what this a phase for this year or is it a Band-Aid or not.

District General Manager Pinkerton said it is less of a Band-Aid as Staff thinks we have a solution that is long term that we have to look at a little bit
more and it is a fairly genius solution. The problem with the budget is that is shows the worst case scenario. It created a lot of dialogue which started due diligence and Staff found a better solution. The Board typically hears about when costs go up and here is when the costs have gone down. Staff is doing everything they can to bring in all the costs as best we can. On the Beach House, sticker shock occurred. At the Staff level, we like to see as good amenities as possible so Staff would like to spend more time seeking a quality solution. Maybe we address the restrooms and upgrade the kitchen but we still need to have the discussion because of having so many busy days at the beaches. We do have resources to get things done and the challenge is what is the rational way to allocate those resources is. It is a great problem to have as there are others that would gladly trade places with us. At the Staff level, our job is to present what is best for the next five, ten, or twenty years and then prioritize followed by doing real proper due diligence.

Chairwoman Wong asked what the timeframe for a long term solution is. District General Manager Pinkerton said ten years is the relining timing so this is possibly a permanent solution.

Trustee Morris said that just knowing the information that we have been given today and without any new information is the money to do this year’s project feeding into a longer term solution; District General Manager Pinkerton replied yes.

Trustee Dent said that the consultant, Terracon, is saying to replace the pool in one to three years so this would be a Band-Aid. District General Manager Pinkerton said that Staff thinks it may have found a ten year solution and at the worst moment, a couple of years. We put into the budget the worst case scenario. Trustee Dent said doesn’t it make sense to budget for a new pool and maybe keep the Beach fee higher because of the Beach House and go after the low hanging fruit and knock off one of these legacy projects. District General Manager Pinkerton said that he is pretty comfortable with the excess fund balance and it taking care of the pool however we have until May 22 to make that decision. Trustee Dent asked when the Board can get an updated project data sheet. District General Manager Pinkerton said that Staff is working on it. Trustee Dent asked if the Board can have it; District General Manager Pinkerton replied yes.

Trustee Horan said that this is a great discussion and that he too would like to get some of these projects done. He supports some of what the Chairwoman said and he wants to say it again – if we are saving money for
Diamond Peak, he would like to see us spend it. If we are not saving money for Diamond Peak, then longer term projects should be financed. He is not opposed to switching money around but he is not quite ready to do that right now. He would like to find out more information on the pool and like the Board to continue the conversation to make that adjustment on the Recreation Fee but that he isn’t prepared to do that tonight.

Trustee Dent asked if the $51,500 for the Southwood Building was now being cancelled. Director of Finance Eick said that was for carpeting and we have a replacement in the five year window thus we need to have that conversation about replacement and we can’t skip the fire panel project.

Trustee Dent asked why the thirty nine thousand dollars for the Championship Golf Course Grille equipment is not being carried forward. Director of Finance Eick said that it was carried over for a number of years and Staff discovered that the number is not realistic so we have cancelled it and told Staff to come back with better numbers.

Trustee Dent said that for the Mountain Golf Course Clubhouse that we have spent around forty two thousand dollars with the design firm and we are showing ninety six thousand spent. Director of Finance Eick said that some of that is our own design work as there is an outside vendor that helped us with the new design of the deck as well as the fire cleanup costs of at least five thousand dollars.

Trustee Dent said for the Diamond Peak culvert, we should that as completed so did we save plus or minus three hundred thousand dollars; Director of Finance Eick said it appears at this point that we did.

Trustee Dent said the export line – what is that. Director of Finance Eick said that is the entire project and we are going back to one line item.

Trustee Dent asked about the four hundred eighty thousand dollars in FEMA money. Director of Finance Eick said that one hundred eighty six thousand is State grants for the creek restoration and three hundred thousand is for Phase Two of the bike park.

Trustee Dent asked what the status of the FEMA money is. Director of Finance Eick said it is still on their desk awaiting their next step which is physical inspection of the actual work.
Trustee Dent said there is a significant amount of money if we don’t lease the golf carts, tractor, or groomer as we are talking about a little over seven hundred thousand dollars to purchase and then when you count the interest alone, which is one hundred thousand dollars, this is a way to save money and something we should consider as we move forward with the budget process. Trustee Horan said he agreed that we should discuss it. District General Manager Pinkerton said that the next Board meeting would be the appropriate time for that discussion.

Trustee Horan made a motion to authorize Staff to execute and file the Form 4404LGF (Exhibit B) as the Incline Village General Improvement District’s “Tentative” budget for fiscal 2019-2020, including the Budget Message therein, and order it filed by April 15, 2019 to meet Nevada Revised Statutes 354.596 requirements. Trustee Morris seconded the motion. Chairwoman Wong asked for comments.

Trustee Dent said that he will not be supporting this budget, knows this is a preliminary budget and that he would love to be saying yes to one of these budgets and hopefully Staff will make some changes.

Hearing no further comments, Chairwoman Wong called the question – Trustees Callicrate and Dent voted opposed to the motion and Trustees Horan, Morris and Wong voted in favor of the motion; the motion passed.

H.6. Review, discuss, and possibly provide direction, to Staff, on the IVGID Code (Requesting Trustee: Vice Chairman Phil Horan)

Trustee Horan said that the Board talked about this and letting Staff do a little more work on this item and that he talked to Staff some more and what the Board received was a compilation of all our policies, procedures, etc. and that it was put into a more organized fashion than before and that document didn’t contain any changes. Therefore, he would like to discuss adopting it as is as we now have it gathered into one place and adopt them as our policies with the caveat that we haven’t changed anything. Then Staff can organize and present the changes and see if we can make some progress as we have a lot on our plate. If we could possibly take this route, it would make progress faster. There is no conspiracy here rather it is about adopting what we already have in the way it is organized.
Trustee Callicrate said that he is taking a different tact as there has been a great amount of work that has been done and that this Board needs a standalone workshop on this and that we commit to going over this in a public arena. This is the governing code for everything we do. From everything that we have spoken about, he sees it as a six month to one year project and then going to adoption. There is a tremendous amount of information in this document and we need to be very, very careful with it. While it is a noble idea, we owe it to ourselves and the community to take more time and have a summer or winter workshop. He would be more prone to doing something like that rather than have Staff work on it as this is going to be the document that we abide by and it deserves a lot more time or to be put on hold.

Chairwoman Wong said so she sees three options; (1) adopt as is and work on making changes and adopt them as made; (2) revise certain sections and adopt as revisions are made; and (3) make all revisions and adopt at the end. The third option is not really a good one so she is in favor of the first one with existing policy, resolution, etc. prevailing thus we revise sections and adopt them.

Trustee Morris said we have been talking about this for a long time and we have tried to do it in simple sessions. He would love for the Board to get something that is consolidated and so it is his desire that the Board move forward somehow. At first, he was concerned about accepting the draft as our golden rule in case there was something wrong with that. He would be okay with a caveat that the code that we are adopting is still relevant on the previous ordinances, policies, procedures, etc. and that if there is any conflict or confusion, the prior orders rule. If that could get us going and have it in one code with Staff working with us, he thinks that would be a reasonable way to go forward. He doesn't want to wait until we have everything ready because he doesn't know how long that would take.

Trustee Callicrate said that adopt as we go, for him, seems to still be moving it along. We would not be boiling the ocean rather taking it in sections would be a good methodical way and giving due diligence which would show that we are making progress. It might be imperfect but it will show the community that we are taking the time necessary so he would be in favor of that – adopt as we go.

Trustee Dent said that adopting a preliminary IVGID Code as we go would be a better approach because until we are done with everything we don’t
know it ties back. Every time a policy comes to the Board, Staff should say here is the policy, here is the red line copy, and here is what it will be. He doesn’t care and it doesn’t have to be perfect. It would save us, as Board members, to not connect the dots. He would like to get a Word document with a comment that tells the Board what was changed, etc. as that gets us closer and a road map on how to get there.

Chairwoman Wong said that this solidified the argument and then to make changes, we don’t have to go back to the old because now there is a policy which has been created which may have just convinced her to adopt it.

Trustee Dent asked why can’t the Board get a road map as that is all he is asking for is a little bit of a road map or are we completely nixing the whole red line idea. Chairwoman Wong said that is there at the end of every chapter. Trustee Dent said can Staff tell us where they came from.

District General Counsel Jason Guinasso said that we have gotten contradictory information because in October, it was done the way it was done because of the Board’s direction. After that there was some confusion on how to get to places so he created different short cuts. We could create a binder like this one with the new code in the front and the old documents in the back as there are a lot of ways to skin the cat. Staff needs all of you to decide how to get the work done as it is hard to do so with conflicting direction. If he was king for a day, he would have one Board member be responsible for Governance and then work with an assigned Staff member on it. It might be a way to cut up the elephant and trust those people to get the work done. Having a baseline might be the way to get it done and make it a preliminary code.

Trustee Dent asked how he gets the binder as it might be a step in the right direction. Trustee Horan said that he was just trying to move the ball forward. Trustee Morris said he understands that this was an effort to get some sort of direction to help us move forward and that he is concerned about not coming to a conclusion. Chairwoman Wong asked each Trustee if they wanted a binder with the following responses:

Dent – Yes
Callicrate – Yes
Horan – No
Morris – No
Wong - No
[Post Meeting Notation: Binders were prepared by Staff and distributed to those Trustees who requested them on April 16, 2019.]

H.7. Board Work Plan – Ordinance 7 – Review, discuss, and possibly provide direction on an outline a schedule for workshops, public meetings, communications, etc. (Requesting Trustee: Chairwoman Kendra Wong)

Chairwoman Wong gave an overview of the submitted memorandum and distributed a summary from citizen forums and asked each Trustee to read through them and talk to people and then come back with the top three or four items that you are getting feedback on.

Trustee Horan asked about the schedule for community outreach. District General Manager Pinkerton said that we have July 24 scheduled as a public forum and that maybe we would have some outposts around the community to gather information.

Trustee Dent asked if this was going to be on the next meeting agenda; Chairwoman Wong said yes. Trustee Dent asked if we can include this handout in that Board packet; Chairwoman Wong said yes.

Trustee Morris said that the handout is helpful and that getting it to the community is also important. Ordinance 7 covers a whole bunch of stuff and our ability to split it into different components/parts without breaking the seal he wants to make sure we are good with it. District General Manager Pinkerton said that he met with Mr. Balkenbush and we know what paragraphs matter; paragraph 62 is the most important. Trustee Morris said that he appreciates that the original lawyer is involved and that the other thing is that we have clarity on communication and that we are right now still trying to figure things out and we don’t want people to think we are blowing it up.

I. DISTRICT STAFF UPDATE (for possible action)

I.1. General Manager Steve Pinkerton

District General Manager Pinkerton said that he had nothing further to add to his written report and noted that, at Ski, yesterday we broke our revenue record.
Trustee Morris said that he wanted to check in with Staff as he has been hearing several people having challenges with the Crystal Quad chairlift. District General Manager Pinkerton said that the person who expressed that opinion had the opportunity to spend a couple of hours with them and that it is not a long term issue related to that chair rather it is an object that moves all the time and there were parts that were tough to get. Trustee Dent said that he received an e-mail about the chair not working and not knowing about it when they were purchasing their lift ticket. District General Manager Pinkerton said Staff has talked about it and they are implementing solutions.

Trustee Horan asked if the added Last Tracks event was sold out; District General Manager Pinkerton said he thought there were some tickets still available.

J. **APPROVAL OF MINUTES (for possible action)**

J.1. **Regular Meeting of March 13, 2019**

Chairwoman Wong asked for any changes, none were submitted therefore the minutes were approved as submitted.

J.2. **Regular Meeting of March 18, 2019**

Chairwoman Wong said during the meeting of March 18, 2019, she forgot to disclose, as she has done before, that her husband is a Board member for the Incline Tahoe Foundation; she is correcting that fact now.

Chairwoman Wong asked for any further changes, none were submitted therefore the minutes were approved, as amended.

K. **REPORTS TO THE IVGID BOARD OF TRUSTEES***

K.1. **District General Counsel Jason Guinasso**

District General Counsel Guinasso said, regarding the Mark Smith v IVGID litigation, that there was recent action as of last Friday. This litigation is about public records request for e-mails and he gave an overview of the request. Our litigation counsel has informed us that we will object to the fifty cent fee as we think the judge may have misapplied the law. Additionally, nowhere
in the public records act is there a requirement for a privilege log. What we have received wasn’t significantly disappointing except for the fifty cents.

L. **BOARD OF TRUSTEES UPDATE (NO DISCUSSION OR ACTION) ON ANY MATTER REGARDING THE DISTRICT AND/OR COMMUNITIES OF CRYSTAL BAY AND INCLINE VILLAGE, NEVADA***

Trustee Callicrate thanked his colleagues and Staff for patience and understanding for the past couple of months and stated that it will be nice to be here for a while.

Chairwoman Wong said that she, Director of Parks and Recreation, and the District General Manager went to Washington D.C. to meet with our delegation. We continued the discussion we have been having for the past four years about a variety of grant funds. We also talked about parcels and our needs for them and some options about doing defensible space activities. The delegation was very receptive to our discussions and we had really good meetings. Chairwoman Wong gave a huge thanks to our lobbyist and his team and the work they do for us in Washington D.C.

Trustee Morris said that Star Follies is this weekend and it is a fundraiser for the schools so please attend.

M. **PUBLIC COMMENTS***

Denise Davis said, since the Crystal Express was discussed, that she was there last Wednesday when it stopped working. She e-mailed Staff about it and she is very much in agreement with how it was handled. The residents get far crankier than the visitors. Things happen and Staff does a really great job 99.99% the time however residents are crankier than our visitors. Another point to make is that our Staff does a great job of keeping people safe. She has mentioned to Staff that she is seeing a lot of chairs where the safety bars are up. Staff is advising people to put it down, even though they think are too cool to do so, we should do this every time.

N. **REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)**

District General Manager Pinkerton said that Ordinance 7 and the IVGID code have been added for the next meeting.
O. **ADJOURNMENT (for possible action)**

The meeting was adjourned at 11:18 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 Aaron Katz (27 pages): Written Statement to be included in the written minutes of this April 10, 2019 regular IVGID Board Meeting – Agenda Items C and H(1) – Staff's proposed revised Water/Sewer Ordinances/Rates

Submitted by Aaron Katz (4 pages): Written Statement to be included in the written minutes of this April 10, 2019 regular IVGID Board Meeting – Agenda Item H(3) – Use of punch cards for special promotions at the Mountain Golf Course and Tennis Center

Submitted by Claudia Andersen (7 pages): IVGID Board Presentation: Wednesday, April 10, 2019
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS APRIL 10, 2019 REGULAR IVGID BOARD MEETING – AGENDA ITEMS C AND H(1) – STAFF’S PROPOSED REVISED WATER/SEWER ORDINANCES/RATES

Introduction: Here staff, rather than the IVGID Board, propose increasing water and sewer rates again. They have scheduled a public hearing because NRS 318.199(2) mandates that “whenever the board of trustees proposes to change any individual or joint...sanitary sewer...or...water...rate, toll, charge, service or product, or any individual or joint practice which will affect any (such) rate, toll, charge, service or product, the board of trustees shall hold public hearings.” And here again, staff have proposed unjust and unreasonable increased rates. For this reason I protest and object. And that’s the purpose of this written statement.

This Hearing is Not a True Public Hearing Because the Outcome Has Been Pre-Ordained: So what constitutes a “public hearing” for NRS 318.199(2) purposes? Let’s start with staff’s notice. As NRS 318.199(3) instructs, “notice shall be given by publication in a newspaper published in the county.” A copy of the notice which was actually published in the Tahoe Daily Tribune is attached as Exhibit “A” to this written statement.

Let’s look at the first sentence of the notice: “IVGID is proposing a sewer and water rate increase.” When exactly did the IVGID Board propose such a rate increase? It turns out on January 23, 2019. Page 9 of the minutes of the Board’s January 23, 2019 meeting evidence the fact that a split Board (3 to 1) adopted a resolution instructing staff to:

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3 NRS 704.040(1) instructs that “the charges made for any...public utility...service rendered or to be rendered, or for any service in connection therewith or incidental thereto, must be just and reasonable.” In fact, NRS 704.040(2) instructs that “every unjust and unreasonable charge for service of a public utility is unlawful.”

4 See ¶3 at page 12 of the 2/6/2019 Board packet.

5 See page 454 of the 2/6/2019 Board packet.

6 Trustee Callicrate was absent from the meeting because of illness (see page 446 of the 2/6/2019 Board packet).
“prepare documents and...schedules (approving)...a one year average 4.0% utility rate increase in accordance with staff’s January 23, 2019...Utility Rate Study.”

But NRS 318.199(5) instructs⁸ that “the board shall adopt a resolution establishing...new or changed...sanitary sewer...or...water...rates, tolls, charges, services to be performed or products to be furnished (only)...after public hearing.” If three members of the Board have already approved staff’s proposed water and sewer rate increases, then why hold a public hearing?

Because these three Board members do not care! We should all understand that the only reason we’re conducting a public hearing, is to “go through the motions.” Thank you Board members.

This Hearing is Not a True Public Hearing Because Our GM Mis-Informed the Board That Staff Was Not Requesting Approval of an Average 4.0% Increase in Sewer and Water Rates But Rather, Nothing More Than the Setting of a Public Hearing Date to Consider Those Proposed Rates: At the Board’s January 23, 2019 meeting Trustee Dent voiced his objection to staff’s proposed rate increases without evidence of the District’s position insofar as working capital was concerned:

“I really think we should have that (an overview of working capital) before we...say 4% is the rate we need to get.”⁹

In response to Trustee Dent’s concerns, GM Pinkerton stated the following:

“All we’re asking tonight is to set the item to set the date” for the public hearing. “All we’re asking for is to get to the next meeting so we can bring that (an overview of working capital) back to you and recommend a date set”¹⁰ for the public hearing¹¹.

But based upon this “clarification,” which we now see was untrue, three members of the Board voted in favor of approving staff’s proposed sewer and water rate increases. At no time did anyone vote to set a public hearing date.

At the Board’s Next Meeting on February 6, 2019 Staff Did Not Adequately Respond to Either Trustee Dent’s or Trustee Callicrate’s Concerns: At the Board’s February 6, 2019 meeting agenda

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⁸ See ¶5 at page 12 of the 2/6/2019 Board packet.

⁹ The Board livestreams its meetings (see https://livestream.com/accounts/3411104). The livestream of the Board’s January 23, 2019 meeting can be viewed at: https://livestream.com/IVGID/events/8537200 (“the 1/23/2019 livestream”). And Trustee Dent’s comments which I have quoted can be viewed at 1:36:07-1:36:18 of the 1/23/2019 livestream.


item F(1)(b)\textsuperscript{12}, on the Consent Calendar no less\textsuperscript{13}, staff proposed setting April 10, 2019 at 6:00 P.M. as the date and time for the public hearing\textsuperscript{14} mandated by NRS 318.199(2). Trustee Callicrate asked that this agenda item be transferred to the general business portion of the meeting so it could be discussed\textsuperscript{15}. His concern, in part, was that “the calculation...Trustee Dent (had) asked for” at the Board’s January 23, 2019 meeting had not been provided\textsuperscript{16} as staff had represented at the Board’s February 6, 2019 meeting\textsuperscript{10} it would.

And it turns out Trustee Callicrate’s concerns were well founded. Listen to Trustee Dent’s comments:

“I would just like to see a calculation that’s compliant with Board Policy 19.1.0 and also with Practice 19.2.0 when we do...come back in March ...(be)cause I asked for that at the last meeting and we were supposed to have it today. We still don’t have it.”\textsuperscript{17}

Based upon all the “double talk” which has been forthcoming from staff, Trustee Callicrate objected to the setting of any date for a public hearing because,

“We don’t know if we need to do 4%. Maybe it’s 2%. Maybe it’s 6%... But the 4% we’ve been doing right along...towards a project we don’t know how much...is going to cost or when we’re going to start into it...(i)s ridiculous...When you get charged $50 a month...per parcel...for capital improvements, and it has been going on for the last nine years...that’s a lot of money the District has collected. And people want to know...exactly where it’s going and for what ...This is why I’m bringing up these issues in this meeting, (because it)...is the only opportunity I have.”\textsuperscript{18}

\textsuperscript{12} See page 2 of the 2/6/2019 Board packet.

\textsuperscript{13} Where there could be no “review (nor) discuss(ion)” as represented because according to Policy No. 3.1.0.15 (see page 5 at https://www.yourtahoelace.com/uploads/pdf-ivgid/IVGID-Board-Policies.pdf), should a Trustee wish to discuss a matter placed on the Consent Calendar, he/she “request removal...from the consent calendar...and addressed in the general business section of the meeting.”

\textsuperscript{14} See page 8 of the 2/6/2019 Board packet.


\textsuperscript{16} See page 204 of the 2/27/2019 Board packet.

\textsuperscript{17} See 1:36:35-1:37:01 of the 2/6/2019 livestream.

\textsuperscript{18} See 1:26:20-1:28:08 of the 2/6/2019 livestream.
Instead, See How GM Pinkerton and Three Members of the Board Disingenuously Responded, While Charging Full Speed Ahead by Setting April 10, 2019 as the Public Hearing Date For Their Pre-Determined Sewer and Water Rate Increases:

First let’s start with GM Pinkerton:

“We will have another bite at the apple on March 13 and March 18(J, 2019) when we bring the budget back and certainly we can talk about it more at the April 10(J, 2019) hearing.”19

Now listen to Trustee Morris:

“I want to check first of all with General Manager Pinkerton. You made a comment...I want to confirm...That the Board has an opportunity to still review this. This is not our final say. And if there is something different we still have an opportunity to address it. Is that correct?”20

GM Pinkerton’s answer:

“Right. The subject of tonight is to have the hearing on the rates, and then you have that ultimate authority on April 10th, or whatever other date you choose to select”21

And Trustee Morris’ follow up:

“Okay thank you for that clarification because what I’m wondering Trustee Callicrate is...whether it would be worth...you(r) work(ing) with the (staff) team to come back and tell us what you think the number should be?...Do some work with them, come back and say I believe the number should be ‘x,’ and to get to ‘x’ we need to increase our utility rates by ‘y.”22

Trustee Callicrate was amenable to the suggestions as long as the Board scheduled:

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20 See 1:30:12-1:30:29 of the 2/6/2019 livestream.
21 See 1:30:29-1:30:38 of the 2/6/2019 livestream.
another...discussion...maybe at the March meeting (and) before the April meeting because (he didn’t) want it to get like it always seems to get; right up against the wire and then we...have to...vote because we’re up against a deadline. And that pressure...does a disservice to all of us on the Board, (and) especially...the community because it just creates tension where there doesn’t need to be any...So I’m hoping we can...have this meeting in March...(and) set the (public) hearing date at that meeting)...That way it doesn’t feel like pushing me up against a wall.”

Without derailing the intended April 10, 2019 public hearing date, Chairperson Wong suggested that:

“We...agendize another discussion relating to the rates for the next...March meeting...Let’s put this specific item on the 13th (of March)...and that way if we also need to talk about it with capital at the 18th we can also bring it back again.”

Meanwhile she reminded the Board that:

“We need to get back on track because the agenda item relates to setting a date for hearing. We are going to have several more opportunities to discuss rates, potential rates going forward...if we would like to discuss this more.”

Ms. Wong then entertained a motion “to set the hearing date for April 10th, 2019,” and it carried 3 to 2.

Trustee Dent’s opposition was telling.

“I will be voting no on this. We are not following board policy. We’re not following Board Policy 19.1 and we’re not following Board Practice 19.2. Instead we’ve slipped in Board Policy 7.1.0 which does not apply because (the Utility Fund)...is an enterprise fund.”

Trustee Callicrate voted no to the motion as well.

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24 See 1:34:40-1:35:28 of the 2/6/2019 livestream.
At the Board’s Next Meeting on March 13, 2019 Staff Did Not Adequately Respond to Either Trustee Dent’s or Trustee Callicrate’s Concerns:

At the Board’s Next Meeting on March 18, 2019 Staff Did Not Adequately Respond to Either Trustee Dent’s or Trustee Callicrate’s Concerns:

This Hearing is Not a True Public Hearing Because Members of the Public Have Not Been Given a Reasonable Opportunity to Submit Data, Views or Arguments Insofar as Staff’s Proposed Increased Sewer and Water Rates, and Modification to Ordinance Nos. 2 and 4: NRS 318.199(4) instructs that...at the place, date and time specified in the notice...all users of the service or product (proposed to be increased) shall be afforded a reasonable opportunity to submit data, views or arguments orally or in writing.

On January 23, 2019 Joseph Pomroy, Director of Public Works, was afforded almost one hour and ten minutes (70 minutes) to make his presentation to the Board in support of staff’s request that the District’s sewer and water rates be increased.29 And again at this evening’s public hearing the Board’s chairperson proposes giving Mr. Pomroy how much additional time to “provide an overview, including a PowerPoint presentation, of the proposed ordinances...fees and their details.”30 Yet here the Board’s chairperson has determined that members of the public will be afforded a scant three minutes to submit their data, views or arguments.31 Does this represent “a reasonable opportunity?” Or does this represent nothing more than “going through the motions?”

Three Members of the Board Are Not Interested in Adopting Just and Reasonable Sewer and Water Rates Because When I Asked For the Opportunity to Present Relevant Facts Intentionally Omitted From Mr. Pomroy’s Rate Study Presentation to Demonstrate to the Board and the Public That Staff’s Proposed Rates Were Unjust and Unreasonable, I Was Ignored: After Mr. Pomroy’s sewer and water Rate Study presentation, I e-mailed the Board asking that “I be given the opportunity

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29 The Board livestreams its meetings (see https://livestream.com/accounts/3411104). The livestream of the Board’s January 23, 2019 meeting can be viewed at: https://livestream.com/IVGID/events/8537200 (“the 1/23/2019 livestream”). Mr. Pomroy’s rate study presentation can be viewed at 28:00-1:37:09 of the 1/23/2019 livestream.


31 ¶6 at page 5 of the 4/10/2019 Board packet instructs the public that “Chairman Wong will state (that) the comments made during the public hearing are governed by the Chair and (she will)...state the rules she wants to use.” From past experience I predict she will offer members of the public wishing to speak no more than three minutes. If this occurs, I intend to object inasmuch as this is not a reasonable opportunity, and it demonstrates pre-determined deference to Mr. Pomroy. And I predict from past experience that Ms. Wong will deny my request.
to present material facts (concerning staff’s proposed sewer and water rate increases) omitted by staff. Because three members of the Board are not interested in setting just and reasonable rates, but rather, “rubber stamping” whatever staff present, my request was ignored and I was not given the opportunity. Thank you Board members.

This Hearing Should Not Go Forward Inasmuch as Evidence of Staff Wrongdoing Insofar as Sewer and Water Service Rate Making Has Recently Been Discovered: Only recently has it been discovered that for some number of years, staff have been selling treated wastewater to at least two major purchasers in Douglas County; Clear Creek and Schneider Ranch. I have discovered written agreements between IVGID staff and both of these customers, and staff have been unable or unwilling to provide evidence that the IVGID Board have ever approved these agreements, notwithstanding I have made written request.

So that the public knows we’re talking about substantial amounts of water, the Clear Creek agreement calls for the purchase of over 114 million gallons annually, and the Schneider Ranch agreement calls for the purchase of 400 gallons/minutes. Whereas the average IVGID residential customer pays $1.50/1,000 gallons of water, even for irrigation purposes, with substantial excess charges kicking in after 20,000 gallons of use within a monthly billing period, Clear Creek pays $1.14/1,000 gallons of wastewater for irrigation purposes, and Schneider Ranch pays $0.25/1,000 gallons of wastewater for irrigation purposes.

I can’t tell you whatever other charges these two customers pay, how much water they actually consume in a monthly billing period, how much money they’ve paid since the beginning of 2018, in what fund/sub-fund IVGID reports this revenue and expenses associated therewith, what Chart of Account Number IVGID staff has assigned to this revenue (so the public can track it), etc.

But I can tell you this. Wastewater is clearly a by product of sewer effluent treatment [see NRS 318.140(1)(b); the rates a GID is authorized to charge are governed by NRS 318.199 public hearings and the resolutions adopted theretof by the Board rather than staff; the water and sewer utility rate hearings staff put on year after year don’t even mention revenues from wastewater sales; attorney Jason Guinasso knows all of this because he drafted and approved the latest agreement with Schneider in September of 2016 and didn’t think it was important enough to go to the Board for approval; and for us to go forward with rate adjustments without learning the truth and all the facts would be IRRESPONSIBLE! For these reasons, this afternoon I sent an e-mail to the Board asking that tonight’s public hearing be suspended, and for the reasons stated. If three members of the Board

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See pages 252-254 of the packet of materials prepared by staff in anticipation of the Board’s February 27, 2019 meeting [https://www.yourtahoeplace.com/uploads/pdf-ivgid/BOT_Packet-Regular_2-27-19.pdf (“the 2/27/2019 Board packet’’)]. A copy of that e-mail with an asterisk next to the portion where I requested that opportunity is attached as Exhibit “B” to this written statement.

A copy of this e-mail and staff’s follow up responses which demonstrate they are continuing to hide the truth, are attached as Exhibit “C” to this written statement.
refuse to suspend this public hearing, as I expect they will, then let the record be clear they don’t care about the residential sewer and water customers in our community!

This Hearing is Not a True Public Hearing Because it is Not Being Presided Over by an Impartial Tribunal: Due Process mandates that fair public hearings be presided over by fair/impartial decision makers [Goldberg v. Kelly (1970) 397 U.S. 254, 255, 90 S.Ct. 1011]. When as here consumers are placed in the position of “depend(ing) entirely upon...municipalities34 to be kept free from the effects of...discriminat(ory)...and unjust exorbitant rates...there...(is) reason for concern” [Springfield Gas & Electric Co. v. City of Springfield35, 292 Ill. 236, 126 N.E. 739, 746 (1920) (affirmed at 257 U.S. 66, 42 S.Ct. 24)]. There is reason for concern.

“Rate making endeavors to assign costs to classes of customers in a nondiscriminatory, cost responsive manner so...rates can be designed to closely meet the cost of providing service to each customer class.”36 Here the Board cannot impartially set such rates inasmuch as members have an inherent conflict of interest. On one hand they are committed to the interests of the District’s money-losing commercial recreation businesses. If the Board makes the District’s recreational venues actually pay for what they use, in comparison to what the average residential customer pays for what he/she/ it uses, the former’s losses will be even greater than what they are. On the other hand, Board members must be committed to the interests of residential homeowners because a public utility’s “first duty is to its own inhabitants.”37

For these reasons, the IVGID Board should recuse itself.

My Response to Trustee Morris’ Comment That He “Do(es)n’t Honestly Know What Other Analysis (Staff) Would Do to Come Up With Some Other (Utility Rate Study) Recommendation.”38 Either Trustee Morris doesn’t know how to read, or he just doesn’t care. At the Board’s February 6, 2019 meeting I submitted a written statement39 which identified everything that’s wrong with the District’s water and sewer rates, and what the Board needs to do to make those rates, just, reasonable, non-preferential, and non-discriminatory. On the chance Trustee Morris may have forgotten, let me repeat myself.

34 Sewer and solid waste customers are forced to purchase these services from IVGID [see NRS 318.170(1)(b)]
35 Cited with approval by the Nevada Attorney General at A.G.O. 53-231 (February 9, 1953).
37 See page 298 of the AWWA Manual.
1. Variable Water Charges Should be Eliminated Altogether Because it is Unfair to Charge Approximately 120 Residential Customers a Surcharge For Their Consumption of More Than 20,000 Gallons of Water in a Monthly Billing Period, Yet to Not Charge Commercial Customers the Same Surcharge When They Consume Many Times What is Consumed by the Average Residential Customer;

2. Alternatively, Variable Water Charges Should be Applied Uniformly to All Customer Classes at the Same Tier 1 and Tier 2 Rates Assessed to Residential Customers;

3. Defensible Space Charges Should be Removed From Customers’ Water Bills Altogether Inasmuch as They Have Zero to Do With the Cost IVGID Incurs to Provide Water Services;

4. The Water Public Service Recreation Exemption Should be Eliminated Altogether Because it Represents an Unreasonable Preference Which Primarily Benefits IVGID – the Entity Which Has Adopted It;

5. Variable Sewer Charges Should be Eliminated Altogether Because IVGID Has No Means of Measuring Any Customer’s Discharge Into the Public’s Sewer System;

6. A New Customer Class (IVGID Recreational Venues) Should be Created Which More Fairly Apportions the Public’s Costs to This Class of Users;

7. Another New Customer Class (Treated Wastewater Users) Should be Created Which More Fairly Apportions the Public’s Costs to This Class of Users;

8. Commercial Customer’s Fixed Water/Sewer Charges Should be Increased Based Upon Their Actual Water Consumption Rather Than the Diameter of Their Water Meters; and,

9. Commercial Customer’s Water/Sewer CICs Should be Increased Based Upon Their Actual Water Consumption Rather Than the Diameter of Their Water Meters;

10. Backflow Prevention Device Inspection/Testing⁴⁰ Fees Should be Reduced to the District’s Actual Cost Rather Than as a Profit Center, Compared to Charges Private Business Counterparts Assess; and,

11. Designating Sewer CICs Assessed/Collected Expressly For the Effluent Export Pipeline Project, Phase II, as Restricted Reserves.

Only by making the structural changes suggested, can the Board make its water/sewer rates just, fair, non-discriminatory and non-preferential.

So have I answered your question Trustee Morris? Or are you just so committed to “rubber stamping” the recommendations of staff that you’re unwilling to do the right thing?

⁴⁰ Which is mandatory under the sewer ordinance.
Staffs’ Proposed Sewer and/or Water Ordinances, and the Rate Schedules Contained Therein, Should be Rejected Because They Fail to Grant Preferred Equity to Local Residents and For This Reason, Are Not in Compliance With Law: “A city’s first duty (insofar as public utilities are concerned) is to its own inhabitants who...therefore have a preferred claim to the benefits resulting from public ownership.” But here we have the exact opposite. At the Board’s March 13, 2019 meeting I provided evidence that the Board has granted massive preferences and exemptions to itself at the expense of its residential customers. If that’s the case, how about making we residents priority number one, and IVGID’s disproportionate use for its commercial recreational businesses second?

Staffs’ Proposed Sewer and/or Water Ordinances, and the Rate Schedules Contained Therein, Fail to Address Sewer Effluent Wastewater and For This Reason, They Should be Rejected Because They Are Not in Compliance With Law: NRS 318.199(1), (5) and (2) instruct that “the (IVGID) board...shall establish schedules showing all rates, tolls or charges for...sanitary sewer...or...water...services performed or products furnished...(and) adopt...resolution(s) establishing...new or changed rates, tolls, charges, services to be performed or products to be furnished...after public hearing...whenever the board of trustees proposes to change any individual or joint rate, toll, charge, service or product, or any individual or joint practice which will affect any rate, toll, charge, service or product.”

As indicated above, recently I have learned that for some period of time IVGID staff have been selling sewer effluent wastewater to at least two private customers; Clear Creek Tahoe (https://clearcreektahoe.com/) including Clear Creek Golf Course, and Schneider Ranch in Clear Creek Valley, Carson City. Given NRS 318.140(1)(b) gives the Board the power to “sell any...sewer...product or by-product thereof and acquire the appropriate outlets within or without the district and extend the sewer lines of the district thereto,” I have learned that IVGID is selling wastewater to the developers of Clear Creek/their successors/assigns, NRS 318.199 prevents IVGID from adopting or changing wastewater rates, tolls and charges without first providing notice and conducting public hearings, and existing and proposed sewer and water ordinances provide no provisions nor rates therefore, IVGID is in noncompliance. And since it is not in compliance, staff’s proposed sewer and water ordinances are flawed.

Read the proposed new water ordinance (see pages 76-126 of the 4/10/2019 Board packet) for yourself. Look at ¶1.04 (see page 82 of the 4/10/2019 Board packet) which defines the public’s water system: “the District will furnish a system...used for and useful in obtaining, conserving and disposing of water for public and private uses.” Is not wastewater a product of the public’s water system?

Read the proposed new sewer ordinance (see pages 34-75 of the 4/10/2019 Board packet) for yourself. Look at ¶1.04 (see page 35 of the 4/10/2019 Board packet) which defines the public’s sewer system: “the District will furnish a system...used for and useful in the collection, treatment...including all parts of the enterprise.” Is not wastewater a product of the public’s sewer system?

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41 See pages 468-531 of the 4/10/2019 Board packet.
Staffs’ Proposed Sewer and/or Water Ordinances, and the Rate Schedules Contained Therein, Should be Rejected Because They Are Unjust and Unreasonable, And For This Reason They Should be Rejected Because They Are Not in Compliance With Law: According to Springfield Gas & Electric Co. v. City of Springfield, supra, at 126 N.E. 744, just and reasonable public utility rates are those those that are neither preferential, “discriminat(ory nor)...exorbitant” but rather, “simply high enough to produce revenue sufficient to bear all costs of maintenance...operation...interest charges on bonds and...accumulation of a surplus...sufficient to (service) all outstanding bonds.” At the Board’s March 13, 2019 meeting I submitted a comprehensive written statement which made the case our water and sewer rates are unjust and unreasonable because they grant preferential treatment to commercial users and IVGID in particular. I restate and incorporate that March 13, 2019 written statement as though set forth more particularly herein.

Staffs’ Proposed Sewer Ordinance, and the Rate Schedules Contained Therein, Should be Rejected Because They Rely Upon Water Usage Rather Than Sewer Effluent Disposal, And For This Reason They Should be Rejected Because They Are Not in Compliance With Law: Not only did I make this argument in that written statement I submitted to the Board at its February 6, 2019 meeting, but it turns out staff has not supported its sewer rate study with industry practices the way it has with industry water practices. On February 12, 2019 I made a public records request for “any written materials used by staff(, similar to the AWWA Manual,) to justify (their) proposed sewer rate” increases. Unbelievably, staffs’ February 14, 2019 response was: “there are no public records to provide.” Given capital improvement charge (“CIC”) sewer rates are created the same way CIC water rates are created under the current rate structure, the Board and the public now have evidence that staff have created preferential, disproportional and discriminatory sewer rates which benefit the District’s money losing commercially operated recreation business enterprises at the expense of IVGID’s residential customers. Moreover, this methodology has been created out of thin air!

Conclusion: If the Board doesn’t take charge to ensure that local parcel/dwelling unit owners don’t pay more than what is necessary to make the public’s water and sewer systems for their demands, all its members will be doing is giving GM Pinkerton more money to waste on the garbage he has been wasting it on ever since he came to Incline Village. That’s not the purpose of our water

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42 See pages 236-267 of the 2/6/2019 Board packet. I restate and incorporate that February 6, 2019 written statement as though set forth more particularly herein.

43 In other words, using a CAF system based upon water usage [see page 45 of Ordinance No. 2

44 Let me provide two examples of that garbage. Do you realize that IVGID spends nearly $50,000 annually on a lobbyist in Washington, D.C? Do you realize the justification is to obtain federal grants to repair our effluent pipeline when no grant moneys have been generated in more than five years? Do you realize that IVGID spends roughly $10,000 annually for Chairperson Kendra Wong, GM Pinkerton and either Joe Pomroy or Director of Recreation Indra Winquest to lobby our Congressional representatives for these same federal grants? Or maybe excess federal lands which will expand
and sewer rates. And for those parcel/dwelling unit owners who may be reading this written statement, now you know where your water/sewer rates really go because they don’t go to pay for the actual costs IVGID incurs to make the public’s water and sewer systems available to be used by you.

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

IVGID is proposing a sewer and water rate increase, with an average increase on water rates of 4.0% and sewer rates of 4.0%, for a total average utility rate increase of 4.0%; as well as amendments to its Sewer and Water Ordinances (IVGID Ordinance 2 and 4, respectively), including:

The key changes to the Sewer Ordinance #2 are:

- Ordinance language changes include update to the leak relief policy to better account for sewer volume credits and updates to language to comply with plumbing and building codes.
- Exhibit A – New schedule of Sewer Service Charges.
- Exhibit B – New schedule of Connection Charges.
- Exhibit C – New Miscellaneous Fee Schedule.

The key changes to the Water Ordinance #4 are:

- Ordinance language changes include update to the leak relief policy to better account for sewer volume credits and updates to language to comply with plumbing and building codes.
- Exhibit A – New schedule of Water Service Charges.
- Exhibit B – New schedule of Connection Charges.
- Exhibit C – New Miscellaneous Fee Schedule.

Copies of the proposed ordinances are available at 893 Southwood Blvd., 1220 Sweetwater Road, and on our website at: www.yourtahoeplace.com/ivgid/resources/ivgid-ordinances

The public hearing will be held:

Wednesday, April 10, 2019 not earlier than 6:00 pm and as soon thereafter as practicable at The Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

The 2019 Rate Study and Presentation, which were presented to the Board of Trustees on January 23, 2019, are available on our website: www.yourtahoeplace.com/public-works/rates-billing/about-rates-billing. The documents detail our rate structure and why the rate increase is being proposed.

If you have comments about the proposed changes to the Sewer or Water Ordinance, please contact us. You may:

Write us a letter: 893 Southwood Boulevard
Incline Village, Nevada 89451
Attn: Utility Ordinance Amendments

Give us a call: (775) 832-1100

Send us a fax: (775) 832-1331

Send us an e-mail: utilityordinancecomments@ivgid.org
EXHIBIT "B"
Request to Remove Agenda Item F(1)(b) [Review, Discuss and Possible Set Water/Sewer Rate Change Public Hearing] From Consent Calendar, and Permit Aaron Katz to Present Water/Sewer Rate Presentation at the Board's Next Meeting to Provide Factual Materials Staff Have Intentionally Omitted

From: "s4s@ix.netcom.com" <s4s@ix.netcom.com>
To: Wong Kendra Trustee
Cc: Callicrate Tim Trustee <callicrate_trustee@lvgid.org>, Horan Phil <horan_trustee@lvgid.org>, Dent Matthew <dent_trustee@lvgid.org>, Morris Peter <morris_trustee@lvgid.org>, Herron Susan <Susan_Herron@lvgid.org>
Subject: Request to Remove Agenda Item F(1)(b) [Review, Discuss and Possible Set Water/Sewer Rate Change Public Hearing] From Consent Calendar, and Permit Aaron Katz to Present Water/Sewer Rate Presentation at the Board's Next Meeting to Provide Factual Materials Staff Have Intentionally Omitted
Date: Feb 6, 2019 2:14 PM

Dear Chairperson Wong and Other Honorable Members of the LVGID Board:

I ask Item F(1)(b) on the Consent Calendar be transferred to the General Business Calendar. Here’s why:

1. This item is described as “review, discuss and possibly set the date/time for a Public Hearing to consider proposed water/sewer rate increases. However, as staff know, there can be no discussion of items on the Consent Calendar. If there is to be a discussion, it must take place on the General Business Calendar.

2. Moreover, Policy No. 3.1.0.15 states 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.” Therefore it only takes one member of the Board.

3. Stated differently, Policy No. 3.1.0.15 states that “a unanimous affirmative vote shall be (required) as a favorable motion and approval of each individual item included on the Consent Calendar.” Therefore it only takes one member of the Board to NOT vote in favor of this item being on the Consent Calendar.

4. Have any of you read the AWWA Manual on Principles of Water Rates and Charges upon which staff allegedly rely? Well I have, and I have some additional facts to present to the Board that Mr. Pomroy has been less than forthright in sharing. In other words, he has presented “cherry picked” facts which support his agenda.

5. Have any of you read the AWWA Manual on Principles of Sewer Rates and Charges (“the Manual”)? Guess what? THERE IS NO SUCH MANUAL. I don’t know upon what Mr. Pomroy relies to support his sewer rate study, but I suspect it’s nothing other than his subjective justification.

6. And to add to the unfairness, staff is again ACTIVELY CONCEALING PUBLIC RECORDS which reveal the deficiencies in its rate structure. Without these records, how can the Board possibly understand these deficiencies. The Board needs to step in and force staff to share the truth with the public. Because right now, Mr. Pomroy DOES NOT SPEAK THE ENTIRE TRUTH.

7. As I shared with the Board at its last meeting, there are a number of structural deficiencies in the methodology relied upon by staff in support of its rate study. Mr. he Board and the public need to know all the facts. And for this reason, I ask I be given the same opportunity to present those facts that Mr. Pomroy was given to cherry pick.

8. “Water rates are considered fair and equitable when each customer class pays the costs allocated to the class and...cross-class subsidies are avoided. While recovery of the full revenue requirement in a fair and equitable manner is a key objective of a utility using a cost-of-service rate making process, it is often not the only objective...Promot[ing]...fairness in...apportion[ing]...total costs of service among the different rate payers” are also key objectives. So is “avoid[ing]...undue discrimination (subsidies) within...rates.”[1].

9. As I pointed out in my written statement to the last meetings’ minutes (see pages 459-467 of the Board packet). Diamond Peak uses over 1,500 times the water the median residential customer uses, just for snowmaking. Yet Diamond Peak is not assessed any excess water charges whereas about 120 residential customers are. This is manifestly unfair.

10. Notwithstanding Diamond Peak uses over 1,500 times the water the median residential customer uses, just for snowmaking, Yet it only pays 76.65 times the capital improvement costs the residential customer pays. Given the residential...
customer doesn't need the water infrastructure Diamond Peak needs, and he/she actually uses a pittance of the water Diamond Peak does, just on snowmaking, staff's rate structure is manifestly unfair.

11. To eliminate the unfairness staff proposes, here is my list of proposed structural changes that staff don't even talk about:

   I. Eliminate Variable Water Charges Altogether Because It is Unfair to Charge Approximately 120 Residential Customers a Surcharge For Their Consumption of More Than 20,000 Gallons of Water in a Billing Period, Yet to Not Charge Commercial Customers the Same Surcharge When They Consume Many Times That Consumed by the Residential Customer;
   II. Alternatively, Apply Variable Water Charges Uniformly to All Customer Classes at the Same Tier 1 and Tier 2 Rates Assessed Residential Customers;
   III. Eliminate Defensible Space Charges Assigned to Customers' Water Bills as They Have Zero to Do With the Cost IVGID Incurs to Provide Water Services;
   IV. Eliminate the Water Public Service Recreation Exemption Altogether Because it is an Unreasonable Preference Which Primarily Benefits IVGID – the Entity Which Adopts Rates;
   V. Eliminate Variable Sewer Charges Altogether Because IVGID Has No Means of Measuring Any Customer's Discharge Into the Public's Sewer System;
   VI. Create a New Customer Class (IVGID Recreational Venues) Which More Fairly Apportions the Public's Costs to This Class of Users;
   VII. Increase Commercial Customer's Fixed Water/Sewer Charges Based Upon Their Actual Water Consumption Rather Than the Diameter of Their Water Meters; and,
   VIII. Increase Commercial Customer's Water/Sewer CICs Based Upon Their Actual Water Consumption Rather Than the Diameter of Their Water Meters.

12. The Manual makes clear that "a utility is presented with a major challenge when it sets out to select a rate structure that is responsive to the philosophy and objectives of both the utility and its community...The process of selecting the most appropriate rate structure for a particular utility and its customers is not simple. (Rather,) the selection is complex because there are so many types of rate structures...Even within a single utility, because of these objectives, each customer class may not use the same rate structure...For these reasons, a ‘one size fits all’ approach to rate structures may not be appropriate within a utility (like incline Village/Crystal Bay) that has...diverse...usage patterns."[2] Only "when diverse and competing objectives are well understood and evaluated, (does) a utility have the opportunity to design a rate structure that does more than simply recover its costs."[3]

13. I suspect few if any on the Board are sufficiently familiar with staff's existing rate structure and how it is manifestly unfair. This is another reason why a formal public hearing should not be set and I should be given the opportunity to present facts Mr. Pomroy has intentionally chosen to omit.

14. "Beneficiaries of a service should pay for that service... (Thus) the level of service charges should be related to the cost of providing (that) service...services provided for the benefit of a specific individual, group, or business should not be paid from general utility revenues;"[4] and, "unjust or unreasonable discrimination...renders a rate or charge unreasonable."[5]

15. "Water rates are considered fair and equitable when each customer class pays the costs allocated to the class and... cross-class subsidies are avoided. While recovery of the full revenue requirement in a fair and equitable manner is a key objective of a utility using a cost-of-service rate making process, it is often not the only objective...Promoting...efficient resource use (and)...fairness in...apportioning...total costs of service among the different rate payers" are also key objectives. So is "avoiding...undue discrimination (subsidies) within...rates."[6]

16. "The ideal solution to developing rates for water utility customers is to assign cost responsibility to each individual customer served and to develop rates that reflect that cost. Unfortunately, it is neither economically practical nor often possible... (Notwithstanding,) the cost of providing service can reasonably be determined for groups or classes of customers that have similar water-use characteristics and for special customers having unusual or unique water-use or service requirements. Rate making endeavors to assign costs to classes of customers in a nondiscriminatory, cost responsive manner so that rates can be designed to closely meet the cost of providing service to such customer classes."[7]

17. "It is common for water utilities to have three principal customer classes: (1) residential, (2) commercial, and (3) industrial...Many systems...have customers with individual water-use characteristics, service requirements, or other factors that differentiate them from other customers with regard to cost responsibility. These customers should have a separate class designation."[8] "Irrigation is characterized by the relatively high demands it places on the water system... Establishment of a separate class designation is warranted when separate metering for... irrigation is available, as is often the case for... parks, fields, and golf courses... where such loads are significant in the system... The significant demands caused by irrigation can be recognized and reflected in the cost to provide this service."[9] Staff have not created a separate customer class for IVGID's recreational venues. And because those venues place a disproportionate demand on the public's water/sewer systems, they need to be treated differently.
18. "There is often the need to establish a minimum threshold or base level of cost or demand for service against which the costs or demands of larger customers can be measured. A convenient and readily available parameter for this purpose is the size of the customer's water meter... There are different methodologies for measuring or computing equivalent ratios for larger meters as compared to a... standard base size meter as equivalent ratios. The two most commonly used ratios in the water rate-making industry are (1) equivalent meter-and-service cost ratios and (2) equivalent meter capacity ratios... Meter capacity ratios... are most often used when estimating potential capacity or demand requirements for customers on the basis of the size of the water meter. The determination of system development charges or impact fees for meters greater than the base size, where potential customer demand is assume to be proportional to meter size, is an example of the use of meter capacity ratios. Meter capacity ratios may also be appropriate in the design of the service charge portion of the general rate schedule when such charges include some recovery of fixed-capacity related costs or readiness-to-service related costs."[10] This is the type of rate methodology staff utilizes. It is called "Capacity Adjustment Factor" or "CAF."

19. "One of the disadvantages of the meter size approach is that for larger meters, the meter capacity may not be a reasonable indicator for the actual capacity use of the customer... Customer(s) with a larger connection size... may use far more capacity... Some utilities... provide for the ability to review capacity use of customers with larger connections after a specified period of time after which a baseline of historical usage has been established. With this review comes the opportunity to true-up (charges)... based on the baseline consumption data."[11] IVGID's use of Equivalent Meter Capacity Ratios is manifestly unfair to single family residential customers in general, and IVGID's single family residential customers in particular (because 2/3 are vacation or second homeowners).

20. For all these reasons I ask a date not be set for a public hearing pertaining to changed water/sewer rates, and I be given the opportunity to present material facts omitted by staff.

Thank you for your cooperation. Aaron Katz

As you know Ms. Herron, your response is not in the format required by Nevada’s Public Records Act.  

You are required to respond “yes” you have a requested public record, or “no” you do not have a requested public record. Here you have done neither. Instead, you want to send another citizen on a “wild goose chase” searching through mounds of records only to learn that the requested public records do not exist.

I never asked to examine minutes of Board of Trustees meetings. I only asked to examine Board resolutions where the agreements in question were formally approved by the Board. And assuming there are NONE, how would I already have in my possession all records asked for in items 3. through 7. and 9? I wouldn’t. And I don’t. But you know this.

And just because an agreement is entered into on such and such a date, doesn’t tell anyone when the agreement was ever approved by the Board, assuming ever. So how would anyone know where to look in the minutes of meetings? But again, you know this.

So that we all know the answers to my requests for public records, I HAVE NO RECORD THAT ANY OF THE REFERENCED AGREEMENTS FOR WHICH I ASKED FOR EVIDENCE OF BOARD APPROVAL HAVE EVER BEEN APPROVED BY THE BOARD.

If this statement is error, then I expect you to come forward and tell the Board and the public where it is error. And I also expect you to make available for my examination the records of Board meetings where those agreements were formally approved, if ever.

Moreover, why wouldn’t you have already done this? BECAUSE YOU KNOW NO MINUTES OF BOARD APPROVAL EXIST and you want to HIDE the fact they DO NOT EXIST. Classic Susan Herron concealment.

So again I request you either produce the requested records, or respond as the NPRA instructs; there are none.

1. And where are I VGID’s requested financial records which evidence the amount of revenue received from Clear Creek as well as Schneider Ranch, on a monthly as well as fiscal year basis, from January 1, 2018 to the present?

2. And where are the requested records which evidence the chart of account number(s) assigned by I VGID for the revenues received from Clear Creek and Schneider Ranch during the above-period?

3. And where are the requested records which evidence the I VGID sub-fund(s) (i.e., water or sewer or something else) in which I VGID assigns revenue received from Clear Creek and Schneider Ranch?

4. And where is the agreement with Harry Schneider for wastewater dated March 25, 1979? Instead of appropriately responding, you have sent me a series of meeting minutes “around that time.” But minutes of meetings are not what I requested. I requested the agreement itself. Do you intend to make the agreement itself available for my examination?

BTW, and as you know, none of the minutes you provided reference the Board’s approval of the March 25, 1979 agreement. So are you telling me you have no records that the Board ever approved that agreement? Or are you telling me something else and if so what?

13. And with respect to any other I VGID wastewater customers other than Clear Creek and Schneider, where are:

The requested agreements between I VGID and those customers, and if they do not exist, other records evidencing the existence of any agreements (even oral) between those customers and I VGID?
Where are the requested records of Board meetings which evidence Board approval for each such agreement?

14. And to the extent not included in the above-request, where are IVGID's requested financial records which evidence the amount of revenue received from each of these customers, on a monthly as well as fiscal year basis, from January 1, 2018 to the present?

15. And where are the requested records which evidence the chart of account number(s) assigned by IVGID for the revenues received from each of these customers during the above-period?

16. And where are the requested records which evidence the IVGID sub-fund(s) [i.e., water or sewer or whatever else (like wastewater)] in which IVGID assigns revenue received and expenses incurred associated with the wastewater supplied to those customers?

Do you intend to make those records available for my examination? If so when? And if not, why not?

And please included this augmented e-mail string in the packet of materials prepared in anticipation of the next IVGID Board meeting so the public can see what you and I see.

Thank you for your cooperation. Aaron Katz

-----Original Message-----
From: "Herron, Susan"
Sent: Apr 10, 2019 2:14 PM
To: "s4s@ix.netcom.com" , "Wong, Kendra"
Cc: Tim Callicrate , Matthew Dent , "Horan, Phil" , Peter Morris
Subject: RE: Records Request - Agreements Between IVGID and Clear Creek/the Clear Creek Golf Course re Wastewater - Follow Up to in Part Request Suspension of Tonight's Public Hearing re Water/Sewer Rates/Ordinances

Dear Mr. Katz,

The documents you have asked me to provide are Board of Trustees meetings. My records reflect that on August 3, 2017, I provided you all Board minutes from 1/1/2001 to 12/31/2010 and then on August 22, 2017, I provided you all Board minutes from 1/1/2011 to 8/22/2017 therefore you already have in your possession all records asked for in items 3. through 7. and 9. As for 8., attached are the minutes around the requested meeting.

Susan A. Herron, CMC
Executive Assistant/District Clerk/Public Records Officer
Incline Village General Improvement District
893 Southwood Boulevard, Incline Village, NV 89451
P: 775-832-1207
F: 775-832-1122
M: 775-846-6158
sah@ivgid.org
http://ivgid.org

From: s4s@ix.netcom.com <s4s@ix.netcom.com>
Sent: Wednesday, April 10, 2019 12:53 PM
To: Wong, Kendra <Kendra_Wong@ivgid.org>
Cc: Herron, Susan <Susan_Herron@ivgid.org>; Tim Callicrate <tim_callicrate2@ivgid.org>; Matthew Dent <dent_trustee@ivgid.org>; Horan, Phil <Horan_Trustee@ivgid.org>; Peter Morris <Peter_Morris@ivgid.org>
Subject: Records Request - Agreements Between IVGID and Clear Creek/the Clear Creek Golf Course re Wastewater - Follow Up to in Part Request Suspension of Tonight's Public Hearing re Water/Sewer Rates/Ordinances

Thank you.

But AGAIN, you have not made requested records available for my examination notwithstanding you have declared that you have completed my records request in its entirety.

Not that I should have to identify where you haven't complied with my records request, I will make an attempt.
1. I asked that you make available for my examination financial records which evidence the amount of revenue received from Clear Creek as well as Schneider Ranch, on a monthly as well as fiscal year basis, from January 1, 2018 to the present. I did not ask for copies of bills to these customers but rather, IVGID's financial records. And you have provided none. I want to examine IVGID’s financial records.

2. I asked to examine records which evidence the chart of account number(s) assigned by IVGID for the revenues received from Clear Creek and Schneider Ranch during the above-period. Again you have provided none. I want to examine those records.

3. I asked to examine records which evidence the IVGID sub-fund(s) (i.e., water or sewer or something else) in which IVGID assigns revenue received from Clear Creek and Schneider Ranch. And again you have provided none. I want to examine those records.

And now i am asking the Board to SUSPEND tonight's water/sewer ordinance/rate hearing for the following reasons:

1. Given wastewater is a product or service encompassed within a GID's water and sewer services, and IVGID is proposing amendments to ordinances impacting both, a noticed public hearing is required expressly for wastewater. And here there is NONE.

2. Joe Pomroy's rate study on water and sewer rates made no mention of sales of wastewater. Nor was the Board given the option of regulating those rates. This is a subject Mr. Pomroy was well aware of and his failure was INTENTIONAL. That is grounds enough to stop the process until all the truth comes out.

3. I VGID has apparently entered into a July 1, 2008 agreement with the successors to Clear Creek Ranch. It appears that agreement was NEVER approved by the Board. I am expressly asking Ms. Herron to provide me with written evidence the IVGID Board at the time, approved entrance into that agreement on or about July 9, 2008.

4. Staff apparently approved entrance into an assignment of that agreement sometime afterwards, but effective March 26, 2008. It appears that assignment agreement was NEVER approved by the Board. I am expressly asking Ms. Herron to provide me with written evidence the IVGID Board at the time, approved entrance into that assignment agreement.

5. I VGID has apparently entered into an October 29, 2008 Consent to Collateral Assignment of the above-water agreement. It appears that assignment agreement was NEVER approved by the Board. I am expressly asking Ms. Herron to provide me with written evidence the IVGID Board at the time, approved entrance into that assignment agreement on or about October 29, 2008.

6. I VGID has apparently entered into another assignment agreement of the agreement above-referenced on or about July 23, 2013. What bothers me most about this agreement is that it was entered into by Mr. Pomroy on behalf of the I VGID Board, apparently without Board approval. I am expressly asking Ms. Herron to provide me with written evidence the I VGID Board at the time, approved entrance into this assignment agreement on or about July 23, 2013.

7. Mr. Pomroy has apparently entered into another agreement with the assignees of the subject original written agreement on July 1, 2017. And this one amends water fees without public hearing or Board approval. I am expressly asking Ms. Herron to provide me with written evidence the I VGID Board at the time, approved entrance into this amended agreement on or about July 1, 2017.

8. But it's not just Clear Creek, it's Schneider Ranch as well. Apparently I VGID entered into an agreement with Harry Schneider for wastewater on March 25, 1970. But Ms. Herron has not provided me with a copy. I am expressly asking Ms. Herron make that agreement available for my examination, and that she provide written evidence the I VGID Board at the time, approved entrance into that agreement on or about March 25, 1970.

9. Apparently on September 8, 2016 I VGID entered into a new agreement with the Schneider Family Trust which superseded the original agreement with Harry Schneider. And what's interesting about this agreement is that it was apparently drafted by Jason Guinasso. And what bothers me most about this agreement is that it was entered into by Mr. Pomroy on behalf of the I VGID Board, apparently without Board approval. I am expressly asking Ms. Herron to provide me with written evidence the I VGID Board at the time, approved entrance into this agreement on or about September 8, 2016.

10. Another thing that bothers me greatly about the last agreement is that Jason Guinasso KNEW there could be no such agreement without first coming to the Board and having it notice a public hearing for this purpose. But he didn't. Inadvertent? Intentional? Or are you going to start calling names again Mr. Guinasso?
11. Another thing that bothers me greatly about tonight’s meeting is that there’s now evidence that at the very least, Mr. Pomroy should have suggested the creating of a new customer class YEARS AGO. But he didn’t. In other words, he hid the truth from the Board just the way he hid the truth that the AWWA Manual instructs that when you have a user who consumes considerably more water than other users (here IVGID), you create a new customer class for that user because the rules that apply to the typical residential customer, oftentimes are unfair when applied to the user who consumes considerably more.

12. And remember, unlike the AWWA Manual, staff admits that it has NOT relied on any other industry resources to come up with its proposed sewer rate schedules which disingenuously base sewer rates on the amount of water a user consumes.

For all these reasons we need to stop the process in its tracks RIGHT NOW. We need to get to the truth and get all the facts on the table so that when we do modify our water and sewer ordinances and the rates included therein, they are truly just, reasonable, non-preferential, and non-discriminatory (the "just and reasonable" standard NRS 704.040 mandates).

13. Now back to Ms. Herron. If there are any other IVGID wastewater customers than Clear Creek and Schneider, I would like to examine:

*All agreements between IVGID and those customers, and if they do not exist, other records evidencing the existence of any agreements (even oral) between those customers and IVGID. And this request would include evidence of Board approval for each such agreement.*

14. And to the extent not included in the above-request, I would like to examine financial records which evidence the amount of revenue received from each of these customers, on a monthly as well as fiscal year basis, from January 1, 2018 to the present.

15. I would also like to examine records which evidence the chart of account number(s) assigned by IVGID for the revenues received from each of these customers during the above-period.

16. I would also like to examine records which evidence the IVGID sub-fund(s) [i.e., water or sewer or whatever else (like wastewater)] in which IVGID assigns revenue received and expenses incurred associated with the wastewater supplied to those customers.

17. I also request Ms. Herron include a copy of this e-mail string and any response from the Board in the packet of materials prepared by staff in preparation for the Board’s next meeting.

Thank you for your cooperation. Aaron Katz

-----Original Message-----
>From: "Herron, Susan"
>Sent: Apr 10, 2019 9:23 AM
>To: "s4s@ix.netcom.com"
>Subject: RE: Records Request - Agreements Between IVGID and Clear Creek/the Clear Creek Golf Course
>
>Dear Mr. Katz,
>
>Attached are the contract documents as requested.
>
>Clear Creek is a customer of IVGID and receives a bill similar to yours which we do not release just like upon request, we would not release yours.
>
>This completes your records request in its entirety.
>
>Susan A. Herron, CMC
>Executive Assistant/District Clerk/Public Records Officer
>Incline Village General Improvement District
>893 Southwood Boulevard, Incline Village, NV 89451
>P: 775-832-1207
>F: 775-832-1122
>M: 775-846-6158
>sah@ivgid.org
>http://ivgid.org

https://webmail.earthlink.net/wam/printable.jsp?memid=0269&vz=568&d=0710

405
-----Original Message-----
>From: s4s@lx.netcom.com
>Sent: Tuesday, April 02, 2019 12:49 PM
>To: Herron, Susan
>Subject: Records Request - Agreements Between IVGID and Clear Creek/the Clear Creek Golf Course
>
>Another records request.
>
>I would like to examine all agreements and if they do not exist, other records evidencing the existence of any agreements (even oral) between the developers/owners of the Clear Creek and Schneider Ranch and/or Clear Creek real estate development(s), in Douglas County and IVGID, specifically including but not limited to any agreements pertaining to Clear Creek Golf Course’s and Schneider Ranch’s use of IVGID supplied water and treated waste water.
>
>To the extent not included in the above-request, I would like to examine financial records which evidence the amount of revenue received from Clear Creek as well as Schneider Ranch, on a monthly as well as fiscal year basis, from January 1, 2018 to the present. I would also like to examine records which evidence the chart of account number(s) assigned by IVGID for the revenues received from Clear Creek and Schneider Ranch during the above-period.
>
>I would also like to examine records which evidence the IVGID sub-fund(s) (i.e., water or sewer) in which IVGID assigns revenue received from Clear Creek and Schneider Ranch.
>
>Thank you for your cooperation. Aaron Katz
Thank you.

But AGAIN, you have not made requested records available for my examination notwithstanding you have declared that you have completed my records request in its entirety.

Not that I should have to identify where you haven't complied with my records request, I will make an attempt.

1. I asked that you make available for my examination financial records which evidence the amount of revenue received from Clear Creek as well as Schneider Ranch, on a monthly as well as fiscal year basis, from January 1, 2018 to the present. I did not ask for copies of bills to these customers but rather, IVGID's financial records. And you have provided none. I want to examine IVGID's financial records.

2. I asked to examine records which evidence the chart of account number(s) assigned by IVGID for the revenues received from Clear Creek and Schneider Ranch during the above-period. Again you have provided none. I want to examine those records.

3. I asked to examine records which evidence the IVGID sub-fund(s) (i.e., water or sewer or something else) in which IVGID assigns revenue received from Clear Creek and Schneider Ranch. And again you have provided none. I want to examine those records.

And now I am asking the Board to SUSPEND tonight's water/sewer ordinance/rate hearing for the following reasons:

1. Given wastewater is a product or service encompassed within a GID's water and sewer services, and IVGID is proposing amendments to ordinances impacting both, a noticed public hearing is required expressly for wastewater. And here there is NONE.

2. Joe Pomroy's rate study on water and sewer rates made no mention of sales of wastewater. Nor was the Board given the option of regulating those rates. This is a subject Mr. Pomroy was well aware of and his failure was INTENTIONAL. That is grounds enough to stop the process until all the truth comes out.

3. IVGID has apparently entered into a July 1, 2008 agreement with the successors to Clear Creek Ranch. It appears that agreement was NEVER approved by the Board. I am expressly asking Ms. Herron to provide me with written evidence the IVGID Board at the time, approved entrance into that agreement on or about July 9, 2008.

4. Staff apparently approved entrance into an assignment of that agreement sometime afterwards, but effective March 26, 2008. It appears that assignment agreement was NEVER approved by the Board. I am expressly asking Ms. Herron to provide me with written evidence the IVGID Board at the time, approved entrance into that assignment agreement.

5. IVGID has apparently entered into an October 29, 2008 Consent to Collateral Assignment of the above-water agreement. It appears that assignment agreement was NEVER approved by the Board. I am expressly asking Ms. Herron to provide me with written evidence the IVGID Board at the time, approved entrance into that assignment agreement on or about October 29, 2008.

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10. Another thing that bothers me greatly about the last agreement is that Jason Guinasso KNEW there could be no such agreement without first coming to the Board and having it notice a public hearing for this purpose. But he didn't. inadvertent? Intentional? Or are you going to start calling names again Mr. Guinasso?

11. Another thing that bothers me greatly about tonight's meeting is that there's now evidence that at the very least, Mr. Pomroy should have suggested the creating of a new customer class YEARS AGO, But he didn't. In other words, he hid the truth from the Board just the way he hid the truth that the AWWA Manual instructs that when you have a user who consumes considerably more water than other users (here IVGID), you create a new customer class for that user because the rules that apply to the typical residential customer, oftentimes are unfair when applied to the user who consumes considerably more.

12. And remember, unlike the AWWA Manual, staff admits that it has NOT relied on any other industry resources to come up with its proposed sewer rate schedules which disingenuously base sewer rates on the amount of water a user consumes.

For all these reasons we need to stop the process in its tracks RIGHT NOW. We need to get to the truth and get all the facts on the table so that when we do modify our water and sewer ordinances and the rates included therein, they are truly just, reasonable, non-preferential, and non-discriminatory (the "just and reasonable" standard NRS 704.040 mandates).

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15. I would also like to examine records which evidence the chart of account number(s) assigned by IVGID for the revenues received from each of these customers during the above-period.

16. I would also like to examine records which evidence the IVGID sub-account(s) [i.e., water or sewer or whatever else (like wastewater)] in which IVGID assigns revenue received and expenses incurred associated with the wastewater supplied to those customers.

17. I also request Ms. Herron include a copy of this e-mail string and any response from the Board in the packet of materials prepared by staff in preparation for the Board's next meeting.

Thank you for your cooperation. Aaron Katz

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>From: "Herron, Susan"
>Sent: Apr 10, 2018 9:23 AM
>To: “s4s@ix.netcom.com”
>Subject: RE: Records Request - Agreements Between IVGID and Clear Creek/the Clear Creek Golf Course
>
>Dear Mr. Katz,
>
>Attached are the contract documents as requested.
>
https://webmail.earthlink.net/warn/printable.jsp?msgid=9284&x=-809229138
Clear Creek is a customer of IVGID and receives a bill similar to yours which we do not release just like upon request, we would not release yours.

This completes your records request in its entirety.

Susan A. Herron, CMC
Executive Assistant/District Clerk/Public Records Officer
Incline Village General Improvement District
893 Southwood Boulevard, Incline Village, NV 89451
P: 775-832-1207
F: 775-832-1122
M: 775-846-6158
sah@ivgid.org
http://ivgid.org

-----Original Message-----
From: s4s@ix.netcom.com
Sent: Tuesday, April 02, 2019 12:49 PM
To: Herron, Susan
Subject: Records Request - Agreements Between IVGID and Clear Creek/the Clear Creek Golf Course

Another records request.

I would like to examine all agreements and if they do not exist, other records evidencing the existence of any agreements (even oral) between the developers/owners of the Clear Creek and Schneider Ranch and/or Clear Creek real estate development(s), in Douglas County and IVGID, specifically including but not limited to any agreements pertaining to Clear Creek Golf Course’s and Schneider Ranch’s use of IVGID supplied water and treated waste water.

To the extent not included in the above-request, I would like to examine financial records which evidence the amount of revenue received from Clear Creek as well as Schneider Ranch, on a monthly as well as fiscal year basis, from January 1, 2018 to the present. I would also like to examine records which evidence the chart of account number(s) assigned by IVGID for the revenues received from Clear Creek and Schneider Ranch during the above-period.

I would also like to examine records which evidence the IVGID sub-fund(s) (i.e., water or sewer) in which IVGID assigns revenue received from Clear Creek and Schneider Ranch.

Thank you for your cooperation. Aaron Katz
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
APRIL 10, 2019 REGULAR IVGID BOARD MEETING — AGENDA ITEM H(3)
— USE OF PUNCH CARDS FOR SPECIAL PROMOTIONS AT THE
MOUNTAIN GOLF COURSE AND TENNIS CENTER

Introduction: Here staff are proposing selective promotional use of punch cards at the
Mountain Golf course and Tennis Center. Because this proposal does not extend to all of the District’s
recreational facilities, and does not apply to all the services offered thereat, and because it modifies
Ordinance No. 7⁷ which can only be modified after thirty (30) days’ notice and public hearing, I
object. And that’s the purpose of this written statement.

What Are Punch Cards? To those new to our community, listen to what the District’s Director
of Finance tells us punch cards are: “each eligible parcel that pays the Recreation Facility Fee (‘RFF’)
can have five cards issued in the form of picture passes...and/or punch cards...A punch card holder
receives the opportunity, at designated venues, to reduce their user fees from the Rack Rate to the
Picture Passholder (‘PPH’) Rate, as a form of payment.”³

Ordinance No. 7 Establishes the Rules Applicable to Punch Cards: Ordinance No. 7 is labeled
“an ordinance establishing rates, rules and regulations for recreation passes and punch cards.” Those
rules and regulations are set forth at Article VII, ¶¶54-59 of Ordinance No. 7⁴.

The Cardholder’s Use of a Punch Card to Reduce the User Fee Assessed at “District-Owned
Golf...and Tennis Facilities” in Particular: ¶54 of Ordinance No. 7 describes the recreation privileges
available to punch card holders. Specifically, “a Recreation Punch Card provides the cardholder with a
face value of recreation privileges, determined by the Board⁵, which may be applied toward:

a. The difference between the resident rate and the guest rate for daily beach access, daily boat
and jet ski launching;

b. The difference between the resident rate and the retail or nonresident rate for daily access to
the District-owned golf, ski, recreation center, and tennis facilities; and,

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² See pages 381-390 of the packet of materials prepared by staff in anticipation of the Board’s April
10, 2019 meeting [“the 4/10/2019 Board packet” (https://www.yourtahoeplace.com/uploads/pdf-
ivgid/BOT_Packet_Regular_4-10-19.pdf)]. This is an example of the type of process the District needs
to adhere to before making modifications to punch card use.

³ See page 10 at https://www.yourtahoeplace.com/uploads/pdf-ivgid/IVGID_Annual_Budget_FY2018-
19_03122019.pdf.

⁴ See pages 10-11 of Ordinance No. 7.

⁵ Currently $166.
c. The difference between the resident rate and the retail or nonresident rate for any other recreation use fee or rental fee as may be determined by the Board.”

The commonality of all three provisions is “the difference between the resident rate and…”

This Agenda Item is Proposing Recreation Privileges For Punch Card Holders Far Beyond Those Permitted by ¶54 of Ordinance No. 7: Rather, it is proposing there be some reduction from the resident rate. Staff’s proposal is in conflict with Ordinance No. 7. Listen to pages 283-284 of the 4/10/2019 Board packet:

“This proposed...promotion permits...punch card” holders, expressly including RESIDENT holders, “to purchase a Mountain Course Pass” and/or a “Tennis Membership Pass” using their punch cards’ remaining value calculated at $0.35 on the dollar. In other words, “that value can be used towards the purchase of a Mountain Course All You Can Play Season” or a “Tennis Membership Pass.”

Moreover, nothing in staff’s proposed promotion limits a punch card holder to the number of cards he/she may use to reduce the resident rate on Mountain Course and Tennis Membership Passes. Since ¶56 of Ordinance No. 7 instructs that because “punch cards are issued against...parcel(s) and are transferable to anyone,” nothing stops parcel owners with punch cards having a remaining value from transferring them to anyone. And if that “anyone” bundles multiple punch cards together, does the Board and the public see how the promotion can so easily be abused? And if so, does anyone care because obviously, staff do not?

The Rules Applicable to Punch Cards Cannot be Modified Absent Formally Amending Ordinance No. 7: At ¶72 of Ordinance No. 7’s rules, we see that “the recreation privileges issued under this ordinance shall (only) be modified by...amendment...to this ordinance...adopted by the Board.”

The Way the Board Amends Ordinance No. 7 is By Resolution Adopted After Public Hearings Preceded by Thirty (30) Days’ Notice: NRS 318.199(2) mandates that “whenever the board of trustees proposes to change any individual or joint rate, toll, charge, service or product, or any individual or joint practice which will affect any (such) rate, toll, charge, service or product, the board of trustees shall hold public hearings after 30 days’ notice has been given to all users of the service or product within the district.” Does this agenda item propose “chang(ing)...an...individual or joint

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6 See page 14 of Ordinance No. 7.

practice which will affect any rate, toll, charge, service or product?” Have staff scheduled “public hearings after 30 days’ notice?” If not, why is this agenda item even before the Board?

Independent of Staff’s Proposed Violation of NRS 318.199(2) and Ordinance No. 7, I Object to the Proposed Promotion’s Non-Uniform Application: In other words, the proposed promotion should apply uniformly to all of the District’s recreational venues as well as the services offered thereat, or it should apply to NONE. This parsing out of benefits to limited special interest groups, rather than all PPHs and punch card holders as a whole, simply must end. The reason being that it creates a segment of our population which is patently or latently beholden to Indra Winquest and his team.

I Object to Staff Using the Public’s Money-Losing Recreational Facilities as a Tool to Advance Their Personal Agendas of Justification For Their Own Over Compensated and Over Benefited Public Jobs: Don’t you remember this occurred when former Diamond Peak venue manager Brad Wilson sent out an e-mail encouraging targeted members of the community beholden to him to show up at a Board meeting to voice their support for the Diamond Peak Master Plan (“DPMP”)? What about when Shane Goodard, under the direction of Indra Winquest, sent out a similar e-mail encouraging targeted members of the community beholden to him and Indra to show up at a Board meeting and voice their support for a new contract between IVGID and the Diamond Peak Ski & Education Foundation (“DPSEF”)? And what about when Indra himself sent out a similar e-mail asking parents to show up at a Board meeting, with their children, dressed in sports uniforms no less, to voice their support for the continuation of the current 100 or more money-losing programs marketed through the Recreation Center? Or when he sent out a similar e-mail asking the handful of residents in our community who ever use the Tennis Facility to show up at a Board meeting and voice their support for the expenditure of $700,000 or more in Tennis Center improvements?

Conclusion: And this is what we have here. Throw the Mountain Course golfers and Tennis Center users “a bone” which comes at the expense of the rest of us (the Championship golfers were thrown this bone decades ago) so when the public’s support is necessary, our un-elected staff will be able to “cash in their chips.” I keep hearing how professional and knowledgeable our wonderful senior staff are. Well if they were, don’t you think they would be adhering to Board policy? Now that you know the complete picture, are you the reader convinced staff is adhering to Board policy by proposing this agenda item? Do you the reader understand how this and so many other staff initiatives end up costing all local property owners because whenever there is a reduction in budgeted revenues, the shortfall ends up getting subsidized by the RFF all of us pay?

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8 Such as when we elect trustees and staff covet candidates like Trustees Horan, Morris and Wong who will “keep the gravy flowing.”

9 Because staff deceitfully, incompletely and misleadingly report the public’s financials, there is no way the Board and the public know if promotions such as these actually increase or decrease revenues. For instance, how many passes were sold at the Mountain Course for the 2017 season (before this promotion was introduced) which were less than “All You Can Play Season” passes, and what was the revenue realized? Similarly, how many “All You Can Play Season” passes were sold, and
You Board members can stick your collective heads in the sand and pretend you don’t know what’s going on around you. But how about doing your job instead by admonishing staff for having proposed such an irresponsible agenda item which intentionally discriminates against the resident users of the public’s recreational facilities, and does not comply with Board policy?

And to those who may be reading this written statement and asking where their RFF/BFF really go, now I’ve provided more answers.

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

what was the revenue realized? Now compare these answers to the same questions for last season at the Mountain Course (when this promotion was introduced). And when answering these questions for last season, make sure you deduct the value of the punch card credits redeemed. I predict that you will discover that we’ve generated no additional revenue as a result of this exercise. In fact, I predict that once you factor in the allocated staff and other costs associated therewith, you will discover that we’ve actually lost money! Care to prove me wrong Mr. Pinkerton?
IVGID Board Presentation: Wednesday, April 10, 2019

Madame Chair, members of the Board, Mr. Pinkerton, and IVGID Staff:

Good Evening, my name is Claudia Andersen. I am the CEO of the Parasol Tahoe Community Foundation and I have had the privilege of working at the community foundation for more than 13 years. I want to thank you for making room on your very busy agenda tonight for me to speak with you regarding our annual usage report for the Donald W. Reynolds Community Non-Profit Center, affectionately know as the DWR Center.

The DWR Center has been open for over 16 years now. And this report represents our 18th annual report submitted to the IVGID Board. Since our operation of the DWR Center has not changed over the years, much of this report will be very familiar.
The purpose of the DWR Center is to provide an economical and collaborative environment for non-profit organizations. And every square inch of the center is dedicated to that non-profit purpose. In fact, Parasol has steadfastly adhered to that original purpose and has operated the DWR Center as an innovative grant program since opening in 2002. DWR Center grants provide non-profit organizations with furnished office space, secure storage space and access to professional meeting rooms and event space. Operational support through the DWR Center Grant Program, which now totals more than $10.5M, has allowed local organizations to focus their fundraising efforts on supporting people and programs and therefore has increased the quantity and quality of services available in our community. In partnership with our non-profit community, the DWR Center has always been, and continues to be, completely dedicated to public benefit.
Here are few quick facts regarding DWR Center usage during calendar year 2018:

- 10 non-profit organizations, 11 including Parasol, called the DWR Center home
- 19 non-profit organizations utilized the benefit of secure storage space
- 45 non-profit organizations used meeting rooms and event space for regularly scheduled meetings – such as board, staff, committee and donor meetings – as well as other events, trainings and workshops.
- Additionally, Parasol took advantage of advancement in technologies and upgraded its audio-visual equipment in the three main meeting rooms. This made using the technology simple, resulting in a better user experience.

As important as the DWR Center is to our work and our community, it represents only 6% of our total grantmaking – which rose to $66.5M in
2018. Last year alone, through the generosity of our donors, Parasol awarded $5.8M in grants to support charitable cause; double the amount awarded in 2017. Charitable causes supported were in the areas of Arts, Culture & Heritage; Community Support & Engagement; Education & Youth Development; Environment; and Social Services.

Included in that grant funding, through Parasol’s Community Fund, we provided the remaining funding needed to complete the Alert Tahoe fire camera system. The installation of the last two fire cameras is scheduled for June which means that, this summer, the entire Tahoe Basin will now benefit from early fire detection and fire fighters will be provided with valuable and complete information when determining resource deployment should a fire strike. Parasol also established a fire camera maintenance fund, helping to ensure that these cameras will stay operational far into the future. With the threat of wildfire being a true danger here at Tahoe, Parasol is committed to helping to keep our community safe.
On another note, in 2018, Parasol once again received the highest possible rating from Charity Navigator, America’s largest charity evaluator. In their award letter they state, and I quote: “We are proud to announce Parasol Tahoe Community Foundation has earned our seventh consecutive 4-star rating. This is our highest possible rating and indicates that your organization adheres to sector best practices and executes its mission in a financially efficient way. Attaining a 4-star rating verifies that Parasol Tahoe Community Foundation exceeds industry standards and outperforms most charities in your area of work. Only 5% of the charities we evaluate have received at least 7 consecutive 4-star evaluations, indicating that Parasol Tahoe Community Foundation outperforms most other charities in America. This exceptional designation from Charity Navigator sets Parasol Tahoe Community Foundation apart from its peers and demonstrates to the public its trustworthiness.”
Also, in 2018, the Parasol Tahoe Community Foundation was once again accredited by the Community Foundations National Standards Board which represents Parasol’s, and I quote: “commitment to go above and beyond federal and state law requirements to demonstrate accountability and excellence to communities, policymakers, and the public.”

At Parasol, we are proud of these independent endorsements, and believe they confirm our commitment to financial and operational excellence as well as our dedication to the community.

Before I wrap up I want to mention the two funds we hold that support the DWR Center: The Carla Hanson Memorial Endowment Fund, our operating endowment, had an approximate balance of $8.7M as of December 31, 2018. And our Capital Replacement Fund, dedicated to building maintenance and repair, had an approximate balance of $2.3M as of December 31, 2018. These are not finalized audit numbers. Our
2018 audited financial statements and Form 990 tax filing are scheduled to be available to the public next month and, as always, will be submitted to the IVGID Board of Trustees and posted on our website as soon as these documents are approved by our Board of Directors at their May meeting. Please note that Parasol has always been prompt in filing these documents and will have them available on or before the legally required filing date of May 15th.

On behalf of everyone at The Parasol Tahoe Community Foundation – our Board, our Staff, our Donors and our Grantees - I want to thank you, the IVGID Board of Trustees and your Staff, for your ongoing support and friendship in our efforts to strengthen the community we mutually serve.

Thank you for your time.