The regular meeting of the Incline Village General Improvement District will be held starting at **6:00 p.m.** on Wednesday, February 8, 2017 in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

**A Meet and Greet reception will be held prior to the Board meeting at 5:30 p.m. – all members of the public are invited to attend.**

A. **PLEDGE OF ALLEGIANCE***

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

C. **PUBLIC COMMENTS** - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

**Public Comment Advisory Statement** – A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chairperson and/or General Counsel may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.
D. APPROVAL OF AGENDA (for possible action)

The Board of Trustees may make a motion for a flexible agenda which is defined as taking items on the agenda out of order; combining agenda items with other agenda items; removing items from the agenda; moving agenda items to an agenda of another meeting, or voting on items in a block.

-OR-

The Board of Trustees may make a motion to accept and follow the agenda as submitted/posted.

E. PRESENTATIONS*

1. Director of Community Services Sharon Heider – Verbal Update on Community Services activities

F. GENERAL BUSINESS (for possible action)

1. Review, discuss, and possibly award a procurement contract, in the amount of $448,000.00, to Club Car, LLC for eighty (80) electric golf carts to be located at the Championship Golf Course and review, discuss, and possibly authorize a four year municipal lease agreement, to finance the procurement of eighty (80) electric golf carts to be located at the Championship Golf Course, with California First National Bank in the amount of $484,713.60 (Requesting Staff Members: Director of Community Services Sharon Heider and Director of Golf Michael McCloskey) - pages 1 - 7

2. Utility Rate Study Presentation - 2017: review, discussion and possible direction (Requesting Staff Member: Director of Public Works Joe Pomroy) - pages 8 - 54

3. 2017/2018 Capital Improvement Budget District “Legacy” Project Presentation - review, discussion and possible direction/action (Requesting Staff Member: Director of Asset Management Brad Johnson) - pages 55 - 93

4. 2017/2018 Budget Review Process - review, discussion and possible direction/action (Requesting Staff Member: General Manager Steve Pinkerton) - pages 94 - 132
5. **2017 Board of Trustees Work Plan - review and discussion with next action tentatively slated for the next Board of Trustees meeting (Requesting Trustee: Chairwoman Kendra Wong)** - page 133

G. **DISTRICT STAFF UPDATE**

1. General Manager Steve Pinkerton
   - Monthly Financials
   - Information Technology
   - Washoe County Community Area Plan
   - Washoe County Snow Removal

2. Diamond Peak Ski Resort General Manager Mike Bandelin - Verbal update on the Diamond Peak Ski Resort ski season

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

1. Regular Meeting of December 14, 2016 - pages 134 - 186
2. Regular Meeting of January 18, 2017 - pages 187 - 205

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

1. District General Counsel Jason Guinasso

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

K. **CORRESPONDENCE RECEIVED BY THE DISTRICT*** - pages 206 - 320

L. **PUBLIC COMMENTS*** - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

M. **REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action)** - pages 321 - 324

N. **ADJOURNMENT (for possible action)**
CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Thursday, February 2, 2017 at 9:00 a.m., a copy of this agenda (IVGID Board of Trustees Session of February 8, 2017) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following seven locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley’s Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID’s Recreation Center
7. The Chateau at Incline Village

/s/ Susan A. Herron, CMC
Susan A. Herron, CMC
District Clerk (e-mail: sah@ivgid.org/phone # 775-832-1207)

Board of Trustees: Kendra Wong, Chairwoman, Tim Callicrate, Peter Morris, Phil Horan, and Matthew Dent.

Notes: Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.

IVGID's agenda packets are now available at IVGID's web site, www.yourtahoeplace.com; go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID’s Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.
MEMORANDUM

TO: 
Board of Trustees

THROUGH: 
Steven J. Pinkerton 
General Manager 
Gerald W. Eick, CPA CGMA 
Director of Finance 
Bradley A. Johnson, P.E. 
Director of Asset Management

FROM: 
Sharon G. Heider 
Director of Community Services 
Michael C. McCloskey, PGA 
Director of Golf

SUBJECT: 
Review, discuss, and possibly award a procurement contract, in the amount of $448,000.00, to Club Car, LLC for eighty (80) electric golf carts to be located at the Championship Golf Course and review, discuss, and possibly authorize a four year municipal lease agreement, to finance the procurement of eighty (80) electric golf carts to be located at the Championship Golf Course, with California First National Bank in the amount of $484,713.60

STRATEGIC PLAN: 
Long Range Principle #2 – Service 
Long Range Principle #5 – Assets and Infrastructure

DATE: 
January 27, 2017

I. RECOMMENDATION

Staff recommends that the Board of Trustees makes a motion to:

1. Award a procurement contract to Club Car, LLC totaling $448,000.00 for eighty (80) electric golf carts for the Championship Golf Course.
Review, discuss, and possibly award a procurement contract to Club Car, LLC for 80 electric golf carts at the Championship Golf Course in the amount of $448,000.00 and review, discuss, and possibly authorize a four year municipal lease agreement with California First National Bank in the amount of $484,713.60

2. Authorize a four year municipal lease agreement with California First National Bank to fund the electric golf cart procurement totaling $484,713.60 (24 payments of $14,596.40 [$87,578.40 annually] and a $134,400.00 end of term balloon payment).*

3. Authorize Staff to execute all procurement and lease documents based on a review by General Counsel and Staff.

* Note that this item will require a 4/5 vote per State of Nevada Department of Taxation as discussed in VII Comment section below.

II. DISTRICT STRATEGIC PLAN

Long Range Principle #2 – Service – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- The District will provide well defined customer centric service levels consistent with community expectations.

Long Range Principle #5 – Assets and Infrastructure – The District will practice perpetual asset renewal, replacement, and improvement to provide safe and superior long term utility services and recreation activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

III. BACKGROUND

The District operates a fleet of 75 to 80 GPS enabled electric golf carts at the Championship Golf Course to provide on course customer, marshal, and golf professional transportation. The design for the course originally anticipated 80 carts and the cart barn was designed for 80 carts as is common in the industry for a course of our golf round magnitude. At the February 8, 2012 meeting, the Board of Trustees authorized the District to enter into a five year municipal lease for Club Car and reduce the supply to 75 carts. Prior to this 2012 lease, the District operated under a Board of Trustee authorized four year commercial lease with Club Car for 80 carts. The decision to move from a four year to five year
lease term was based on a desire for lower payments and a belief that improvements in battery technology would ensure reliable operations over the longer term without an increase in District maintenance costs. Additionally, the decision to move from 80 carts to 75 carts was also based on a desire for lower payments and a belief that improvements in pace of play would allow for a reduction in inventory. However, the removal of five carts did not allow enough carts for all player needs such as those players purchasing as a single player, purchased spectator carts, marshalling needs, and the normal repairs that are required. In addition it was necessary to replace the batteries in a number of carts during the 5th year of the lease, which was not covered by the warranty, at a cost of $29,849.

The five year 2012 lease of the existing cart fleet has reached its term and the cart fleet is no longer within its four year warranty period. The carts are showing significant wear and tear after five years of use and many of the carts are no longer able to provide 36 holes of service on a single charge. Staff assembled bid documents for a new fleet of electric golf carts. The number of carts requested was returned to 80 to provide enough carts for all guests, and provide better customer service. Additionally, the lease term was reduced from five years to four years to match the available industry warranty period and to ensure all carts could provide 36 holes of service over the entire term. The supplied warranty is bumper-to-bumper including batteries (with no amp hours limitation) for the entire four year term and includes a 36 hole per day battery performance guarantee for the duration of the warranty period. The only anticipated District maintenance associated with the newly leased fleet is regular inspection and cleaning of the carts, checking and maintaining battery fluid levels, checking and maintaining tire pressure, and repair of any operator caused damage.

The bid documents also required the carts to be supplied with integrated GPS technology. The supplied GPS system will replace the District’s 14 year old existing third party GPS system, which had a cost of approximately $7,500 per year, and is at the end of its service life and is no longer supported by the manufacturer. The supplied GPS system will provide the District with pace of play management tools; operational control including speed limitations, fleet lock down functionality, and geographic limits to allowable area of operation; as well as fleet maintenance tools including remote battery status, power consumption monitoring, and real time equipment failure notification.
Review, discuss, and possibly award a procurement contract to Club Car, LLC for 80 electric golf carts at the Championship Golf Course in the amount of $448,000.00 and review, discuss, and possibly authorize a four year municipal lease agreement with California First National Bank in the amount of $484,713.60

Finally, the bid documents required vendor installation of included battery charging equipment, acquisition and off-haul of the existing cart fleet upon delivery of the new carts, and final payment of the remaining $71,367.50 balloon payment on the existing 2012 lease.

IV. BID RESULTS

Consistent with the requirements of Nevada Revised Statute Chapter 332, and prior Board of Trustee discussion on the desire to pursue lease arrangements for equipment rather than purchase, the District publicly advertised this procurement for bidding and procurement documents were sent out to three potential bidders. Two bids were received and opened on January 19, 2017.

The bid documents requested pricing for direct purchase as well as a vendor supplied four year commercial lease term. In anticipation of the bid for the golf carts, the District solicited interest from four commercial lessers and banks to provide a third party, four year, tax-exempt municipal lease direct to the District. This processed identified California First National Bank (CalFirst) to provide lease terms as an alternative to those offered by the golf cart vendor.

The bid results and lease amounts are as follows:

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Total Bid Amount Purchase</th>
<th>Total Bid Amount Lease</th>
<th>CalFirst Lease Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Club Car</td>
<td>$448,000.00</td>
<td>$534,265.60</td>
<td>$484,713.60</td>
</tr>
<tr>
<td>E-Z-Go</td>
<td>$459,920.00</td>
<td>$516,276.00</td>
<td>$497,610.48</td>
</tr>
</tbody>
</table>

a 24 payments of $17,094.40 and a $124,000.00 end of term balloon payment.

b 24 payments of $14,596.40 and a $134,400.00 end of term balloon payment.

c 24 payments of $16,600.80 and a $119,056.80 end of term balloon payment.

d 24 payments of $14,984.77 and a $137,976.00 end of term balloon payment.

This includes the fleet change from 75 to 80 golf carts at a cost of $5,473.65. The GPS technology is included within this contract thus eliminating the $7,500 paid
Review, discuss, and possibly award a procurement contract to Club Car, LLC for 80 electric golf carts at the Championship Golf Course in the amount of $448,000.00 and review, discuss, and possibly authorize a four year municipal lease agreement with California First National Bank in the amount of $484,713.60 to a separate GPS contract. The total bid amount results in an additional $18,500 per year.

The low responsive bidder is Club Car. District Staff reviewed the bid and checked references for the vendor and recommends award of the procurement contract to Club Car utilizing CalFirst’s municipal lease terms. This will be the third cart fleet the District has operated with Club Car and Staff is very familiar with the proposed equipment. This would be the third District municipal lease with CalFirst as they provide leases for the current Championship and Mountain Course cart fleets.

V. **FINANCIAL IMPACT AND BUDGET**

The new bid pricing results in an additional cost of $77.88 per cart per year as illustrated in the table below.

<table>
<thead>
<tr>
<th></th>
<th>5 Year Lease Current Fleet</th>
<th>4 Year Lease Proposed Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Lease Payment</td>
<td>$358,743.60</td>
<td>$484,713.60</td>
</tr>
<tr>
<td>GPS Purchase *</td>
<td>$112,727.27</td>
<td>$0.00</td>
</tr>
<tr>
<td>GPS Service</td>
<td>$37,500.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Battery Warranty Service **</td>
<td>$29,849.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td>$538,819.87</td>
<td>$484,713.60</td>
</tr>
<tr>
<td># of Golf Carts</td>
<td>75</td>
<td>80</td>
</tr>
<tr>
<td>Cost per cart for Total Lease</td>
<td>$7,184.26</td>
<td>$6,058.92</td>
</tr>
<tr>
<td>Cost per cart per year</td>
<td>$1,436.85</td>
<td>$1,514.73</td>
</tr>
<tr>
<td>Cost increase</td>
<td></td>
<td>+$77.88 per year/cart</td>
</tr>
</tbody>
</table>

* GPS Purchase is based on this 5 year portion of the 11 year purchase
** Additional cost for batteries & service not covered by 5th year of warranty

The proposed lease with CalFirst provides for six payments of $14,596.40 annually (May thru October) for four years ($87,578.40 per year) with a final balloon payment of $134,400. As with past lease fleets, the District anticipates that the final balloon payment will be made by a future vendor during the next leasing period. The lease terms represent a period that is less than 75% of the
useful life of the asset and the four years of lease payments made by the District are less than 90% of the fair market value of the carts. As such, this makes it an operating lease, which is then budgeted and recognized as an operating expense.

VI. ALTERNATIVES

1. Reject all bids and purchase the existing four year old Club Car electric cart fleet at a cost of $71,367.50. Doing so would necessitate a fleet wide battery replacement at an estimated cost of $108,750 ($90,000 in parts and $18,750 in labor) and an additional $6,000 in labor to allow Staff to undertake a thorough inspection of each cart to develop a budget and work plan for any additional maintenance items necessary to ensure reliable operations for the 2017 Championship Golf Course season. Retaining the existing fleet, with further investment, does not assure the return on that investment as a trade-in value against the eventual replacement of the fleet. This alternative creates operational uncertainty as it relates to long term fleet reliability, performance, and maintenance costs in both parts and labor. This alternative also does not solve the issues associated with the District's existing cart GPS system. Finally, given the general wear and tear on the existing cart fleet, this alternative would have a negative impact on service levels at the Championship Golf Course.

2. Do not accept bid for 80 carts and direct Staff to renegotiate for a fleet of 75 with a potential reduction of costs up to approximately $30,000, and return for approval.

3. Approve the purchase of 80 golf carts and do not enter into a lease agreement. Direct Staff to prepare a budget augmentation in the amount of $448,000.00 to purchase the fleet of carts, and return to the Board for approval at a later date.

VII. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.
VIII. COMMENTS

The Nevada Department of Taxation issued Guidance Letter 16-004 on September 27, 2016 relating to lease agreements that could be considered alternative financing. Under that guidance, the District will be filing a request for approval of whichever form of procurement the Board authorizes. Once approval is received from the State, Staff will notify the Board of Trustees and proceed with executing the Board and State approved lease transaction. The Guidance Letter is also coordinated with a pending GASB statement on lease accounting. The District will monitor the eventual outcome and application of that accounting for leases which could occur during the term of the proposed lease.
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Joseph J. Pomroy, P.E.
Director of Public Works

SUBJECT: Utility Rate Study Presentation - 2017

DATE: January 26, 2017

I. RECOMMENDATION

That the Board of Trustees provides direction and comment to Staff on the 2017 Five Year Utility Rate Study and proposed utility rate increase for 2017. Some possible recommendations are stated below.

1. That the Board of Trustees provide direction and comment to Staff on the 2017 Five Year Utility Rate Study and proposed utility rate increase for 2017.

2. Direct Staff to prepare documents and Ordinance 2 and Ordinance 4 amendments for a one year average 3.4% utility rate increase.

3. Direct Staff to bring back other options for the February 22, 2017 Board of Trustees meeting as specified by the Board of Trustees.

II. DISTRICT STRATEGIC PLAN

The Utility Rate Study supports Long Range Principle #2, Finance; The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management. Under Objectives for 2015-17, it specifically states, Prepare a five-year projection of financial results and performance measures for operations, capital improvement and debt service as a part of budget deliberations.
III. FINANCIAL IMPACT AND BUDGET

2017 Five Year Rate Study

The utility rate study for 2017 has been prepared to determine the next five years of operating and capital expenses and to provide sufficient and stable revenue to meet the operating cost increases and the near term capital needs. The analysis is done on a cash flow basis in order to achieve a target reserve fund balance. The reserve fund is set by Board Policy. In the five-year period of this rate study reserves will be above target policy levels of while we accumulate additional savings to fund the Effluent Export Project.

Funding for capital asset replacement in Public Works is a blend of funds already collected for that purpose in previous years and current year capital revenues. The District also uses borrowing to pay replacement of capital assets to place some of the financial burden on future beneficiaries of the assets. These have been the traditional methods used in paying for capital in Public Works. We are currently using about 15% of the collected capital revenue to pay for debt. In 2012/13 we began payments on the new $3 million, 20-year State Revolving Fund Loan that financed the Burnt Cedar Water Disinfection Plant Project that renovated our water disinfection facilities to achieve compliance with Federal Regulations. The District has a total of four other State Revolving Fund Loans for water and sewer infrastructure.

The rate model is prepared to determine the revenue needs to meet operating and capital expenses while maintaining prudent reserves. Once a revenue target is established, the water and sewer rates are adjusted to generate that revenue in the most equitable way possible. The revenue is also balanced among the various rate components to pay for fixed, variable and capital components. Then the new rate structure is modeled for all of the customer classes and analyzed for equity among the customer classes.

The proposal is to increase raise water rates by 3.6% and sewer rates by 3.3% for a total utility rate increase of 3.4%. The utility rates are scheduled for an average 3.4% increase for the next five years to meet the projections presented in this memo.

5-Year Look Back to the 2012 Utility Rate Study

In 2012, the five-year utility rate study was presented to the Board with the following information. (Excerpt from Board Memo, February 8, 2012).
At the end of the 5-year projection we expect to draw down reserves by a net total of $2.0 million. The rates are currently scheduled for an average 5.2% increase per year for five years to meet the projections presented here. This is slightly less than last year's projection that rates would increase by 5.8% per year for five years. The reduction is mainly caused because last year rates were raised by 7.7%, greater than the average, and operational expenses have been lowered for 2012-13. The largest rate increase will be next year when sewer rates will have to increase significantly to continue to raise capital for the $23 million Effluent Export Project. This rate increase is expected to be greater than 10% to generate the capital revenue needed.

Looking back now that the five years are complete the rates increased for all customers by an average of 4.7% per year as compared to the projected 5.2% increase per year. Over 5 years, the rates actually increased a total of 25.8% compared to the projected increase of 28.8% projected in the 2012 utility rate study. The driver of this change was the need to increase the capital rate to collect funds for the effluent export project because the Section 595 Program was no longer being authorized at the time.

Utility Rates

The utility rates are being adjusted to meet expected cost increases and to fund future capital replacement. Increasing rates by a constant percentage is a basic concept but it must be verified that in adjusting the rates that no customer class sees a disproportionate change in rates that would unfairly shift the cost burden to other rate payers.

The following table compares the current and the proposed residential water rate. The rates below include a $1.05 total defensible space charge to each user. The base rate for water is increasing by $0.96 per month. The water consumption and tier rates were thoroughly analyzed this year to confirm the cost basis for those rate components. The base consumption charge and the 2nd tier water rate saw increases in the unit rate while the 1st tier water rate was decreased to align with expenses.
## Residential Water Rate Comparison

<table>
<thead>
<tr>
<th>Current 2016 Rate Component</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate Component</th>
<th>2017 Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$ 10.00</td>
<td>Base Rate</td>
<td>$ 10.65</td>
<td>$0.65</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$ 14.36</td>
<td>Capital Improvements</td>
<td>$ 14.47</td>
<td>$0.11</td>
</tr>
<tr>
<td>Customer Account Fee</td>
<td>$ 3.45</td>
<td>Customer Account Fee</td>
<td>$ 3.65</td>
<td>$0.20</td>
</tr>
<tr>
<td>Defensible Space</td>
<td>$ 1.05</td>
<td>Defensible Space</td>
<td>$ 1.05</td>
<td>-</td>
</tr>
<tr>
<td><strong>Monthly Water Bill</strong></td>
<td><strong>$ 28.86</strong></td>
<td><strong>Monthly Water Bill</strong></td>
<td><strong>$ 29.82</strong></td>
<td><strong>$0.96</strong></td>
</tr>
<tr>
<td>Consumption</td>
<td>$ 1.39</td>
<td>Consumption</td>
<td>$ 1.45</td>
<td>$0.06</td>
</tr>
<tr>
<td>1st Tier</td>
<td>$ 0.97</td>
<td>1st Tier</td>
<td>$ 0.95</td>
<td>($0.02)</td>
</tr>
<tr>
<td>2nd Tier</td>
<td>$ 1.23</td>
<td>2nd Tier</td>
<td>$ 1.26</td>
<td>$0.03</td>
</tr>
</tbody>
</table>

Consumption, 1st Tier, and 2nd Tier are per 1000 gallons of water use.

The following table compares the current and the proposed residential sewer rate. The base rate for sewer is increasing by $1.62 per month and the sewer use rate is increasing by 0.10 per thousand gallons of water use. The sewer use is capped in the summer months for residential customers.

## Residential Sewer Rate Comparison

<table>
<thead>
<tr>
<th>Current 2016 Rate Component</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate Component</th>
<th>2017 Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$ 16.52</td>
<td>Base Rate</td>
<td>$ 17.55</td>
<td>$1.03</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$ 29.86</td>
<td>Capital Improvements</td>
<td>$ 30.25</td>
<td>$0.39</td>
</tr>
<tr>
<td>Customer Account Fee</td>
<td>$ 3.45</td>
<td>Customer Account Fee</td>
<td>$ 3.65</td>
<td>$0.20</td>
</tr>
<tr>
<td><strong>Monthly Sewer Bill</strong></td>
<td><strong>$ 49.83</strong></td>
<td><strong>Monthly Sewer Bill</strong></td>
<td><strong>$ 51.45</strong></td>
<td><strong>$1.62</strong></td>
</tr>
<tr>
<td>Sewer Use Rate</td>
<td>$ 2.90</td>
<td>Sewer Use Rate</td>
<td>$ 3.00</td>
<td>$0.10</td>
</tr>
</tbody>
</table>

Sewer Use Rate is per 1000 gallons of use.
Operating Revenues and Expenses

The operating revenue is the portion of revenue generated from the water and sewer rates that is not the CIP charge. The operating revenue is increasing by an average of 4.4% per year for five years and is a mix of rate increase and sales of water and sewer. The information below represents the net income for operating, excluding the capital revenue and the depreciation expense. The rate study goal is to keep a balance between operating expenses and revenues over the five-year period. The variance between operating revenue and expense is within 2% and there is a net increase over 5 years. The rate model is revisited annually and recalibrated with actual financial results from the completed fiscal year. Any budget savings stay in the utility fund to offset future rate increases.

The operating expense is the staff costs, services and supplies, utilities, insurance, legal and audit fees, central services expense and the defensible space costs but it does not include depreciation. The 2017-18 values are the completed Utility Fund budget. Final budget numbers are approved in May by the Board of Trustees. We are budgeting increases in wages and benefits, service and supplies and a decrease in utility expenses to match actual water production and current electric rates. The five-year rate study is presented below for operating revenues and expenses.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>6,852,000</td>
<td>7,162,000</td>
<td>7,488,000</td>
<td>7,828,000</td>
<td>8,187,000</td>
<td>$37,517,000</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(7,014,000)</td>
<td>(7,143,000)</td>
<td>(7,337,000)</td>
<td>(7,537,000)</td>
<td>(7,743,000)</td>
<td>($36,774,000)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Subtotal $743,000</td>
</tr>
</tbody>
</table>

Capital Revenues and Expenses

The capital revenue is the summation of monthly capital fees collected in the utility rates, connection fees, and interest income and increases by approximately 1.1% per year averaged over 5 years.
The capital expense is the capital improvement projects net of grants. This is the current five-year capital plan that is being developed as part of the budget process. The five-year capital expenses and revenues are presented in the following table:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Revenue</td>
<td>4,807,000</td>
<td>4,863,000</td>
<td>4,921,000</td>
<td>4,979,000</td>
<td>5,037,000</td>
<td>$24,607,000</td>
</tr>
<tr>
<td>Capital Expense</td>
<td>(4,797,000)</td>
<td>(4,828,000)</td>
<td>(4,716,000)</td>
<td>(4,707,000)</td>
<td>(4,474,000)</td>
<td>($23,522,000)</td>
</tr>
</tbody>
</table>

Subtotal $1,085,000

It is important to remember that the capital expenses are budget estimates with further refinement to occur in the CIP budgeting process. The goal of the rate study is to collect sufficient revenues to fund capital expenses over the following five years.

With the 2012-13 budget year, Public Works began accumulating $2,000,000 per year in savings for the construction of the Effluent Export Project. We expect to have accumulated a total of $10,000,000 by the early construction project start date in spring 2017. The sewer CIP will not be accumulating the $2 million in capital for the export project in 2017-18 while we accomplish other CIP priorities and construct the effluent storage pond improvements as part of the export project.

Summary

The proposed utility rate increase is to raise water rates by 3.6% and sewer rates by 3.3% for a total utility rate increase of 3.4%. The rates are currently scheduled for an average 3.4% increase per year for five years to meet the projections presented in this memo.

In 2016-17, total water and sewer revenues for Public Works are budgeted to be $11.22 million and are proposed to be $11.56 million in 2017-1 under this rate
study. This is an increase in revenues of $340,000 from increased commodity sales, additional users and from the rate increase.

The reserve balance is a critical fund to be managed in Public Works. The amount of the bonding will be adjusted to insure the reserve fund remains at a prudent balance while also considering the costs of borrowing, the economic conditions in Nevada and the susceptibility of the funds. The contributions to the reserve will be $1.8 million over the next five years.

<table>
<thead>
<tr>
<th>2017 Five Year Rate Study</th>
<th>5-Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and Capital Revenue</td>
<td>$62,124,000</td>
</tr>
<tr>
<td>Operating and Capital Expense</td>
<td>$60,296,000</td>
</tr>
<tr>
<td><strong>Net increase in reserves</strong></td>
<td><strong>$1,828,000</strong></td>
</tr>
</tbody>
</table>

**Schedule**

The schedule for rate adoption is proposed as follows.

<table>
<thead>
<tr>
<th>Utility Rate Study</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set Date for Public Hearing to Adopt New Utility Rates</td>
<td>February 22, 2017</td>
</tr>
<tr>
<td>Notice of Public Hearing Published in Bonanza Newspaper</td>
<td>March 23, 2017</td>
</tr>
<tr>
<td>Courtesy Ad for Public Hearing Published in Bonanza Newspaper</td>
<td>April 20, 2017</td>
</tr>
<tr>
<td>Conduct Public Hearing and Adopt New Utility Rates</td>
<td>April 26, 2017</td>
</tr>
<tr>
<td>New Utility Rates become effective pending approval</td>
<td>May 19, 2017</td>
</tr>
</tbody>
</table>
IV. BACKGROUND

Rate Study Fundamentals

The Public Works Department conducts an annual rate study to calculate the appropriate rates for water and sewer service to meet revenue and expense demands while maintaining an appropriate reserve fund balance. The rate study includes a five-year projection for revenues and expenses with an eye out for large capital projects outside of the five-year window. This annual effort insures rates are meeting the needs of the District and that adjustments can be made efficiently and effectively. The rate study is based on utility management strategies and industry best practices that are briefly described below.

Effective Utility Management

In 2006, the Environmental Protection Agency (EPA) worked alongside the six largest water and wastewater professional organizations (American Water Works Association (AWWA), Water Environment Federation (WEF), American Public Works Association (APWA), National Association of Water Agencies, National Association of Clean Water Agencies, Association of Metropolitan Water Agencies) collaboratively to develop a benchmarking document called the “Ten Attributes of Effectively Managed Water Sector Utilities”. The major strategies that were identified are as follows:

- Financial Viability
- Product Quality
- Customer Satisfaction
- Employee and Leadership Development
- Operational Optimization
- Operational Resiliency
- Community Sustainability
- Infrastructure Stability
- Stakeholder Understanding
- Support and Water Resource Adequacy

Public Works uses all of these management strategies to maximize our resources, improve performance, and safeguard the community’s assets for the future. The primary purpose of our annual rate study is to make sure we utilize the management strategy of financial viability as stated above and more fully described in the next section.
Financial Viability

The water utility sector management strategy defines financial viability as understanding the full life-cycle cost of the utility and establishing and maintaining an effective balance between long-term debt, asset values, operations and maintenance expenditures, and operating revenues. It also establishes predictable rates consistent with community expectations and acceptability to recover costs, provide for reserves, maintain support from bond rating agencies, and plan and invest for future needs.

In other words, the water and sewer rates need to collect revenues equal to the full cost of operations, maintenance and capital replacement of the utility over the long term. This has been dubbed, Full Cost Pricing. Without fully funding a Utility, the value of the community asset will suffer and jeopardize disinfection and the delivery of safe potable water and the collection and treatment of wastewater. Conversely, performing long term financial planning insures that future generations will enjoy the same benefits as customers today in being able to rely on safe potable drinking water and properly collected and treated wastewater to protect the environment. This allows the customer to make personal and economic decisions based on the signaling they receive from the utility rates and system performance.

AWWA Principal of Water Rates, Fees and Charges

The American Water Works Association (AWWA) has 61 Manuals of Practices. The AWWA manual on Principles of Water Rates, Fees and Charges was first written in 1954, and is over 300 pages long covering the detailed practice of setting water rates and charges for a financially viable utility. Manuals such as this are developed by industry experts over decades using the best practices that have been implemented in the industry. This shared knowledge base assists all water agencies in developing and implementing rate structures. It also helps customers when they move from town to town across the United States so they can expect some consistency in how water and sewer services will be charged because of agency acceptance of these best practices.

The District has a long history (25 plus years) of using the principles in this AWWA Manual for determining the type of rate structure that we have to collect the necessary revenues to pay for all costs to operate the water and sewer system. The rate structure used by the District is called the commodity demand method where costs of service are divided into commodity costs, demand costs, customer costs and direct fire protection costs. This is more fully explained under
the rate structure section where fixed, variable and capital improvement costs are described. Generally, it is important to know that the rate structure utilized by the District is a best practice supported by the AWWA and is similar to water rate structures across the United States.

Rate Structure
The Public Works budget is comprised of water, sewer, and trash funds. Water is further broken down into water supply, pumping, treatment, transmission and compliance services. Sewer is further broken down into effluent disposal, pumping, treatment, collection and compliance. General administration includes billing, meter reading, customer service, legal, lobbying, central services and other utility wide expenses. The general administration is spread evenly between sewer and water. Trash will not be a part of the utility rate study.

The water and sewer rates are based on the water and sewer budgets and are made up of three main components - fixed charges, variable charges, and capital improvement charges. Each major division in the water and sewer budget has a portion of fixed and variable costs and the rates are designed to fund these expenses. The fixed, variable and CIP rate components are discussed in more detail below.

Fixed Charges (Water and Sewer Base and Admin Rates)
To provide water and sewer services, there is a portion of the costs that are fixed charges. These are sometimes called the ready to serve costs. Essentially, there is a certain level of costs that are incurred to staff, operate and maintain our system prior to delivering any water or treating any wastewater from our customers. There is a regulatory requirement for minimum staffing to be prepared to provide service, a certain amount of supplies such as tools, training, and equipment that are needed to be ready to serve and there are electrical and gas charges to our facilities so that they can be ready to serve. These fixed charges are calculated as a percentage of the budget components to determine the fixed charges of operating the water and sewer system.

Variable Charges (Water and Sewer Consumption)
To provide water and sewer services, there is a portion of the costs that are variable charges. These charges are the costs to treat and distribute water and to collect, treat and dispose wastewater. The variable charge for water is essentially the cost to pump it out of Lake Tahoe, treat the water and deliver it to the customer. The variable charge for sewer is essentially what it costs to collect the wastewater from each property and deliver it to the wastewater plant, treat the wastewater, pump and dispose of the effluent and biosolids to the Carson Valley
per State and TRPA requirements. This requires staff, chemicals, supplies, tools, equipment, and energy to perform these services.

**Capital Improvement Charge**
The capital improvement charge funds the replacement of water and sewer infrastructure. There are separate connection fees to new customers to buy into existing infrastructure. The capital charge is based on funding the costs of the five-year capital improvement plan with a consideration for the multi-year capital plan out a total of twenty years.

**Summary of CIP Rate Changes for the Effluent Export Project**
The Effluent Export Project has been the major driver in raising the sewer rates. The District currently does not have sufficient reserves to fund this project and it has been necessary to collect the funds through sewer rates in advance of the project. The District has initiated Phase II of the Effluent Export Project to replace the remaining six miles of effluent export pipeline in the Tahoe Basin at a cost of $23 million. Previous capital budgets showed that up to 75% of this work was to be funded through the Section 595 Program. The District is still working with our Federal Legislative Advocate to secure new funding through the Section 595 program. The capital plan has been modified to show that we receive no funding for the Effluent Export. The District is also pursuing funding options with other project partners.

The District has worked with the Tahoe Transportation District (TTD) for the last three years on the feasibility of co-locating the new section of effluent export pipeline with the Tahoe Bike Path. At the October 2014 Board of Trustees meeting, the District entered into an amendment of the existing Interlocal Agreement that would allow the completion of the next steps of the project: completion of preliminary engineering and design and conducting the necessary environmental analysis of the proposed alignment to satisfy the National Environmental Policy Act (NEPA) and the Tahoe Regional Planning Agency (TRPA) requirements.

Should TTD be able to secure funding for the final design and construction of the proposed SR-28 bikeway, District Staff estimates there will be substantial savings by co-locating the pipeline within the bikeway. Depending on the total length of pipeline eventually replaced, the District could save upwards of $7,000,000 via co-location and cost sharing with TTD over replacing the pipeline entirely within the SR-28 roadway.
At this time, borrowing costs for long term loans are quite high because of uncertainty in the economy. The District is also a low priority on the Clean Water State Revolving Loan Fund Project list and we do not expect to receive funding under current State Loan funding levels.

**Residential Utility Rate Summary**

The following table provides the average monthly water and sewer utility bill for our average residential user (71,578 gallons water use per year) in the District’s service area from 2011 to the proposed 2016 rates.

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Water Charge</th>
<th>Monthly Sewer Charge</th>
<th>Total Monthly Water and Sewer Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$33.97</td>
<td>$46.04</td>
<td>$80.01</td>
</tr>
<tr>
<td>2013</td>
<td>$34.66</td>
<td>$51.24</td>
<td>$85.90</td>
</tr>
<tr>
<td>2014</td>
<td>$35.41</td>
<td>$55.75</td>
<td>$91.16</td>
</tr>
<tr>
<td>2015</td>
<td>$36.15</td>
<td>$57.96</td>
<td>$94.11</td>
</tr>
<tr>
<td>2016</td>
<td>$37.15</td>
<td>$60.24</td>
<td>$97.39</td>
</tr>
<tr>
<td>2017 Proposed</td>
<td>$38.47</td>
<td>$62.22</td>
<td>$100.69</td>
</tr>
</tbody>
</table>

The average residential rate has increased $20.68 per month from $80.01 in 2012 to $100.69 in 2016. There has been an increase of $13.32 per month to pay capital improvements and $7.36 for operating cost increase of the total rate increase of $20.68 per month over the last five years. The following table presents the five year total and annual average rate increases for the median residential customer.

<table>
<thead>
<tr>
<th></th>
<th>Monthly Water Charge</th>
<th>Monthly Sewer Charge</th>
<th>Total Monthly Water and Sewer Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Change 2012-2017</td>
<td>13.2%</td>
<td>35.1%</td>
<td>25.8%</td>
</tr>
<tr>
<td>Annual Change over 5 yrs.</td>
<td>2.5%</td>
<td>6.2%</td>
<td>4.7%</td>
</tr>
</tbody>
</table>

Over the last five years, the residential family median user has seen an average rate increase of 4.7% per year. The capital rate has increased by 7.3% and the operating rate has increased by 2.8% per year for 5 years.

**IV. ALTERNATIVES**

The rate structure used by the District has been in place since the installation of water meters over 25 years ago.
V. COMMENTS

Staff has investigated the equity of the rate structure for the various customer classes in 2015. Equity is calculated by determining the proportion of fixed and variable demand on the water and sewer system (size of water meter, water consumption, sewer consumption, etc.) by each customer class compared to the fixed and variable revenue collected from each customer class (water and sewer rate revenue). The current rate structure exhibits equity amongst the major user classes. Miscellaneous accounts include effluent sales, state park facilities, construction accounts, etc.

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Revenue as % of Water Revenue</th>
<th>Demand as % of Water Demands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>10.5%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Residential</td>
<td>82.2%</td>
<td>81.3%</td>
</tr>
<tr>
<td>IVGID Facilities</td>
<td>5.3%</td>
<td>6.2%</td>
</tr>
<tr>
<td>IVGID Snowmaking</td>
<td>1.6%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Misc. accounts</td>
<td>0.4%</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Revenue as % of Sewer Revenue</th>
<th>Demand as % of Sewer Demands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>10.5%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Residential</td>
<td>87.6%</td>
<td>88.1%</td>
</tr>
<tr>
<td>IVGID Facilities</td>
<td>1.4%</td>
<td>1.4%</td>
</tr>
<tr>
<td>IVGID Snowmaking</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Misc. accounts</td>
<td>0.5%</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

The current use patterns are showing the rate structure is equitable among the customer classes but we are beginning to see some changes in use patterns that will need to be monitored for the impact to equity. We have seen a change in the multi-family use patterns as occupancy rates are decreasing. The current rate structure is a full service cost model with a pay for what you use commodity charge. This naturally creates a rate structure that is equitable since all customers will pay for what they use. A customer’s base rate is calculated from the meter size which is equivalent to the customer’s demand potential. The District’s irrigation and snowmaking accounts do not pay excess tier charges on water which is why that revenue is less than the demand for those customer classes.
Area Water and Sewer Rates

The presentation at the Board meeting includes a slide on the area water and sewer rates. The table below shows the area water and sewer rates using the average IVGID customer use pattern of 71,000 gallons per year.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Monthly Water and Sewer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Tahoe PUD</td>
<td>$ 99.05</td>
</tr>
<tr>
<td>Incline Village GID</td>
<td>$ 100.69</td>
</tr>
<tr>
<td>Round Hill GID</td>
<td>$ 111.00</td>
</tr>
<tr>
<td>North Tahoe PUD</td>
<td>$ 113.69</td>
</tr>
<tr>
<td>Truckee Donner PUD</td>
<td>$ 120.65</td>
</tr>
<tr>
<td>Tahoe City PUD</td>
<td>$ 145.92</td>
</tr>
<tr>
<td>Skyland</td>
<td>$ 152.18</td>
</tr>
<tr>
<td>Kingsbury GID</td>
<td>$ 156.21</td>
</tr>
</tbody>
</table>

VI. BUSINESS IMPACT

This item is a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, but it does not impose a direct and significant economic burden on a business, or directly restrict the formation, operation or expansion of a business, and therefore does not require a Business Impact Statement.
Utility Rate Study Presentation
February 8, 2017
Director of Public Works
Joe Pomroy
The Director of Public Works is hired to....

- protect our source water.
- provide safe tap water.
- be fiscally responsible.
- maintain infrastructure.
- provide high quality service.
- promote safety.
- safely transport effluent.
Summary

• Rate Study Purpose
• Rate Study Fundamentals
• 2017-18 Water and Sewer Budgets
• Five Year Operating and Capital
• Water and Sewer Rates
• Rate Comparisons
• Timeline
• Recommendation
Rate Study Purpose

- Determine Expenses Operating and CIP
- Determine Revenue Projections
- Examine Full Cost Pricing
- Balance Costs Equitably Among User Classes
- Provide Price Signals to Users
- Determine Needs for Bonding
- Fund Utility for Future Users
Rate Study Fundamentals

• District Strategic Plan
  – Mission, Vision, Goals and Objectives, Culture Training, & Customer Service Training

• Industry Best Practices
  – Effective Utility Management
  – AWWA Best Practice Manuals
  – Professional Organizations, AWWA & WEF
  – Industry Peers
  – Benchmarking and Performance Measures
Rate Study Fundamentals

- AWWA Manuals of Practice
- Industry best practices
- Guiding document – 60 years
- 300 pages of rate info
- Commodity demand method
- Increasing block rate structure
## Water Budget Summary

<table>
<thead>
<tr>
<th>Water Budget</th>
<th>2016-17 Budget</th>
<th>2017-18 Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Revenue</td>
<td>4,861,990</td>
<td>4,976,837</td>
<td>2.4%</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>1,522,092</td>
<td>1,567,755</td>
<td>3.0%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>17,250</td>
<td>45,900</td>
<td>166.1%</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>768,652</td>
<td>851,634</td>
<td>10.8%</td>
</tr>
<tr>
<td>Insurance</td>
<td>67,812</td>
<td>85,200</td>
<td>25.6%</td>
</tr>
<tr>
<td>Utilities</td>
<td>544,800</td>
<td>496,096</td>
<td>-8.9%</td>
</tr>
<tr>
<td>Central Services Cost</td>
<td>162,200</td>
<td>190,000</td>
<td>17.1%</td>
</tr>
<tr>
<td>Fuels Management</td>
<td>50,000</td>
<td>50,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>3,132,806</td>
<td>3,286,585</td>
<td>4.9%</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>218,658</td>
<td>224,515</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>88,361</td>
<td>82,504</td>
<td></td>
</tr>
</tbody>
</table>
## Delivery of Water

<table>
<thead>
<tr>
<th>Elevation</th>
<th># of Meters</th>
<th>Water Usage</th>
<th>Electrical</th>
</tr>
</thead>
<tbody>
<tr>
<td>7562-7820</td>
<td>188</td>
<td>15.21 MG</td>
<td>$33,557.42</td>
</tr>
<tr>
<td>7398-7562</td>
<td>204</td>
<td>23.52 MG</td>
<td>$48,075.75</td>
</tr>
<tr>
<td>7124-7398</td>
<td>343</td>
<td>47.06 MG</td>
<td>$77,596.93</td>
</tr>
<tr>
<td>6917-7124</td>
<td>429</td>
<td>50.47 MG</td>
<td>$28,097.04</td>
</tr>
<tr>
<td>6730-6917</td>
<td>814</td>
<td>52.81 MG</td>
<td>$23,913.17</td>
</tr>
<tr>
<td>6230-6730</td>
<td>2370</td>
<td>775.38 MG</td>
<td>$217,899.82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4348</strong></td>
<td><strong>964.45 MG</strong></td>
<td><strong>$429,140.13</strong></td>
</tr>
</tbody>
</table>
Utility Customer Experience

- Reliability – 100% Service Goal
- Consistent product
- Customer conveniences and information
  - On-line accounts, e/bills and e/pay
  - Speak to a person, not a machine
  - Move in and Move out
  - Designating a tenant or agent for the account
  - Leak notification by email and bill
Protecting our Water - Lead and Copper

- U.S. concern with Lead in water because of Flint Mich.
- Compliance with Federal Lead and Copper Rule
- Sampling at 20 Single Family Homes
Protecting our Water - Backflow

- Corpus Christi – 320,000 water customers told not to use water for 2 days
- Cross contamination at asphalt plant
- Up to 100,000 “Do not use” for 4 days
# Sewer Budget Summary

<table>
<thead>
<tr>
<th>Sewer Budget</th>
<th>2016-17 Budget</th>
<th>2017-18 Proposed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer Revenue</td>
<td>6,366,608</td>
<td>6,586,361</td>
<td>3.5%</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Benefits</td>
<td>2,015,104</td>
<td>2,075,557</td>
<td>3.0%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>80,500</td>
<td>51,900</td>
<td>-35.5%</td>
</tr>
<tr>
<td>Services and Supplies</td>
<td>794,695</td>
<td>805,152</td>
<td>1.3%</td>
</tr>
<tr>
<td>Insurance</td>
<td>85,740</td>
<td>103,200</td>
<td>20.4%</td>
</tr>
<tr>
<td>Utilities</td>
<td>522,900</td>
<td>451,620</td>
<td>-13.6%</td>
</tr>
<tr>
<td>Central Services Cost</td>
<td>162,200</td>
<td>190,000</td>
<td>17.1%</td>
</tr>
<tr>
<td>Fuels Management</td>
<td>50,000</td>
<td>50,000</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td>3,711,139</td>
<td>3,727,429</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>Debt Service</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>263,572</td>
<td>271,245</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>72,542</td>
<td>64,868</td>
<td></td>
</tr>
</tbody>
</table>
# Sewer Budget - Chemicals

<table>
<thead>
<tr>
<th>Chemical</th>
<th>Budgeted Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solids Dewatering Polymer</td>
<td>$60,000</td>
</tr>
<tr>
<td>Sodium Hypochlorite for Effluent Disinfection</td>
<td>$35,000</td>
</tr>
<tr>
<td>Odor Control Chemicals</td>
<td>$27,000</td>
</tr>
<tr>
<td>Sewer pH Adjustment Chemical</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$147,000</strong></td>
</tr>
</tbody>
</table>
# Sewer Budget – Sewer Mains

<table>
<thead>
<tr>
<th>Sewer Main Activity</th>
<th>Budgeted Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewer Main Cleaning 140,000 feet of hydroflush</td>
<td>$77,000 ($0.55/foot)</td>
</tr>
<tr>
<td>Sewer Main CCTV Inspection 40,000 feet of inspection</td>
<td>$52,000 ($1.30/foot)</td>
</tr>
<tr>
<td>Sewer Main Repairs</td>
<td>$41,700</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$170,700</strong></td>
</tr>
</tbody>
</table>
Utilities Personnel

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Full Time</th>
<th>Part Time</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006-07</td>
<td>31.2</td>
<td>0.7</td>
<td>31.9</td>
</tr>
<tr>
<td>2011-12</td>
<td>31.2</td>
<td>0.7</td>
<td>31.9</td>
</tr>
<tr>
<td>2016-17</td>
<td>31.2</td>
<td>3.4</td>
<td>34.6</td>
</tr>
<tr>
<td>2017-18</td>
<td>31.2</td>
<td>3.4</td>
<td>34.6</td>
</tr>
</tbody>
</table>

• 2017–18 Part Time Positions (same as 15-16, 16-17)
  • Solid Waste Enforcement Tech – 1.0 – (2015)
  • Waste Not Intern –1.0 (increased in 2014, loss of AmeriCorps)
  • Truck Driver – 0.63 (2015)
  • Customer Service Representative – 0.5 (2015)
  • Wetlands Hunt Supervisor – 0.3 (pre 2000)
## Budgeted Expenses 2017-18

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>2017-18 Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Service (Billing, meter reading, front office)</td>
<td>$372,000</td>
</tr>
<tr>
<td>Fleet Maintenance Services</td>
<td>$314,000</td>
</tr>
<tr>
<td>Fuel</td>
<td>$68,000</td>
</tr>
<tr>
<td>Regulatory Permits (NDEP, NDSL, BSDW)</td>
<td>$29,000</td>
</tr>
</tbody>
</table>
2017-18 Capital

• Sewage Pumping Station 1, 8 & 11
• WRRF Effluent Storage Pond
  – Not collecting for Export Pipeline in 2017-18
• Watermain Replacement in Mill Creek
• Water Reservoir Safety Improvements
• Budget of $4,400,000
2017 5-Year Rate Study

- Water Rates - ↑3.6%
- Sewer Rates - ↑3.3%
- Overall Rates - ↑3.4%
- Increase is Spread Across Rate Components
- Average 3.4% Increase for Next 5 Years
- Commodity-Demand Model (fixed, variable, and CIP components)
## Operating Revenues and Expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>6,852,000</td>
<td>7,162,000</td>
<td>7,488,000</td>
<td>7,828,000</td>
<td>8,187,000</td>
<td>$37,517,000</td>
</tr>
<tr>
<td>Operating Expense</td>
<td>(7,014,000)</td>
<td>(7,143,000)</td>
<td>(7,337,000)</td>
<td>(7,537,000)</td>
<td>(7,743,000)</td>
<td>($36,774,000)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$743,000</strong></td>
</tr>
</tbody>
</table>

Does not include depreciation
## Capital Revenues and Expenses

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Revenue</td>
<td>4,807,000</td>
<td>4,863,000</td>
<td>4,921,000</td>
<td>4,979,000</td>
<td>5,037,000</td>
<td>$24,607,000</td>
</tr>
<tr>
<td>Capital Expense</td>
<td>(4,797,000)</td>
<td>(4,828,000)</td>
<td>(4,716,000)</td>
<td>(4,707,000)</td>
<td>(4,474,000)</td>
<td>($23,522,000)</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$1,085,000</strong></td>
</tr>
</tbody>
</table>

Note 1 - Capital Expense is net of grants and debt proceeds.
## Total Revenues and Expenses

<table>
<thead>
<tr>
<th>2017 Five Year Rate Study</th>
<th>5-Year Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating and Capital Revenue</td>
<td>$62,124,000</td>
</tr>
<tr>
<td>Operating and Capital Expense</td>
<td>$60,296,000</td>
</tr>
<tr>
<td>Net increase in reserves</td>
<td>$1,828,000</td>
</tr>
</tbody>
</table>
2012 5-Year Rate Study

- How did we do on our projections over the 5 year period from 2012 to 2017?

<table>
<thead>
<tr>
<th>Component</th>
<th>Projected In 2012</th>
<th>Actual Looking Back</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Average</td>
<td>5.2% / yr</td>
<td>4.7% / yr</td>
</tr>
<tr>
<td>Total Increase</td>
<td>28.8%</td>
<td>25.8%</td>
</tr>
</tbody>
</table>
## Proposed 2017 Water Rates

<table>
<thead>
<tr>
<th>Current 2016 Rate Component</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate Component</th>
<th>2017 Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$ 10.00</td>
<td>Base Rate</td>
<td>$ 10.65</td>
<td>$0.65</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$ 14.36</td>
<td>Capital Improvements</td>
<td>$ 14.47</td>
<td>$0.11</td>
</tr>
<tr>
<td>Customer Account Fee</td>
<td>$ 3.45</td>
<td>Customer Account Fee</td>
<td>$ 3.65</td>
<td>$0.20</td>
</tr>
<tr>
<td>Defensible Space</td>
<td>$ 1.05</td>
<td>Defensible Space</td>
<td>$ 1.05</td>
<td>-</td>
</tr>
<tr>
<td><strong>Monthly Water Bill</strong></td>
<td>$ 28.86</td>
<td><strong>Monthly Water Bill</strong></td>
<td>$ 29.82</td>
<td>$0.96</td>
</tr>
<tr>
<td>Consumption</td>
<td>$ 1.39</td>
<td>Consumption</td>
<td>$ 1.45</td>
<td>$0.06</td>
</tr>
<tr>
<td>1st Tier</td>
<td>$ 0.97</td>
<td>1st Tier</td>
<td>$ 0.95</td>
<td>($0.02)</td>
</tr>
<tr>
<td>2nd Tier</td>
<td>$ 1.23</td>
<td>2nd Tier</td>
<td>$ 1.26</td>
<td>$0.03</td>
</tr>
</tbody>
</table>

Consumption, Tier 1 and Tier 2 is cost per 1000 gallons of water use.
# Proposed 2017 Sewer Rates

<table>
<thead>
<tr>
<th>Current 2016 Rate Component</th>
<th>2016 Rate</th>
<th>Proposed 2017 Rate Component</th>
<th>2017 Rate</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rate</td>
<td>$ 16.52</td>
<td>Base Rate</td>
<td>$ 17.55</td>
<td>$ 1.03</td>
</tr>
<tr>
<td>Capital Improvements</td>
<td>$ 29.86</td>
<td>Capital Improvements</td>
<td>$ 30.25</td>
<td>$ 0.39</td>
</tr>
<tr>
<td>Customer Account Fee</td>
<td>$ 3.45</td>
<td>Customer Account Fee</td>
<td>$ 3.65</td>
<td>$ 0.20</td>
</tr>
<tr>
<td><strong>Monthly Sewer Bill</strong></td>
<td><strong>$ 49.83</strong></td>
<td><strong>Monthly Sewer Bill</strong></td>
<td><strong>$ 51.45</strong></td>
<td><strong>$ 1.62</strong></td>
</tr>
<tr>
<td>Sewer Use Rate</td>
<td>$ 2.90</td>
<td>Sewer Use Rate</td>
<td>$ 3.00</td>
<td>$ 0.10</td>
</tr>
</tbody>
</table>

Sewer Use is cost per 1000 gallons of water use. Residential sewer consumption is capped in summer months.
## Utility Bill History – Median User

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Water Charge</th>
<th>Monthly Sewer Charge</th>
<th>Total Monthly Water and Sewer Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$33.97</td>
<td>$46.04</td>
<td>$80.01</td>
</tr>
<tr>
<td>2013</td>
<td>$34.66</td>
<td>$51.24</td>
<td>$85.90</td>
</tr>
<tr>
<td>2014</td>
<td>$35.41</td>
<td>$55.75</td>
<td>$91.16</td>
</tr>
<tr>
<td>2015</td>
<td>$36.15</td>
<td>$57.96</td>
<td>$94.11</td>
</tr>
<tr>
<td>2016</td>
<td>$37.15</td>
<td>$60.24</td>
<td>$97.39</td>
</tr>
<tr>
<td>2017 Proposed</td>
<td>$38.47</td>
<td>$62.22</td>
<td>$100.69</td>
</tr>
</tbody>
</table>

The breakdown of the $20.68 Rate Increase from 2012 to 2017:
- $13.32 for CIP Cost Increases, an average increase of 7.3% per year
- $7.36 for Operating Cost Increases, an average increase of 2.8% per year
## Commercial Rates

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Water and Sewer Base Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>¾”</td>
<td>$78.69</td>
</tr>
<tr>
<td>1”</td>
<td>$126.09</td>
</tr>
<tr>
<td>1 ½”</td>
<td>$243.51</td>
</tr>
<tr>
<td>2”</td>
<td>$384.99</td>
</tr>
<tr>
<td>3”</td>
<td>$715.35</td>
</tr>
<tr>
<td>4”</td>
<td>$1,187.19</td>
</tr>
<tr>
<td>6”</td>
<td>$2,365.71</td>
</tr>
<tr>
<td>8”</td>
<td>$3,780.51</td>
</tr>
</tbody>
</table>
# Utility Bill – Median User

<table>
<thead>
<tr>
<th>Charge</th>
<th>Amount</th>
<th>% of Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable</td>
<td>$19.42</td>
<td>19%</td>
</tr>
<tr>
<td>Fixed</td>
<td>$35.50</td>
<td>35%</td>
</tr>
<tr>
<td>Capital</td>
<td>$44.72</td>
<td>45%</td>
</tr>
<tr>
<td>Defensible Space (watershed protection)</td>
<td>$1.05</td>
<td>1%</td>
</tr>
<tr>
<td>Total</td>
<td>$100.69</td>
<td>100%</td>
</tr>
</tbody>
</table>
Full Cost Pricing

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>2017-18 Budgeted Expense</th>
<th>2017-18 Budgeted Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Rate Fixed</td>
<td>$1,600,000</td>
<td>$1,787,000</td>
</tr>
<tr>
<td>Water Rate Variable</td>
<td>$1,580,000</td>
<td>$1,601,000</td>
</tr>
<tr>
<td>Water Rate CIP</td>
<td>$2,086,000</td>
<td>$1,877,000</td>
</tr>
<tr>
<td>Sewer Rate Fixed</td>
<td>$2,484,000</td>
<td>$2,183,000</td>
</tr>
<tr>
<td>Sewer Rate Variable</td>
<td>$1,229,000</td>
<td>$1,275,000</td>
</tr>
<tr>
<td>Sewer Rate CIP</td>
<td>$2,955,000</td>
<td>$3,173,000</td>
</tr>
</tbody>
</table>
2017 Utility Bill Comparison

Single Family Average Monthly Bill
Rates applied to the Median User

6000 gallons per month
72,000 gallons per year
2017 5-Year Rate Study

- Water Rates - ↑3.6%
- Sewer Rates - ↑3.3%
- Overall Rates - ↑3.4%
- Increase is Spread Across Rate Components
- Average 3.4% Increase for Next 5 Years
- Commodity-Demand Model (fixed, variable, and CIP components)
Other Changes

- Ordinance Language Changes
  - Building is >50% residential, will be billed as residential for rates and connection fees. Triggered with Building Permit
- No change to user fees (backflow, service calls, inspections)
- 5% Increase to connection fees for water and sewer
## Utility Rate Timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility Rate Study Presentation</td>
<td>February 8, 2017</td>
</tr>
<tr>
<td>Set Date for Public Hearing to Adopt New Utility Rates</td>
<td>February 22, 2017</td>
</tr>
<tr>
<td>Notice of Public Hearing Published in Bonanza Newspaper</td>
<td>March 23, 2017</td>
</tr>
<tr>
<td>Courtesy Ad for Public Hearing Published in Bonanza Newspaper</td>
<td>April 20, 2017</td>
</tr>
<tr>
<td>Conduct Public Hearing and Adopt New Utility Rates</td>
<td>April 26, 2017</td>
</tr>
<tr>
<td>New Utility Rates become effective pending approval</td>
<td>May 19, 2017</td>
</tr>
</tbody>
</table>
Recommendation

- That the Board of Trustees provide direction and comment to Staff on the 2017 Five Year Utility Rate Study and proposed utility rate increase for 2017.

- Direct staff to prepare documents and Ordinance 2 and Ordinance 4 amendments for a one year average 3.4% utility rate increase.

Or:

- Direct staff to bring back other options for the February 22, 2017 Board of Trustees Meeting as specified by the Board of Trustees
2017/2018 Capital Improvement Budget District "Legacy" Project Discussion
February 8, 2017

Bradley A. Johnson, P.E. – Director of Asset Management
District Strategic Plan

Long Range Principle 2 – Finance

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

• Develop and maintain a long term plan to sustain financial resources.
  – With allocated resources, equate service expectations and the capability to deliver.
  – Prepare a five year projection of financial results and performance measures for operations, capital improvement and debt service as a part of budget deliberations.
District Strategic Plan

Long Range Principle 5 – Assets & Infrastructure
The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation activities.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Comply with regulatory requirements and industry standards.
District “Legacy” Projects

- Five* remaining non-Utility Existing Facilities Major Projects (as defined in Board Policy 12.1.0)
  - Incline Beach House
  - Administration Building
  - Ski Way Pavement
  - Diamond Peak Culvert
  - Mountain Golf Course Clubhouse and Maintenance Building

*Snowflake Lodge is addressed as a component of the Diamond Peak Master Plan
Past Board Planning Discussions

- November 2011 – Undertake planning necessary for the larger projects and slow implementation, where possible, to allow funding flexibility to ensure Recreation Fee stability
- November 2013 – Approach re-affirmed
- April 2015 – Approach re-affirmed with greater discussion on funding strategies
- October 2015 – Debt versus Pay-As-You-Go Capital Improvement Plan (CIP) funding
- January 2016 – CIP project types and funding mix
- February 2016 – CIP project prioritization
- May 2016 – District cash flow for CIP
Incline Beach House

• 1970’s concession and restroom facility
• Undersized and under-functioning but structurally sound
• Identified in 2016 Beaches Facility Plan as a public priority
• Design contract awarded by Board of Trustees May 2016 with pre-design underway
• $2,375,000 preliminary estimate for project
  – $275K design (FY15/16 – FY16/17)
  – $2.1M construction (FY17/18 plan)
  – CIP Project # 3973LI1302
• In-depth discussion of design options, project schedule, and budget estimates with Board of Trustees scheduled March 8, 2017
Administration Building

- Constructed in 1970 originally as two separate structures
- Multiple remodels over building lifespan to accommodate District growth and changes in building function
- Undersized and inefficient
- Is not compliant with the Americans with Disabilities Act for public and employees
- Radon and asbestos present
- Has a number of impending capital maintenance projects
Administration Building

• Identified in 2000 Community Services Master Plan for replacement as a component of Recreation Center expansion

• Building replacement evaluation with space needs assessment and commercial office market evaluation presented to Board of Trustees January 2013

• Project not presently identified in current 5-year CIP
Ski Way Pavement

- Ski Way from intersection of Fairview Boulevard to Tyrolian Village owned and maintained by IVGID
- Last major pavement rebuild in 1987; since that time there has been on-going capital maintenance
- Major sections of block cracking, longitudinal cracking, transverse cracking, and pavement patch edge separation all indications of structural failure
Ski Way Pavement

- Traffic safety review conducted June 2015
- Pre-design contract underway
  - Structural rebuild with circulation and safety enhancements proposed
  - Multiple options will be evaluated
- $2,150,000 preliminary estimate for project
  - $50K pre-design (FY16/17)
  - $2.1M design and construction (FY17/18 – FY19/20 plan)
  - CIP Project # 3469LI1105
Ski Way Pavement

• Conceptual Schedule
  – Develop alternatives and solicit input from Board of Trustees, adjacent homeowner association(s), and public – Summer/Fall 2017
  – Finalize pre-design and present to Board of Trustees for preferred alternative selection – Winter 2017/2018
  – Final design and permitting – 2018 and Spring 2019
  – Construction – Summer 2019
Diamond Peak Culvert

- ~1,800-lf of 60”+ and ~1,500-lf+ of 24” – 36” diameter corrugated metal pipe culverts carrying Incline Creek and tributary
- Runs beneath parking lots, base area, and Schoolyard and Lodgepole runs
- Constructed in early 1970’s
- No construction as-builts or maintenance/inspection data
- Identified to be in poor condition during 2010 construction of Skier Services Building
Diamond Peak Culvert

• Condition assessment in 2011 – 2012
• Pre-design, data collection, and hydraulic modeling 2012 – 2015
• Final design and permitting 2016 – 2017
• Bidding planned Winter/Spring 2018
• Construction planned Summer/Fall 2018
• Comprehensive in-situ survey and video reassessment of culverts completed in 2016
  – Condition reassessment indicates project must proceed as scheduled
Diamond Peak Culvert

October 2011 STA 1+33 (US->DS)  
October 2016 STA 1+43 (DS->US)

October 2011 STA 3+10 (US->DS)  
October 2016 STA 3+15 (DS->US)
Diamond Peak Culvert

October 2011 N/A

October 2016 STA 0+30 (DS->US)

October 2011 ~4+35

October 2016 STA 4+56 (US->DS)
Diamond Peak Culvert

- $3,875,000 estimated for project
  - $545K pre-design and design (FY11/12 – FY16/17)
    - $207K spent to date
  - $3.33M construction (FY17/18 – FY18/19 plan)
  - CIP Project # 3499LI1101
Mountain Golf Course

• Clubhouse and Maintenance Building constructed in 1971
• Multiple remodels on both structures including a major structure fire at the Clubhouse and building expansion at the Maintenance Building
• Neither building is compliant with the Americans With Disabilities Act
• Identified in 2000 Community Services Master Plan as a deficient building but no replacement plan proposed
• Clubhouse requires capital maintenance to address roof as well as exterior and interior finishes
• Maintenance Building requires capital maintenance to address structural issues, crew quarters, and heating, ventilation and air conditioning
• Maintenance Building does not have electrical and ventilation provisions to allow electric cart charging
Mountain Golf Course

• March 2012 – Board of Trustees directs Staff to establish a working group and conduct facility planning for the Mountain Course Buildings based on impending capital maintenance, a failing deck structure at the Clubhouse, and not in compliance with the Americans with Disabilities Act

• Summer/Fall 2012 – District hires Global Golf Advisors (GGA), forms a working group, and conducts facility planning
Mountain Golf Course

- March 2013 – GGA’s Final report recommendations issued
  - Both buildings shall be in compliance with the Americans With Disabilities Act
  - Enhance socialization elements
    - Adequate interior seating for social/group events
    - Covered exterior deck with views (either of lake or tees/greens)
    - Inside-outside design theme
  - Simplify operations
    - Layout of building to allow single operator control (starter, pro-shop, and food and beverage from a single location)
    - Simplify food offerings from made-to-order to grab-and-go
  - Additional elements
    - Restroom capacity for a foursome at one time (increase from 3 stalls to 4 stalls per restroom)
    - Enhance practice area
    - Electric cart charging and storage
    - Improve maintenance crew quarters
Mountain Golf Course

• May 2013 – Structural evaluation of Clubhouse deck determines deck is structurally unsound and a danger to the public
• Summer 2013 – Clubhouse deck demolished, building interface renovated, and remaining deck area is expanded
Mountain Golf Course
Mountain Golf Course
Mountain Golf Course
Mountain Golf Course
Mountain Golf Course

- Fall/Winter 2013 – District hires BJG Architecture & Engineering to complete pre-design and develop options and costs to meet GGA recommendations
- April 2014 – BJG report issued with six developed options:
  - Option 1 – New Clubhouse and Maintenance Building with location swap – ~$3.4M
  - Option 2 – New Clubhouse with partial cart storage and renovate Maintenance Building – ~$2.1M
  - Option 3 – New Clubhouse with full cart storage and renovate Maintenance Building – ~$2.2M
  - Option 4 – Renovate Clubhouse and Maintenance Building – ~$1.6M
  - Option 5 – New Clubhouse with new practice facility and renovate Maintenance Building – ~$2.0M
  - Option 6 – Renovate Clubhouse for ADA compliance and renovate Maintenance Building – ~$800K
Mountain Golf Course

- Option 1 – New Clubhouse and Maintenance Building with location swap – ~$3.4M
  - GGA’s recommended option
  - Provides replacement for two aging structures
  - Provides views to Lake Tahoe from Clubhouse
  - Provides for awkward customer course ingress/egress
  - Improves maintenance ingress/egress but challenges with material storage
  - Challenging construction logistics
Mountain Golf Course

• Option 2 – New Clubhouse with partial cart storage and renovate Maintenance Building – ~$2.1M
  – Improved cart storage/staging
  – Challenging construction logistics

• Option 3 – New Clubhouse with full cart storage and renovate Maintenance Building – ~$2.2M
  – Greatly enhanced cart storage/staging
  – Enhanced Maintenance Building space allocation
  – Challenging construction logistics
Mountain Course – Options 2 & 3
Mountain Golf Course

- Option 4 – Renovate Clubhouse and Maintenance Building – ~$1.6M
  - Extensive renovation of Clubhouse
  - Meets GGA’s recommendation guidelines but with poorer operational building flow due to split level
  - No change to cart storage
  - Challenging construction logistics
Mountain Course – Option 4
Mountain Golf Course

- Option 5 – New Clubhouse with new practice facility and renovate Maintenance Building – ~$2.0M
  - Greatly enhanced practice area
  - No change to cart storage
  - Simplified construction logistics
Mountain Course – Option 5
Mountain Golf Course

- Option 6 – Renovate Clubhouse for ADA compliance and renovate Maintenance Building – ~$800K
  - Clubhouse in compliance with Americans with Disabilities Act – $185K
  - Clubhouse capital maintenance – $105K
  - Maintenance Building renovations – $510K
  - No operational enhancements other than electric cart charging capabilities
  - Clubhouse restrooms reduced from 3 stalls to 2 stalls per restroom
Mountain Course – Option 6
Mountain Golf Course

- FY16/17 5-year CIP plans for Option 2,3, or 5 ($2.35M) and assumes preferred option selected during pre-design phase
  - $75K Pre-design (FY17/18 plan)
  - $175K Final design (FY18/19 plan)
  - $2.1M Construction (FY19/20 plan)
  - CIP Project # 3299BD1403
“Legacy” Projects Summary

- Incline Beach House
  - Project continues through pre-design
  - In-depth project discussion on March 8, 2017
  - $2,375,000 preliminary estimate

- Administration Building
  - Some analysis completed for co-location with Recreation Center but no plan currently in place for building replacement
  - Capital maintenance is necessary in near future

- Ski Way
  - Pre-design is underway with alternatives development forthcoming
  - $2,150,000 preliminary estimate

- Diamond Peak Culvert
  - Final design and permitting underway
  - Condition assessment indicates work must occur as scheduled
  - $3,875,000 estimate

- Mountain Golf Course Clubhouse and Maintenance Building
  - Six developed design concepts
  - Estimates range from $800K to $3.4M
  - Capital maintenance is necessary in near future
"Legacy" Project Recommendations

The Board of Trustees moves to direct Staff to apply the following approach to "Legacy" project planning:

- Continue implementation planning and budgeting for the following projects in the upcoming 5-year CIP (in descending order of funding priority based on infrastructure condition):
  - Diamond Peak Culvert
  - Ski Way Paving
  - Incline Beach House

- Slow Mountain Golf Course project implementation
  - Address capital maintenance at both Clubhouse and Maintenance Building as necessary
  - Implement Americans with Disabilities Act compliance and electric cart charging as CIP funding allows (Option 6)
  - Postpone building replacements

- Continue evaluating options for Administration Building
  - Address capital maintenance as necessary
2017-2018 Budget Review Process

An overview presented by
General Manager Steve Pinkerton
February 8, 2017
Budget Process
How did we get here, what is next

September 23 2015 – Strategic Plan Approved by Board
August 24, 2016 – Strategic Plan Update
September 29, 2016 – Staff Budget Kickoff
October 2016 to January 2017 – Staff Prepares Draft Budget
February 8, 2017 – Budget Overview, Rate Study and Legacy Projects Presented to Board of Trustees
February 17, 2017 – Draft Budget Released on Opengov.com
February 22, 2017 – Board Review of Service Level Alternatives (Parks/Beaches) and Set Date for the Public Hearing for Ordinances 2 and 4
March 8, 2017 – Board Overview of Operating Budget
March 17, 2017 – Capital Improvement Project Tour
March 21, 2017 – Board Review of Capital Improvement Project Budget and Set Date for the Public Hearing for the Recreation Roll and the 2017/2018 Budget
April 12, 2017 – Consider Draft Final Budget and Preliminary Rec Roll
April 26, 2017 – Utility Rates (Ordinances 2 and 4) Public Hearing
May 10, 2017 – Initiate Strategic Plan Update
May 24, 2017 – Public Hearing on Final Proposed Budget
Strategic Planning Process

January 2017 – New Board of Trustees seated
February 2017 – Board begins budget review process
April 2017 – Board of Trustees submit draft Budget to State
May 2017 – Board approves Final Budget
May to August 2017 – Update Strategic Plan
September 2017 – Initiate Workplan and Budget Preparation for next two budget cycles
February 2018 – Board begins budget review process
April 2018 – Board of Trustees submit draft budget to State
May 2018 – Board approves Final Budget
June 2018 – Strategic Plan Mid-Term Review
September 2018 – Budget Process/Work Plan for next year
January 2019 – New Board of Trustees Seated
Deliberative Process

• New initiatives take time
• Requires adequate research, planning, review of alternatives
• Public interaction important throughout the process
• Public very skeptical of change as Ordinance 7 process demonstrated in 2013-14
• Community support for current Level of Service and Expenditure Levels
2017/2018 Budget Review

• Draft budget released on Opengov.com - February 17
• Service Level Alternatives reviewed for Parks and Beaches - February 22
• Operating Budget Review - March 8
• Capital Improvement Project Tour - March 17
• Capital Improvement Project Budget Overview – March 21
• Draft Budget Consideration – April 12
• Final Budget Consideration – May 24
2017/2018 Budget Assumptions

• Maintain Current Service Levels, except for those specifically identified for review

• No new programs and services (potential proof of concept for snowplay)

• Right size departments as needed to meet service level expectation

• Incorporate scalability where functions have varying service demands

• Budget appropriate resources to ensure employee attraction and retention

• Keep combined Recreation Fee/Beach Fee flat, but potentially adjust allocations
Key Issues for 2017-18 Budget

- Direction regarding Legacy Projects
- Budgeting appropriate resources to meet service demands
- Budgeting appropriate staffing levels to meet service demands
Communication/Transparency

- Create popular reports
- Continue to refine Performance Measures
- Continue to use multiple platforms to engage community and outside users
- Continue outreach to educate public about resources available for budget and expenditure review
Recommendation

Staff recommends that the Board of Trustees makes a motion to accept the following budget process:

Draft Budget Public Release – February 17
Service Level Alternatives Review – February 22
   (Parks/Beaches only)
Operating Budget Review – March 8
Capital Improvement Project Tour – March 17
Capital Improvement Project Budget Review – March 21
Draft Budget Consideration – April 12
Final Budget Consideration – May 24
LONG RANGE PRINCIPLE #1
Resources and Environment

Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Review and upgrade District policies and practices to encourage or require waste reduction, recycling and environmentally preferable purchasing.
- Develop sustainability measures, goals and metrics to create and/or maintain a sustainable District.
- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction.

Objectives for 2015-2017

1. Form a Sustainability Committee comprised of representatives from each Department to plan sustainability efforts, prioritize projects, and coordinate internal efforts to implement the best practices relating to sustainability.

Reporting Status - August 24, 2016: In progress

2. Prepare a policy for review and approval by the Board of Trustees to purchase environmentally preferable products, reuse durable products, reduce the waste stream and prevent pollution.

Reporting Status - August 24, 2016: Resolution 1836, Environmental Sustainability Statement, was adopted on April 29, 2015.

Budgeted Initiatives for 2015-2016

A. Defensible Space, in partnership with the North Lake Tahoe Fire Protection District, protecting District lands and the Tahoe Basin watershed.

Reporting Status - August 24, 2016: Done

B. Providing leadership for the Tahoe Water Suppliers Association.

Reporting Status - August 24, 2016: Done
Budget Initiatives for 2016-2017

A. Weekly single stream recycling beginning in October 2016, increase from every other week.
B. Green waste recycling expanded from 12 to 16 weeks for residents
C. Continue implementing operational changes to enhance sustainability and achieve the Sustainable Tourism Operations STOKE Certificate for the 2016/2017 ski season.

Statistics

Fiscal Year 2015-16

Single stream recycling - 1099 tons
Electronic waste recycling – 41 tons
Appliance Recycling – 12 tons
Scrap metal recycling – 17 tons
Christmas tree chipping program – 25 tons
Green waste recycling – 280 tons
Biosolids recycling – 315 tons
Household hazardous waste disposal – 27 tons
LONG RANGE PRINCIPLE #2
Finance

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long term plan to sustain financial resources.

Objectives for 2015-2017

1. Identify appropriate performance measurement that goes beyond dollars and units of service, to demonstrate quality as well as quantity.

Reporting Status - August 24, 2016: This objective is complete, dashboards created.

2. Utilize the new financial reporting structure to build understanding of the different aspects between operations, capital improvement and debt service.

Reporting Status - August 24, 2016: Begun with Fiscal Year 2015/2016 Budget, use will be ongoing.

3. With allocated resources, equate service expectations and the capability to deliver.

Reporting Status - August 24, 2016: Begun with Fiscal Year 2015/2016 Budget, use will be ongoing.

4. Prepare a five year projection of financial results and performance measures for operations, capital improvement and debt service as a part of budget deliberations.

Reporting Status - August 24, 2016: Begun with Fiscal Year 2015/2016 Budget, use will be ongoing.

Budgeted Initiatives for 2015-2016

A. Maintain the allocation of Facility Fee components for operations, debt service and capital expenditure to provide resources for each important aspect of District activities.

Reporting Status - August 24, 2016: Complete

4 Report #1 dated August 24, 2016
B. Prepare a Comprehensive Annual Financial Report to provide financial position and results of operations to a variety of users and information needs, with an independent auditor opinion.

**Reporting Status - August 24, 2016: Complete**

C. Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process and document content.

**Reporting Status - August 24, 2016: Complete**

D. Actively manage planning and financial reporting to inform users for decision making to sustain a strong financial base for operations and increasing net assets.

**Reporting Status - August 24, 2016: Complete**

**Budgeted Initiatives for 2016-2017**

A. Maintain the allocation of Facility Fee components for operations, debt service and capital expenditure to provide resources for each important aspect of District activities.

B. Prepare a Comprehensive Annual Financial Report to provide financial position and results of operations to a variety of users and information needs, with an independent auditor opinion.

C. Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process and document content.

D. Actively manage planning and financial reporting to inform users for decision making to sustain a strong financial base for operations and increasing net assets.

E. Enhance quarterly reporting on Capital Expenditures by adding discussion and analysis to the financial reports.
LONG RANGE PRINCIPLE #3
Workforce

Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues:

- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and levels of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low workers compensation incidents.
- Identify individuals for retention and growth for management succession within the District.

Objectives for 2015-2017

1. Implement a rotating schedule for evaluating each position to ensure District is competitive with its total compensation and benchmarks.
2. Create a plan for cross training at all venues for Management level succession planning.
3. Identify potential changes of status and retention for year round Diamond Peak Summer Operations.

Budgeted Initiatives for 2015-2016

A. Constantly review the fundamentals of seasonal positions, including length of service, rates of pay and eligible benefits.

Reporting Status - August 24, 2016: Complete

B. Evaluated job descriptions and related effects anytime we have turnover in a full time position.

Reporting Status - August 24, 2016: Complete

C. Consider the affects of the Affordable Health Care Act and how its requirements can be managed to the best use of public funds.

Reporting Status - August 24, 2016: Complete
D. Maintain the District's core values for employees of Teamwork, Integrity, Service, Excellence and Responsibility.

Reporting Status - August 24, 2016: Complete

Budgeted Initiatives for 2016-2017

A. Constantly review the fundamentals of seasonal positions, including length of service, rates of pay and eligible benefits.
B. Evaluated job descriptions and related effects anytime we have turnover in a full time position.
C. Consider the affects of the Affordable Health Care Act and how its requirements can be managed to the best use of public funds.
D. Maintain the District’s core values for employees of Teamwork, Integrity, Service, Excellence and Responsibility.
E. Review the budget, number of positions as it relates to salary and benefits of the full time year round employees to ensure that we are able to continue to attract, maintain and retain highly qualified employees.
LONG RANGE PRINCIPLE #4
Service

The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.
- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintain customer service training for new, returning and existing employees.

Objectives for 2015-2017

1. Establish metrics through key performance indicators for each venue.

Reporting Status - August 24, 2016: Complete

2. Establish specific performance indicators to evaluate customer loyalty/satisfaction.

Reporting Status - August 24, 2016: Complete

3. Align performance metrics through industry benchmarking.

Reporting Status - August 24, 2016: Complete

4. Analyze the net effect of established service levels on the District operations and apply changes as needed and encourage/reward continuation of appropriate performance.

Reporting Status - August 24, 2016: Complete

5. Explore comprehensive Customer Service measurement tool for the District.

Reporting Status - August 24, 2016: Complete

Budgeted Initiatives for 2015-2016

A. Each venue has time budgeted for new, returning and existing employees to participate in Customer Service Training.

Reporting Status - August 24, 2016: Complete
B. Service levels are expected to remain at or above current levels. The emphasis is on providing the best customer experience.

**Reporting Status - August 24, 2016: Complete**

C. The District is continuing the Customer Care program for all of Community Services, which includes empowerment for any actions that generate a hard cost to remedy a customer satisfaction issue.

**Reporting Status - August 24, 2016: Complete**

**Budgeted Initiatives for 2016-2017**

A. Each venue has time budgeted for new, returning and existing employees to participate in Customer Service Training.

B. Service levels are expected to remain at or above current levels. The emphasis is on providing the best customer experience.

C. The District is continuing the Customer Care program for all of Community Services, which includes empowerment for any actions that generate a hard cost to remedy a customer satisfaction issue.
LONG RANGE PRINCIPLE #5
Assets and Infrastructure

The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation activities.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District’s workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

Objectives for 2015-2017

1. Set direction for the proposed Diamond Peak master plan. Reporting Status - August 24, 2016: Done; entitlement process underway and more decision points ahead.
3. Complete condition analysis and project scoping for the Effluent Export Project – Phase II. Reporting Status - August 24, 2016 - Underway.
4. Investigate asset management/work order software for Community Service venue operations to determine applicability and resources required for implementation. Reporting Status - August 24, 2016 - Under review; Diamond Peak likely first candidate.

Budgeted Initiatives for 2015-2016

A. Continued use of the Five Year Rate Study as a way to ensure proper funding of capital projects such as the Effluent Pipeline replacement.

Reporting Status - August 24, 2016: Complete

B. Allocate capital expenditures in Community Services to maintain service levels, while planning for some facility replacement for facilities that are crossing 20 years in service.

Reporting Status - August 24, 2016: Complete
C. Begin the update of the Master Plan for the Beach Venues.

**Reporting Status - August 24, 2016: Complete**

D. Begin the update of the Master Plan for Parks and Recreation Venues.

**Reporting Status - August 24, 2016: Complete**

E. Work through the approval process of the proposed Diamond Peak Master Plan.

**Reporting Status - August 24, 2016: Complete**

**Budgeted Initiatives for 2016-2017**

A. Continued use of the Five Year Rate Study as a way to ensure proper funding of capital projects such as the Effluent Export Pipeline Replacement Project.

B. Allocate capital expenditures in Community Services to maintain service levels, while planning for some facility replacement for facilities that are crossing 20-years in service.

C. Continue work on the Community Service Master Plan.

D. Continue to work through the environmental clearances and regulatory approval process for the Diamond Peak Master Plan.

E. Set direction on final design of the Incline Beach House Project.

F. Begin final design of the Incline Creek Culvert Rehabilitation at Diamond Peak.

G. Begin preliminary design for rebuilding Ski Way.
LONG RANGE PRINCIPLE #6
Communication

The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

Objectives for 2015-2017

1. Create function and dedicate full time staff to communications.
2. Invest in technology to improve access to information, better track citizen requests and inquiries and streamline customer service operations at venues.
3. Employ tools to enhance internal communications.
4. Implement best practices for sharing information with the public.

Budgeted Initiatives for 2015-2016

A. Expand the District’s approach to communication decisions for the entire District for sales, marketing and communications. All venues and Funds will be served by the new Communications Coordinator.

Reporting Status - August 24, 2016: Complete

B. The District will be utilizing several online tools to improve Citizen Request Management and Financial Transparency.

Reporting Status - August 24, 2016: Complete

C. The District will replace existing Point of Sales systems to improve service delivery and extend capacity for registration and purchases.

Reporting Status - August 24, 2016: Complete

Budgeted Initiatives for 2016-2017

A. Branding – complete a community wide process to provide better recognition and utilization of District recreational venues.
B. Community Services Master Plan – conduct an 18-month to two year process of community surveys, workshops, and planning to understand and document the
communities desires and expectations for recreation and facilities in the next ten to fifteen years.

C. Customer Services Annual Survey – craft a community wide survey instrument to identify satisfaction with all IVGID provided services and facilities which will be implemented yearly.
Incline Village General Improvement District

893 Southwood Boulevard
Incline Village, Nevada 89451

Telephone Number: 775-832-1100
Questions: info@ivgid.org

yourtahoeplace.com
Strategic Plan
2015 - 2017

yourtahoeplace.com
Board of Trustees

Kendra Wong
CHAIRWOMAN

Jim Hammerel
VICE CHAIRMAN

Bill Devine
TREASURER

Tim Callicrate
SECRETARY

Matthew Dent
TRUSTEE

Senior Management Team

Brad Johnson
Director of Asset Management

Brad Wilson
General Manager
Diamond Peak Ski Resort

Dee Carey
Director of Human Resources

Gerry Eick
Director of Accounting,
Risk Management
and IT

Joe Pomroy
Director of Public Works

Steven Pinkerton
District General Manager

Susan Herron
District Clerk/
Executive Assistant

Indra Winquest
Director of Parks and Recreation
Introduction

The Incline Village General Improvement District Strategic Plan provides direction and a planned pursuit of the mission, vision, values, long range principles and objectives and actions of the District from July 1, 2015 to June 30, 2017.

This plan reflects the District's desire to become more strategic and less tactical as the next logical step in the organization's life cycle and planning evolution.

Strategic Planning is a systematic approach to defining longer term principles and identifying the means to achieve them. It provides the District with the ability to channel resources in a direction that yields the greatest benefit to residents, constituents and guests.

The intent of the plan is to identify long range principles that align activities of the District to the strategy of the District. It provides a framework to ensure that a balanced approach toward addressing objectives of District residents, finances, internal processes and learning and growth of employees is integrated into the plan.

The strategic planning process enables the District to plan and execute continuous improvements throughout the organization.

The benefits of strategic planning include:

- Focuses the District's resources on activities that are essential to increasing customer satisfaction, lowering costs, increasing value and achieving measurable outcomes.
- Creates a planning and implementation system that is responsive, flexible, and disciplined.
- Encourages cooperation and support among all District functions.
- Reinforces the continuous improvement culture of the District.
- Empowers managers and employees by providing them with the authority to fulfill planned activities.
- Provides for more seamless internal and external customer service.
- Defines and describes the District's key strategies. As a result, employees and residents know where the District is headed.
Strategic Planning Process

Board of Trustees Policy 1.1.0 states:

The Incline Village General Improvement District recognizes the importance of using some form of strategic planning to provide a long-term perspective for service delivery and budgeting, thus establishing logical links between authorized spending and broad organizational goals. While there is not a single best approach to strategic planning, a sound strategic planning process will include the following key steps:

0.1 Initiate the Strategic Planning Process
0.2 Prepare a Mission Statement
0.3 Assess Environmental Factors
0.4 Identify Critical Issues
0.5 Agree on a Small Number of Long Range Principles
0.6 Develop Strategies to Achieve Long Range Principles
0.7 Develop Objectives
0.8 Create an Action Plan
0.9 Incorporate Performance Measures
0.10 Obtain Approval of the Plan
0.11 Implement the Plan
0.12 Monitor Progress
0.13 Reassess the Strategic Plan

Consistent with this Board Policy, the General Manager and the Board of Trustees initiated the process in February 2015. Strategic Planning and Team Building Sessions were facilitated by Coralbridge Partners on February 17, March 5 and March 6, 2015. Coralbridge Partners compiled a report summarizing the results of these sessions which were reviewed by the Board of Trustees at their March 25, 2015 meeting. The Board of Trustees directed the General Manager to accept the report and bring back further recommendations to the Board of Trustees.

The report provided an overview of the Board’s dialogue regarding the District’s strengths and challenges and recommended a model that syncs strategies with operations and serves as a structural template for the planning process. In addition, the report documented the process for updating the District’s Mission and Vision statements. The Board of Trustees spent a great deal of time during the facilitation process reviewing operational goals and action steps/tactics for many of the District’s venues. The report summarized this discussion and documented the goals and actions steps. The facilitator also recommended changes to the District’s organizational structure.
A number of the action steps recommended in the Coralbridge Partners report were implemented immediately and many other recommended actions were incorporated into the adopted budget for Fiscal Year 2015/2016. The adopted budget also included an updated organizational structure very similar to the one proposed by Coralbridge Partners.

Consistent with the Board of Trustees March 25, 2015 direction, the District’s General Manager brought back a recommended process for completing the Strategic Planning Process at the June 4, 2015 Board of Trustees workshop. The Board concurred with the process and time was set aside at the June 24, 2015 Board of Trustees Meeting, along with the July 9, August 5 and September 3, 2015 Board workshops to complete the Strategic Plan.

At the June 24, 2015 session, the Board of Trustees reviewed the draft Mission and Vision statements as well as the existing Value and Mantra statements. The Board also discussed the key elements/environmental factors impacting the District. These key elements included:

- What are the economic and financial conditions under which we are operating?
- What are the demographic trends for our community and how do those impact our services?
- What legal and regulatory issues are facing in the future?
- What social and cultural trends do we need to acknowledge?
- What physical and climate issues are we facing?
- What impact will other governmental agencies have on how we operate?
- How will changes in technology impact us?
- Who do we serve?

At the July 9, 2015 session, the Board of Trustees reviewed the existing District long range principles and provided Staff with guidance on updates to the principles and began to address the 2015-2017 objectives associated with each of the principles. The Board also finalized the Mission, Vision, Value and Mantra statements.

On August 5, 2015, the Board reviewed the revised long range principles and objectives.

On September 3, 2015 the Board reviewed the Final Draft Strategic Plan.

The 2015-2017 Strategic Plan was adopted at the September 23, 2015 Board of Trustees Meeting.
Statements

IVGID's Vision Statement

With passion for quality of life and our environment, Incline Village General Improvement District will enhance the reputation of our community as an exceptional place to live, work, invest, and play.

IVGID's Mission Statement

The Incline Village General Improvement District delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability.

IVGID's Value Statement

We are dedicated people providing quality service, for our community and environment, with integrity and teamwork.

IVGID's Mantra Statement

One District • One Team
LONG RANGE PRINCIPLE #1
Resources and Environment

Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Review and upgrade District policies and practices to encourage or require waste reduction, recycling and environmentally preferable purchasing.
- Develop sustainability measures, goals and metrics to create and/or maintain a sustainable District.
- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction.

Objectives for 2015-2017

1. Form a Sustainability Committee comprised of representatives from each Department to plan sustainability efforts, prioritize projects, and coordinate internal efforts to implement the best practices relating to sustainability.
2. Prepare a policy for review and approval by the Board of Trustees to purchase environmentally preferable products, reuse durable products, reduce the waste stream and prevent pollution.

Budgeted Initiatives for 2015-2016

A. Defensible Space, in partnership with the North Lake Tahoe Fire Protection District, protecting District lands and the Tahoe Basin watershed.
B. Providing leadership for the Tahoe Water Suppliers Association.
LONG RANGE PRINCIPLE #2
Finance

The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, capital improvement and debt management.

- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long term plan to sustain financial resources.

Objectives for 2015-2017

1. Identify appropriate performance measurement that goes beyond dollars and units of service, to demonstrate quality as well as quantity.
2. Utilize the new financial reporting structure to build understanding of the different aspects between operations, capital improvement and debt service.
3. With allocated resources, equate service expectations and the capability to deliver.
4. Prepare a five year projection of financial results and performance measures for operations, capital improvement and debt service as a part of budget deliberations.

Budgeted Initiatives for 2015-2016

A. Maintain the allocation of Facility Fee components for operations, debt service and capital expenditure to provide resources for each important aspect of District activities.
B. Prepare a Comprehensive Annual Financial Report to provide financial position and results of operations to a variety of users and information needs, with an independent auditor opinion.
C. Comply with Nevada Revised Statutes and Administrative Code requirement for the budget process and document content.
D. Actively manage planning and financial reporting to inform users for decision making to sustain a strong financial base for operations and increasing net assets.
LONG RANGE PRINCIPLE #3
Workforce

Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues:

- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and levels of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low workers compensation incidents.
- Identify individuals for retention and growth for management succession within the District.

Objectives for 2015-2017

1. Implement a rotating schedule for evaluating each position to ensure District is competitive with its total compensation and benchmarks.
2. Create a plan for cross training at all venues for Management level succession planning.
3. Identify potential changes of status and retention for year round Diamond Peak Summer Operations.

Budgeted Initiatives for 2015-2016

A. Constantly review the fundamentals of seasonal positions, including length of service, rates of pay and eligible benefits.
B. Evaluated job descriptions and related effects anytime we have turnover in a full time positions.
C. Consider the affects of the Affordable Health Care Act and how its requirements can be managed to the best use of public funds.
D. Maintain the District's core values for employees of Teamwork, Integrity, Service, Excellence and Responsibility.
LONG RANGE PRINCIPLE #4
Service

The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.
- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintain customer service training for new, returning and existing employees.

Objectives for 2015-2017

1. Establish metrics through key performance indicators for each venue.
2. Establish specific performance indicators to evaluate customer loyalty/satisfaction.
3. Align performance metrics through industry benchmarking.
4. Analyze the net effect of established service levels on the District operations and apply changes as needed and encourage/reward continuation of appropriate performance.
5. Explore comprehensive Customer Service measurement tool for the District.

Budgeted Initiatives for 2015-2016

A. Each venue has time budgeted for new, returning and existing employees to participate in Customer Service Training.
B. Service levels are expected to remain at or above current levels. The emphasis is on providing the best customer experience.
C. The District is continuing the Customer Care program for all of Community Services, which includes empowerment for any actions that generate a hard cost to remedy a customer satisfaction issue.
LONG RANGE PRINCIPLE #5
Assets and Infrastructure

The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation activities.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District's workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

Objectives for 2015-2017

1. Set direction for the proposed Diamond Peak master plan.
2. Begin the update of the Community Service master plan.
3. Complete condition analysis and project scoping for the Effluent Export Project — Phase II.
4. Investigate asset management/work order software for Community Service venue operations to determine applicability and resources required for implementation.

Budgeted Initiatives for 2015-2016

A. Continued use of the Five Year Rate Study as a way to ensure proper funding of capital projects such as the Effluent Pipeline replacement.
B. Allocate capital expenditures in Community Services to maintain service levels, while planning for some facility replacement for facilities that are crossing 20 years in service.
C. Begin the update of the Master Plan for the Beach Venues.
D. Begin the update of the Master Plan for Parks and Recreation Venues.
E. Work through the approval process of the proposed Diamond Peak Master Plan.
LONG RANGE PRINCIPLE #6
Communication

The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

Objectives for 2015-2017

1. Create function and dedicate full time staff to communications.
2. Invest in technology to improve access to information, better track citizen requests and inquiries and streamline customer service operations at venues.
3. Employ tools to enhance internal communications.
4. Implement best practices for sharing information with the public.

Budgeted Initiatives for 2015-2016

A. Expand the District’s approach to communication decisions for the entire District for sales, marketing and communications. All venues and Funds will be served by the new Communications Coordinator.
B. The District will be utilizing several online tools to improve Citizen Request Management and Financial Transparency.
C. The District will replace existing Point of Sales systems to improve service delivery and extend capacity for registration and purchases.
Implementation

The annual budget document serves as the Action Plan for implementing the 2015-2017 objectives.

Budget Initiatives

The budget initiatives for the Fiscal Year 2015/2016 budget and capital plans centered on the following:

1) Provide utility rates that supports planned capital infrastructure and continues operations funded by the pay for what you use model that is the industry standard;
2) Establish a Recreation Facility Fee (RFF) and a Beach Facility Fee (BFF) that are based upon justifiable current needs combined with the near term debt service and plans for multi-year capital projects; and
3) Continue to minimize the year to year fluctuations in the RFF and BFF from effects of Capital Improvement Project expenditures; and
4) Develop revenue enhancements to absorb increased costs; and
5) Consider customer service enhancements through operating efficiencies and the addition of service capacities.

Additional detail on budgeted initiatives is described in conjunction with each Long Range Principle.

Review Process

Implementation of the Strategic Plan requires a process of review, improvement, refinement, and measurement and following is the criteria for successful implementation of the Strategic Plan. It represents the commitment and discipline required to institutionalize the process.

- All employees and Board of Trustees members should receive a copy of the plan or electronic access to the Plan and should become a regular part of Staff and Board of Trustees orientation.
- The Strategic Plan becomes the guidepost for the District. When decisions or responses to the community are needed, the Strategic Plan serves as a strong reference point for decision-making and whether or not new issues or responses are of higher importance than what’s been established as existing direction.
- Post a summary or shortened version of the Strategic Plan on the District’s website and track results on the website as well. It may also be helpful to print a short summary of the Strategic Plan’s progress to distribute to interested partners and community members.
• The District's General Manager will have the responsibility of being the Strategic Plan Manager to ensure successful implementation.

• Regular reporting of the Strategic Plan's progress should occur. Break the Strategic Plan into separate fiscal years and report, one year at a time, as an ongoing annual work plan. Each initiative for the year should include a list of actions that support the goal's completion. Actions are developed prior to each year. Each year's data will be entered on a spreadsheet that lists the Themes, Objectives, Initiatives, supporting actions and associated start and completion dates, as well as the staff person responsible for the Initiative.

• At the end of the year, perform an annual review and documentation of progress on initiatives.

• Provide an update on the Plan's implementation and results on an annual basis.

• Conduct Staff meetings on a quarterly or semi-annual basis to review the Strategic Plan's progress and results and report on progress to the Board of Trustees.

• The performance appraisal process should reflect the completion of the Strategic Plan initiatives as an evaluation criterion. Also, performance criteria should be aligned with values of the District such as innovation, teamwork, and accountability.

• Track the measurement system on a quarterly basis. Some of the measures will be calculated annually. Provide an annual narrative about the results. Review the measures on an annual basis and make adjustments as necessary to ensure the measures continuously add value to decision making. Include a combination of lagging and leading indicators. (Lagging indicators or outcomes measure past performance; leading indicators or performance drivers assist in establishing future performance.)

• After completion of the first year of the Strategic Plan and baseline results are quantified, targets should be initiated for the measurement system.

• After each year of the Strategic Plan, the Staff should review the Strategic Plan's process and re-tool any parts of the process that need improvement. This review should include a "just-in-time review" of the following year's Initiatives to determine if priorities have changed. The review of Initiatives should tie into the budget process

• Staff meetings should regularly include discussion of strategy. Create a visualization process to emphasize the Strategic Plan's importance and the District's commitment to execution. For example, posting charts on office walls of each year's initiatives, with a check-off column, can provide a visual tracking of initiative completion.
Reassessment

Many external factors, such as the local and national economy, demographic changes, statutory and legislative changes, and climate may affect the environment and thus achievement of strategies. To the extent that external events have long-range impacts, strategies, objectives and actions may need to be adjusted to reflect these changes.

New information about residents, constituents, and guests needs or results may also require changes to the Strategic Plan. It is desirable to minimize the number of adjustments to long range principles in order to maintain credibility.

However, the District's Board of Trustees expects to conduct interim reviews each year, and more comprehensive strategic planning processes every five years, depending on how quickly conditions change. Performance measure results will be reviewed more frequently than the Strategic Plan.
Incline Village General Improvement District

893 Southwood Boulevard

Incline Village, Nevada  89451

Telephone Number: 775-832-1100

Questions: info@ivgid.org
MEMORANDUM

TO: Board of Trustees

FROM: Kendra Wong
Chairwoman, IVGID Board of Trustees

SUBJECT: 2017 Board of Trustees Work Plan

DATE: January 30, 2017

I will lead the Board of Trustees through a discussion regarding their individual ideas for our collective work plan for calendar year 2017. I announced this during our January 18, 2017 meeting and requested that each Board member come prepared with their individual ideas, on paper, so that they can be shared and then discussed. After we have had an extensive discussion, I will prepare a memorandum for the next Board meeting to formally take action on our collective work plan.

It would be most appreciated if each Board member would give their individual ideas to District Clerk Susan Herron no later than Tuesday, February 7, 2017, at 5 p.m. so that she can compile them into a PowerPoint presentation that we can all view and share with the members of the public present.
MINUTES

REGULAR MEETING OF DECEMBER 14, 2016
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, December 14, 2016 at 6:15 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

RECOGNITION OF THE INCLINE VILLAGE GIRLS HIGH SCHOOL GOLF TEAM FOR THEIR ACHIEVEMENT IN THE 2016/2017 GIRLS HIGH SCHOOL STATE TOURNAMENT - FIRST PLACE, TEAM TITLE; INDIVIDUAL STATE RUNNER-UP; AND OVERALL, STATE OF NEVADA 2A GOLF CHAMPION
Christine Schwartz, Kennedy Cohn, Haley Carlson, Karyss Thompson, Scarlet Ramos, Coaches: Joe Humasti and Chuck Jensen

Coach Joe Humasti thanked the community and District Staff at the golf course for their continuous support. This year's team won their ninth title and this win ties them for most titles since the association that they belong to has been keeping records. These students work hard to play the sport of golf.

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, Jim Hammerel, Phil Horan, and Kendra Wong.

Also present were District Staff Members Director of Finance Gerry Eick, Director of Public Works Joe Pomroy, Director of Community Services Sharon Heider, Parks and Recreation Director Indra Winquest, Director of Human Resources Dee Carey, Director of Golf Michael McCloskey, Sales and Events Manager Cathy Becker, and Director of Asset Management Brad Johnson.

Members of the public present were Gayle Holderer, Pete Todoroff, Gene Brockman, Joe Shackford, Kaye Shackford, Steve Dolan, Howard Beckerman, Jean Eick, Frank Wright, Aaron Katz, Margaret Martini, Judith Miller, John Eppolito, Steve Sidells, Craig Olson, and others.
Minutes
Meeting of December 14, 2016
Page 2

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

C. **ROLL CALL OF THE IVGID BOARD OF TRUSTEES-ELECT**

On roll call, present were Matthew Dent and Phil Horan. Trustee-Elect Peter Morris advised Staff that he is unable to attend but is watching the Livestream.

At 6:14 p.m., Chairwoman Wong called for a break until 6:30 p.m. as our public hearing is time certain for 6:30 p.m. Chairwoman Wong reconvened the meeting at 6:30 p.m.

D. **PUBLIC HEARING (TIME CERTAIN FOR 6:30 P.M.)** - Proposed amendments to IVGID Solid Waste Ordinance No. 1, entitled “An Ordinance Regulating Solid Waste Matter and the Collection, Removal and Disposal Thereof”

Trustee Hammerel made a motion to open the public hearing; Trustee Horan seconded the motion. Chairwoman Wong called the question and the motion was passed unanimously.

Director of Public Works Joe Pomroy confirmed that the District is in compliance with noticing requirements and gave the presentation that was included in the Board packet. District Clerk Susan Herron said that four e-mails had been received, post Board packet production, from R. Caviness, F. Voltz, Jeffrey A. Poindexter, and Stephen Endicott and that they have all been distributed to the Board of Trustees.

Chairwoman Wong asked for public comment.

Frank Wright said we have a trash ordinance before us that we are going to vote upon and in looking at the public comment form he wants to ask questions about the people speaking. Earlier, he spoke at the Audit Committee meeting and stated that Trustee Hammerel doesn’t live here and that he can’t believe he is here at this meeting. Washoe County Commissioner Marsha Berkbigher just got a letter from the District Attorney that stated that he is a registered voter and that he was wrong. Trustee Hammerel kept the information secret and just sat up there and smiled but that he will be voting on this ordinance but he has no interest as he is living in Jackson, Wyoming so let’s make it known that his vote really has no best interest in it and that he should have resigned from this Board and that he has no right being here and no right in voting on this ordinance. This
is a real interesting dilemma - where is the ethics here and where is the ethics for the State. He knows where the ethics are with our legal beagle but Trustee Hammerel doesn't even live in this state. He owes us an apology and he should leave the room as this is not fair to us and he is sticking us with this and more money being spent.

Aaron Katz said this is a good review process to see how IVGID doesn't comply with the law. We all heard Staff get up here and say that they complied with NRS 318.199 but it doesn't apply. Accordingly, District General Counsel said it doesn't apply to trash. It is his contention that it applies anytime the District is increasing rates. He wants to have a public hearing on the Recreation Fee but we never have it. What is a public hearing - Staff comes forth and makes a case but they never present any justification and this Board can't pass this because there is no evidence to support it. Washoe County just passed a modification for the entire unincorporated portion except for IVGID and he finds that interesting and he has a written statement. He made a little spreadsheet and guess what, they have the same type of service and they can do twenty five cans at no extra charge and we do ninety six yards and there is a difference in the rates. So his question is why are we paying extra with the IVGID contract with Waste Management when in Washoe County they can do it at no cost. We don't need IVGID except for maybe water and sewer; we don't need it for recreation.

Hearing no further public comments, Chairwoman Wong asked for a motion to close the public hearing.

Trustee Hammerel made a motion to close the public hearing. Trustee Horan seconded the motion. Chairwoman Wong called the question and the motion was passed unanimously.

E. PUBLIC COMMENTS*

Margaret Martini said, regarding item H.7., are we looking at the possibility of getting more land and if so let's look at getting the land for a dog park and keeping the dogs off of Village Green as this would be a good use of any property. As you would be able to find the money by taking it out of the money for the Diamond Peak Disneyland as there are more dogs then usage at Diamond Peak Disneyland.

Jim Nowlin apologized as he has been out of town so he hasn't really seen the changes that the Board is looking at. One change that has to be made is that we used to get up to seven containers, which he rarely needed, but now we are
Minutes
Meeting of December 14, 2016
Page 4

paying more and getting significantly less. In the fall, we get wind storms and with a large Ponderosa pine, the windblown debris can fill up the container thus he has no place to put this matter. He is not the only one and he hopes that the District has looked at it.

Aaron Katz said, as a follow up on trash, he has two comments. If you look at the Washoe County ordinance and at what is the fine provision, they have no fine. We have a fine - force you to buy a bear box and fine up to one thousand dollars which is a violation of the statutes. What kind of entity would vote to fine its citizens when Washoe County won’t? On the pump track, what started out as a twenty thousand dollar survey has mushroomed into $270,000 for a dirt track between tennis and the Recreation Center thus they should pay for it. We went through this with the disc golf course - got sponsors, they do the maintenance and all we are doing is providing the land which is free. Here we have another minority group that hasn’t paid for a study and now we learn, for the first time, that it is going to be $270,000. When he sees stuff like this it reminds him of Trustee Hammerel. Let’s not expand our footprint as we did a survey of the property owners and we were asked if we wanted to spend money on maintaining or spend more on new stuff and the people said maintain not expand and this is exactly what this is so vote no on it. The promoters should do all the plans like the disc golf group did and just ask for the land. Mr. Katz said that he had a written statement and that he doesn’t agree with the District Attorney as Trustee Hammerel’s presence is jeopardizing every decision the Board makes tonight.

Frank Wright said that you took a survey of what’s going on and you have a list of everything going on. The Deputy Attorney General is looking at Trustee Hammerel and his situation and you have a Trustee, to this point, that has not provided his citizenship documentation. If you are listening, Mr. Morris, he hopes that you provide the paperwork to us documenting your citizenship because he has been asking for the documentation, and he asked Staff and they said they have no documentation but that there is an ongoing question about his capabilities to be a Trustee and if he isn’t capable, then we have had a screwed up election. Now, let’s go back to Trustee Hammerel - why are you here and why are you doing this to our community. It is arrogance, nah, he is here to help the other two Trustees who pass everything and to destroy the community before he leaves. Not one promise was met and Trustee Horan does nothing and Trustee Wong hasn’t even come close and you being a CPA and what comes through is that our financials are disgusting. Mr. Wright continued that he wanted to make a statement about the Board and the employees - just because the employees pass items to you, you think it is okay to vote on them which doesn’t take away
the culpability because things are illegal. You need to study what is going to be taking place because things are going to happen and questions are going to be asked and he hopes that the Board members have good answers. You are the stewards and you should be looking at everything that is coming before you. We have probably the worst Board in the history of Incline.

Judith Miller said that we have a new Legislative session that will be gearing up in the next few months and one of the bills is to clear up our residency laws and qualifications for office thus we won’t have this in the future. Ms. Miller congratulated the candidates and noted that every candidate changes the way the Board operates and that all expressed a desire for better financial reporting and a zero based budget. The changes have resulted in confusion so let’s return to enterprise funds. Zero based budgeting clearly states all the costs and expenses which would be a complete shift from the past budget workshops which don’t talk about costs. Thank you to the voters that voted for her; there might have been more if she hadn’t talked about dogs at the beaches. There is not a focus on the bottom line by the District General Manager and we deserve a bottom line statement. She looks forward to working with the new Board and hopes that you meant what you said - fiscally responsible GID that responds to the needs of our community.

Steve Dolan said that he is here to throw his support behind Resolution 1853; he likes that it is free, understands the maintenance, and in the long run, not sure what parcels gain by having them in our inventory but we might be able to apply them to the larger demographic and help our community straighten out items. He is also glad about the language for public use as he likes taking out the development aspect. He urges the Board to adopt Resolution 1852 and if any of the lots apply towards a park for dogs only that would be great as this is the second largest demographic underneath the beachgoers and something that needs to be addressed.

Val Bates said that he respects everything the Staff and Board does as they come in, day in and day out, and take a beating from people. He is in favor of the pump track/bike park as it is good for kids, a good hub for the community, and if parents work late it would be a nice place for the kids to hang out. The majority of the kids are up on the hill and they can’t work or bike up there so we need something closer to our schools as well as it is a plus for the community.

Rob Holman said he came out to express a different view of what a community should be. He and his wife Robin think that a community should have a menu of options that should allow everyone to experience Incline Village. With the
Minutes
Meeting of December 14, 2016
Page 6

Bonanza theme park gone, we are seeing what happens to a community that doesn’t grow. He is grateful to have the bike park as the volunteer work has been tremendous so let’s see what they can offer. He drives by the bike park in Truckee in the summer and he sees people picnicking so it is a great way to form community and to meet other kids. Having an option like this is extremely important as it gives us a place to go and something to do. This is an opportunity to create the vision which is similar to what he and his wife did with the Holman Arts Building. We see people bringing their kids and taking classes and the bike park is the same thing as it is about learning skills, etc. It is what makes Incline Village great because we have a menu of options to allow children to form friendships, offers a place for the community to go, and it offers something they didn’t have before which is wonderful. Mr. Holman concluded by stating that he strongly encourages the Board to have a positive vote.

Pete Todoroff said he is the Chairman of the Citizen Advisory Board and that he went to a Washoe County Commissioners meeting because one of his clients wasn’t able to make it and he talked to Washoe County Commissioner Marsha Berkgibler, who he took cookies and scones, and that he talked to Washoe County Manager John Slaughter and Washoe County Assistant County Manager Kevin Schiller and that, as of today at 2:43 p.m., the Washoe County Commissioners approved money for the Incline Village seniors by transferring $75,000 to expand several amenities such as a Senior Center at 855 Alder and to assist older adults in a variety of ways. There is a significant need for this in Incline Village because so many are seniors and that these services are effective immediately with more funds to come later on.

Aaron James said that he looks forward to hopefully seeing a strong presence for the bike park. It has been a long four years and a lot of volunteer hours on this project. There are a ton of younger families where biking is a gigantic part of their life because this is a wonderful place for kids to be outside which is a part of our life up here. There have been many who have done a lot of work and volunteered their time and we have almost matched the $20,000 and we are striving to raise the $270,000. This is something that the community wants and it got started via a grassroots effort but it needs a lot more volunteer work so please move this forward as it is a great asset to both kids and adults. Many people are looking forward to having an additional park for all so please see this through as it will be a great asset. Mr. James concluded by stating that he appreciates all the time and effort that has gone into this project.

Craig Olson said happy holidays to IVGID Trustees and Staff and said that he does appreciate the hard work and efforts that all of you do. To Trustee
Hammerel, regardless of if you are moving or not, you work hard as a resident and even though you are moving on to a bright new future, he hopes that you will continue serving us and thank you for that service. He is in support of the pump track as we need to have things that serve many and we need to have many different things. We have wonderful venues that serve the community but will also serve the tourists that come to visit so he fully supports it. A lot of volunteer hours have been expended so please vote for this item. Mr. Olson continued that he is also here in support of the letter about the Incline Flume Trail. We have worked on this for four years and done a lot during that time so we need IVGD’s support to get a fully authorized trail which would be fantastic. FIT spent two months of intense work and it was all volunteer work, along with TAMBA and the Tahoe Rim Trail, and we got a lot done and it is a lot of volunteer hours. Mr. Olson concluded by stating he approves of everything the Board does and that he doesn’t approve of the attacks that come from others.

Travis Garrison said that he is in support of the pump track and as a new coach in town, he sees it as a good asset for the kids in the community. A lot of practice is held at Village Green so biking to practice is a good option. The Incline Flume Trail would also be a good thing for the kids so he is in support of both of these projects.

Dwayne Elwood said that one of the draws was the golf courses that are here and he considers it a really excellent course especially for everyday golfers. Since moving here, he hasn’t been disappointed. Staff is courteous and, as a member of TIGC, we have had our best year ever. He found the Chateau to be a great place to eat and drink beer and you have made it easy to spend between three and four thousand dollars here and that is just playing golf and eating at the Chateau. The only con is the increase of golf rates as his income hasn’t gone up so consider no increase as there is a limit. Thanks to the Staff for making the year at TIGC the best ever.

Frank Shipman wished the Board a Merry Christmas and a Happy New Year. Another year for his club and he hopes it was another successful year for the District. Staff is diligent in accepting change as we have been given room for scheduling changes. Staff asked us to move for a Hyatt group and we gladly did that and they accommodated us the next day. Staff has also done an excellent job of growing grass, keeping it green, smooth and fast and it works very well. We, at TIGC, have one bit of constructive criticism and that would be in the marking. We toured the golf course and made some quality suggestions and volunteered but Staff doesn’t like to put white paint on the golf course. It wasn’t until the Nevada Women’s Championships that white paint went onto the golf
course. He hopes that for this next season that there is no white paint but rather rope it off and flag it as ground under repair. We know it is tough in some places and sunshine doesn’t get through there but that is what we would like to see and we would be happy to help.

Chairwoman Wong called upon MJ Stein; MJ Stein was not present to make comments.

John Eppolito wished the Board happy holidays and thanked them for the opportunity to share his thoughts. On trash, he is going from seven containers to one container and it isn’t enough as there are six people in his household. He also didn’t realize the rates went up. Resolution 1853 is a very good idea and he hopes that we can find a dog park just for the dogs; the bike park is also an excellent idea.

Bret Hansen is the District Manager for Incline Sanitation and he wanted to update the Board that Waste Management is working on wildlife carts that are arriving tomorrow with delivery on Friday. The 32-gallon trash carts are currently being distributed and effective next week, customers will be able to drop two 32-gallon bags for $7.50 and still have the option to dump. He is working on a more flexible schedule for spring and fall. He is also monitoring customer service and responding to customers via e-mail and working on signage, stripping, etc. at the transfer station for 2017.

Andrew Ellis said he is here to comment on the bike track/park/pump track and he knows that a lot of people think this is a retirement community but there are young people here who are unhappy with the status quo. If you look at other communities, around the lake, they have more amenities. Young people can’t come to the meetings as they are busy getting kids ready and he would state that there is a great amount of support for things that the kids can do outside. He would ask that the Board support any initiative that gets kids off the couch and outside.

Chairwoman Wong moved the Approval of the Agenda up to item F. from item G.

F. APPROVAL OF AGENDA (for possible action) (was Agenda Item G.)

Chairwoman Wong asked for a motion to have a flexible agenda; Trustee Callicrate made a motion to have a flexible agenda and Trustee Hammerel seconded the motion. Hearing no comments, Chairwoman Wong called the question and the motion was passed unanimously.
Chairwoman Wong asked if there were any changes to the agenda. Trustee Callicrate asked if it would be possible to move item H.2., H.3. and H.7 to H.1., H.2. and H.3. and then put item H.1. as item H.4.

G. **PRESENTATIONS** *(was Agenda Item F.)*

G.1. **Director of Community Services Sharon Heider – Update on Community Services activities**

Director of Community Services Sharon Heider gave a brief PowerPoint presentation, which is incorporated herewith by reference.

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

H.1. Review, discuss and receive a presentation on Pump Track conceptual plan and review, discuss and possibly direct Staff to prepare a Memorandum of Understanding (MOU) for partnership with Incline Bike Project (IBP), and review, discuss and possibly continue this item to a future Board of Trustees meeting to allow public review and comment (Requesting Staff Member: Director of Community Services Sharon Heider) *(was Agenda Item H.2)*

Director of Community Services Heider gave an overview of the submitted materials.

Trustee Callicrate said great job on putting this together. He has been in contact with folks from Incline Bike Project and this is a great opportunity and he has been in support of this since he heard about it. What is the annual maintenance and who will it be contracted out to. Director of Community Services Sharon Heider said Staff doesn’t have an estimate on the annual maintenance and that the estimated cost for construction is $250,000. Staff will get the costs and develop a memorandum of understanding and then bring back those points of detail. What we think will happen is there will be some nuances as Incline Bike Project has offered to help with maintenance such that they maintain the track and we would maintain the landscape around it. Trustee Callicrate said, regarding the skate park, that he would like Staff to move forward on that and see if there is an organization that wants to raise the money as we have only completed Phase 1 of three phases and that there might be people out
there that want to work on it. Trustee Callicrate concluded by stating that he definitely wants to move forward on the pump track.

Trustee Horan asked how this fits into the master plan. Director of Community Services Heider said that it is anticipated in the master plan and that the Board’s decision will guide. When we did the last master plan, the pump track wasn’t in it as this is a new sport that has bubbled up. We would incorporate it into the master plan if approved and if not approved, the land would be available for other uses. Trustee Horan asked if the space was really adequate for what we are considering and is it limiting future growth. Director of Asset Management Brad Johnson said of the inventory of existing lands, this is a good fit for this type of park. It is 1.5 acres which is a squeeze size and it would limit future growth but that the limit is at very advanced features i.e. double black diamond which is available elsewhere. The proposal is a wide ranging bike park where a progression of skills would be a good fit. It complements our Recreation campus and there are no sacrifices as it is a quality park and the land and space work very well.

Trustee Hammerel thanked Staff for the presentation. Mr. James approached him and he has worked really hard on this program and has gathered a lot of donations. One of the intriguing elements is being able to move the dirt, wipe it clean, and then start over again. Just by the sheer interest and dollars raised and the number of volunteers, it would be foolish to turn this down. Personally, this is the family skate park of 2017 and he can’t wait to see it done.

Trustee Horan said he can get very supportive of this project and he understands that activities are going to change. The supporters have said there is a large young population and with the support that has already been given, he would be in support of the development of a memorandum of understanding to get more facts and additional community input.

Trustee Dent said that moving forward with the memorandum of understanding would be the logical next step and allow us to be able to have a better understanding of it. He didn’t find the $270,000 amount but he did find the material about Incline Bike Project paying for the design; he is in support of moving forward.
Chairwoman Wong thanked Staff for bringing this item forward and thanked Incline Bike Project for their hard work and for working on this project; she appreciates everyone’s work.

Trustee Hammerel made a motion to receive a presentation on the pump track conceptual plan, direct Staff to prepare a Memorandum of Understanding (MOU) for partnership with Incline Bike Project (IBP), and continue this item to a future Board of Trustees meeting to allow public review and comment. Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, hearing none, called the question and the motion was unanimously passed.

H.2. Review, discuss and possibly approve a letter of support for the Incline Flume Trail (Requesting Staff Member: Director of Community Services Sharon Heider) (was Agenda Item H.3)

Director of Community Services Heider gave an overview of the submitted materials.

Trustee Callicrate thanked Staff for this presentation and said that this is a phenomenal trail and that he is in full support of this item.

Trustee Horan asked about the financial impact. Director of Community Services Heider said a portion of the trail runs through Diamond Peak so she assumes there would be an access easement but that there are no anticipated costs for IVGID.

Trustee Dent thanked Staff for working on this and that he knows that a lot of time and effort has gone into this. Director of Community Services Heider said it was just a matter of timing and it took a bit of time to get us here.

Trustee Hammerel made a motion to approve the letter of support included in the packet for the Incline Flume Trail. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, hearing none, she called the question and the motion was unanimously passed.
H.3. Review, discuss and possibly approve Resolution No. 1853 in Support of Comprehensive Federal Public Lands Legislation and review, discuss and possibly approve the list and map of Public Lands Identified for Transfer to District Ownership (Requesting Staff Member: Director of Asset Management Brad Johnson) (was Agenda Item H.7)

Director of Asset Management Johnson gave an overview of the submitted materials.

Trustee Callicrate said, to answer a couple of concerns about a dog park, that parcel number four, which is right across from the high school, has been scoped out as one of those parcels and if not that one then there might be another one that could be a great opportunity. This is a great opportunity to have control so he is in full support of this transfer.

Trustee Horan said he supports this as well and that one of the important items is that one of the parcels that is now leased might come back to us. Director of Asset Management Johnson said that is correct and they are parcels number six and eight and that the District does write an annual check in the amount of $30,000 for the special use permit.

Trustee Hammerel said that he loves all this stuff in theory and that he is fully onboard with this but on agenda packet page 170, he doesn't like the third paragraph and the words “economic development” because is not what IVGID should be in charge of rather it is recreation and conservation. He noted that economic development is repeated again on page 171 and that he would feel more comfortable if economic development could be struck from the resolution as it is not in accord with the mandate of a general improvement district. District General Counsel Guinasso said that economic development may not have the broad meaning so he would caution on striking it from a legal perspective. Trustee Hammerel said he may be nitpicking here but that he is extremely sensitive to economic development.

Trustee Horan asked if the acquisition comes with conditions. Director of Asset Management Johnson said in our case the land would be transferred for public use but that the language hasn’t been released. Our understanding is where direct land transfer occurs from the United States Forest Service to IVGID it would be limited for public use and that if that public use were to defray from that public use then the United States
Forest Service may have a claw back clause. The broader language is contained within because this is much larger and that IVGID is a very small component as the economic development part is with Reno, Sparks and Washoe County. Trustee Horan said so this is boilerplate. Director of Asset Management Johnson said yes. Trustee Horan said we will have a say with the use so we really are not locked into what it is to be used for so this language doesn’t bother him.

Chairwoman Wong thanked our Staff as well as our Congressional Leaders Heller, Reid, and Amodei and our Legislative Advocate Marcus Faust for their work. When we went back to Washington D.C., this was a high item on the list of items discussed. This is well beyond us at IVGID as this is being worked on at a national level so she would like to recognize them for their work.

Trustee Horan made a motion to:

1. Approve Resolution No. 1853 in support of comprehensive federal public lands legislation and participate in the Washoe County Economic Development and Conservation Act process.

2. Approve the list and map of federally managed public lands identified for transfer to District ownership.

Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, hearing none, she called the question and the motion was unanimously passed.

At 8:00 p.m., Chairwoman Wong called for a break; the Board reconvened at 8:10 p.m.

H.4. Review, discuss and possibly approve Resolution No. 1852 for Proposed Amendments to IVGID Solid Waste Ordinance No. 1, entitled “An Ordinance Regulating Solid Waste Matter and the Collection, Removal and Disposal Thereof” (Requesting Staff Member: Director of Public Works Joe Pomroy) (was Agenda Item H.1)

Director of Public Works Joe Pomroy gave an overview of the submitted materials.
Chairwoman Wong said, as a Board, we have discussed Ordinance 1 at five meetings.

Trustee Callicrate said he is the odd man out. We have discussed offense costs and he is not great with the fines; he knows that we have already discussed that and it has moved forward. He is not sure if he is going to vote for or against this. We need to distinguish, for the community, the difference between the ordinance and the franchise agreement and that they are two separate items. It would behoove the community, in every single communication, that we include a friendly reminder that the ordinance regulates how we do this and that the franchise agreement is the day to day. We need to get that out in a more concise way to say that these are the changes and get that out to the community. The franchise agreement is in the tweaking stage and we are working with Waste Management on it. He doesn’t know how to better do this but that there has to be a way to get these changes out and how this is different from the franchise agreement.

Chairwoman Wong said that the franchise agreement and the ordinance are two separate things and the two can’t conflict with each because we will get into trouble. There is a lot of language updating in the ordinances and changes in the franchise agreement; these two documents work in tandem but are two separate documents.

Trustee Callicrate said it is more customary to have the ordinance first and then the franchise agreement which is what should have been done because the whole circular argument is what got us in trouble.

District General Counsel Guinasso said that the ordinance sets the framework for the work. The District made substantial revisions to the ordinance a year ago and during that period of time the franchise agreement was in negotiation. Those negotiations resulted in more day to day operations being taken on by Waste Management and there is no perfect world for these things. For the franchise agreement, taking a couple of extra months to negotiate was appropriate.

Trustee Callicrate said since we have another very pressing situation with Ordinance 7, let’s make sure we take care of the ordinance first before we do anything if we are able. District General Counsel Guinasso said that
Trustee Callicrate's points are well taken and we will try and choreograph that better.

Chairwoman Wong said that trash is dealt with on a weekly basis so we are always in a cyclical basis.

Trustee Dent said that earlier this evening someone mentioned that Washoe County was doing something with Waste Management so are we allowed to join that agreement and could that be a better route. District General Counsel Guinasso said that one of the purposes which IVGID was created for, through the enabling ordinance, was to deal with garbage so that rests solely with IVGID who has the independent responsibility to deliver so it is not appropriate to join. Trustee Dent said but is this a better opportunity. District General Manager Pinkerton said that the District has a separate franchise agreement as our circumstances are completely different to others who are not thirty five miles away and located in a mountain region with completely different conditions. It is not the same as down the hill and the use of equipment is different - there are no bear proof containers nor weekly recycling; it is an apples and oranges comparison. To compare us with others around the lake is analogous for comparing us. Trustee Dent said has anyone talked to Washoe County because just because we are handling our own trash doesn't mean we don't have the ability. District General Counsel Guinasso said that Washoe County doesn't want us and that's why the enabling ordinance. Trustee Dent said that he sees this as not playing by the rules - reference Policy 3.6 and he will be voting against this item.

Chairwoman Wong said that we are revising the ordinance, negotiating, and then revising the ordinance and that Mr. Hansen came to us with the additional services that Waste Management is looking into and that it is a consistent perpetual cycle and of making the ordinance better.

Director of Public Works Pomroy said that we did a change in service and then an ordinance match.

District General Counsel Guinasso said that we are always making tweaks and revisions and always reviewing and that the District hired specific legal counsel to make sure we are paying attention to various items and that we have a policy to address this so it is more of a dance than a march and we are learning the rhythm of the dance rather than the order of the march.
Trustee Callicrate said that Trustee Dent brought up an interesting point and that is that we need to buckle down, from a Board level, on all of our ordinances. We have rules and regulations that we ascribe to and we need to get back to following our own rules and be a little more diligent. He understands that we can’t control the cyclical activities but that we do have rules to follow. We can’t go off on a tangent by picking and choosing as it sends a vague message to the community. The rules apply across the board and he thinks that was what Trustee Dent was referring to. He came in as opposing but we will be more adherent to our own policies, etc. therefore he would be more in tune to support this and move forward.

Chairwoman Wong said that she recalls the discussion at the last meeting and that was that we need more discussion to happen so let’s approve this ordinance and then address the items. This all speaks to the process and the dance to all of our ordinances and policies. She has never been part of an organization where all the policies have been set and not changed and that is dangerous because that means they are not addressing the needs of our community, etc.

District General Counsel Guinasso said so it is clear and for the record, the District is in no violation of any rule or statute in arriving at this point of decision today with Ordinance 1.

Trustee Horan said that he has received copies of the e-mails about fines and that the position on fines is we don’t want to have Staff making their budget by fining people rather we want to move to containerization and be reasonable with working with the community. He has received objections about decision making but someone has to make the decision so he is ready to move forward.

Trustee Hammerel said that the Director has a lot of power and last time we included an appeal process so he would underline what has already been said and that is that this ordinance has been through multiple meetings and that it is not 100% but it is 99.99% so he is happy to vote on this tonight as it has been a long time coming.

Trustee Hammerel made a motion to approve Resolution No. 1852 amending IVGID Solid Waste Ordinance No. 1, entitled “An Ordinance Regulating Solid Waste Matter and the Collection, Removal and Disposal Thereof”. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none,
called the question - Trustee Dent voted opposed and Trustees Hammerel, Horan, Callicrate and Wong voted in favor; the motion passed.

H.5. Presentation: Golf Courses: 2016 Wrap Up and Review, discuss and possibly approve Golf Courses 2017 Key Rates (Requesting Staff Member: Director of Community Services Sharon Heider; presented by Director of Golf Michael McCloskey) (was Agenda Item H.4)

Director of Golf Michael McCloskey gave the PowerPoint presentation that was included in the packet.

Trustee Dent said that we have round versus revenue which is half of the picture so where we with are expenses and why aren’t they included. Director of Golf McCloskey said that we are presenting this from a strategic viewpoint and setting our rates and that Staff is always looking at expenses which we will dive much further into in the budget presentation in the spring. Trustee Dent said having this be all revenue based, in a way, is incomplete. When we get to the budget meeting, we need to have the expenses plugged in here. Director of Golf McCloskey said we will match our revenue to rounds so he will elaborate a little more then.

Chairwoman Wong asked what was included in the cost per round. Director of Golf McCloskey said all the uses and that Staff has excluded capital and things we don’t control at an operational level.

Trustee Dent said when it comes to overall strategy is it our strategy to drive rounds. Director of Golf McCloskey responded yes, in part. Trustee Dent said so once we find all the rounds and are maxed out on rounds and dynamic pricing strategy what are we going to do - focus on expenses. Director of Golf McCloskey said the golf industry fluctuates so much so we stay on top of the industry standards and our strategy changes as golf goes on. We are doing as much as we can in revenue while maintaining service levels for our customers and scalable expenses is something we look at and as an example if it is raining we scale back and don’t use as much labor. The transition of golf and the challenge of how golf is growing may not be as great as other items like bocce, etc. so we stay consistent and make it equal because years ago it was the other way around. Trustee Dent said he knows you are looking at your costs so he just wanted to throw it out there.
Trustee Callicrate said that he has to echo what Trustee Dent brought up and that he knows it is going to come out in the budget but we have to know what the bottom line costs are and we have talked about this before. Staff has done an incredible amount of work and he is hopeful that in the future we will get to an executive summary situation for all of our reports as this is a lot of information to digest and while it is very thorough, he would appreciate a very concise one to one and a half page summary that contains both written and visuals as he learns better that way. Trustee Callicrate continued that this will help with the community but that Staff did a great job but there is a lot of information and this is the last meeting before this goes to press so let’s tighten it up for next year. It is a lot of information to absorb and, for the future, we have to get the costs into the mix to give a truer picture; he appreciates all the hard work that has been done.

Trustee Dent asked where we are with our expenses, in 2016, for the Mountain Golf Course. Director of Golf McCloskey said we are slightly higher than where we were in 2015 and that it is mainly in the food and beverage area. Trustee Dent said and that is where the revenue increase occurred. Director of Golf McCloskey said he doesn’t have the exact information but he will get it to the Board.

Trustee Hammerel said that Staff has done a great job at the applicable courses. In looking at the Championship Golf Course and removing the seasonality and the weather, it looks like apart from the residents, with the new point-of-sale Staff has the capability to market locally especially to those looking for the last minute deal. Thus, where is the breakeven versus wear and tear on the course and can you send out a blast with an amazing rate to get the numbers back up while generating a little bit of revenue. We all understand the aging demographic but this is a huge opportunity and we know that Staff is striving to do everything they can but that he thought he would share the ideas he came up with. Director of Golf McCloskey said that the new software will have CRM and push notifications and that there are floors and ceilings to yield management but that the new software has a good analytic tool to help us with all of this.

Trustee Horan said that he echoes a little bit of Trustee Dent’s concern about expenses and he understands about wanting to get pricing set but that as we go through the budget process Staff has to make the expenses a bigger part of the equation and look very hard at the expense area but
that he understand why is not included now but as we move through the budget process it must be included.

Trustee Hammerel made a motion to receive the presentation: Golf Courses: 2016 Wrap Up and approve Golf Courses 2017 Key Rates. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, hearing none, called the question and Trustee Dent voted opposed and Trustees Callicrate, Wong, Horan and Hammerel voted in favor; the motion passed.

H.6. Presentation: Facilities: 2016 Wrap Up and Review, discuss and possibly approve Facilities 2017 Key Rates (Requesting Staff Member: Director of Community Services Sharon Heider; presented by Event Manager Cathy Becker) (was Agenda Item H.5.)

Event Manager Cathy Becker gave the PowerPoint presentation of the submitted materials.

Trustee Callicrate commended Staff as they have done a tremendous job especially with all the difficulties. We have a tremendous bang for the buck because when they go two miles down the road they will pay an arm and leg. He has been concerned with the picture pass holder charges but he knows that Staff has been making it more viable for those that book late, etc. so congratulations on a tremendous job.

Trustee Hammerel said mike drop; this is great to have a model of having the visitors pay for venues that locals use and it is a model we strive to have District wide so congratulations on all the great stuff.

Chairwoman Wong said that she has heard nothing but positive feedback for the events Staff puts on so she wanted to pass that along.

Trustee Horan asked what was the basis for the venue fees paid by the community groups. Events Manager Becker said it was based on better yield management as we are listening to the fact that the community wants to use it more. Trustee Horan said so usage is going up, revenue went down and is that a result of decreasing the charges and how much is that bringing it down. Events Manager Becker said it is a result of yield management and as an example when there is a celebration of life we open our doors more.
Trustee Dent asked about the 84% increase in food and beverage and why is that. Events Manager Becker said the number of guests coming to weddings has been growing and the hosts have been going for higher priced items; we did a lot of taco bars in 2010. Trustee Dent said that the guests are up 36% which is up two and half times. Events Manager Becker said we do more appetizers, more bars, and the wedding business is going up. Trustee Dent said what about expenses; Event Manager Becker said we did come in under budget and we will share that in our next presentation. Trustee Dent said congratulations on your hospitality awards as they will go a long way in driving business in the future.

Trustee Horan asked if availability of lodging has an impact. Event Manager Becker said yes, absolutely, and she would love it if the District would build her a few small houses as lodging is one of her biggest challenges and if she loses a wedding it is because of accommodations or not being on the lake.

General Manager Pinkerton said that this relates to the rates we are charging and that it forces higher food minimums and that the community events are a mix from sit downs to popcorn like we had tonight.

Trustee Callicrate said he too would also like to see the expenses and do so all across the board to get a clear picture; Staff is doing a stellar job.

Trustee Callicrate made a motion to receive the Presentation: Facilities: 2016 Wrap Up and approve Facilities 2017 Key Rates. Trustee Hammerel seconded the motion. Chairwoman Wong asked for comments, receiving none, she called the question and the motion was passed unanimously.

H.7. Review, discuss and possibly authorize an Engineering Services Contract for the Effluent Export Project – Phase II – 2016/2017 Capital Improvement Program Budget: Fund: Utilities; Division: Sewer; Project # 2524SS1010; Vendors: HDR Engineering in the Amount of $85,000 (Requesting Staff Member: Director of Asset Management Brad Johnson) (was Agenda Item H.6)

Director of Asset Management Brad Johnson gave an overview of the submitted material.
Trustee Dent said we already have $7.9 million dollars in carryover projects so why are we continuing to spend funds that aren’t being spent. Director of Asset Management Johnson said that this will come from that current budget and that the plan is to pre-collect funds for a comprehensive pipeline replacement. In order to collect for a fifteen to twenty million dollar project, the District will be collecting over an extended period of time and continue to build towards a construction contract. Trustee Dent asked so how do we know, as Trustees, what has been expended. Director of Asset Management Johnson said that we can discuss this at our budget meeting and Staff can break it into smaller multi-year tracking that goes into our annual capital reports. This contract is ultimately dwarfed by the long term for construction.

Chairwoman Wong asked what is the status of the long term goal to co-locate under the bike path project. Director of Asset Management Johnson said we went through a series of condition assessments in 2015 and we would have to do individual runs based on the thickness of the pipe because of multiple wall thicknesses so recalibration is needed. The equipment, when pulled out, was so damaged that we couldn’t do those additional runs. The next section to move forward is at the thicker walls so we can understand about the replacement amount with the ultimate goal to see how much we can keep. We are hoping to do the data collection in the fall of 2017. The PICA tool is being modified so that we can do the scoping and designing. The immediate repairs is to buy us some time and one route for additional funding is the United States Army Corps of Engineers who is now allowed to talk with us and we are starting those talks immediately. As to the co-location, we are working with those agencies to pursue transportation funding and then hopefully to reduce construction costs. This is moving through the planning process and the upfront work is focused on reducing costs for the project.

Trustee Hammerel made a motion to:

1. Authorize an additional services addendum with HDR Engineering totaling $85,000 for engineering services associated with the Effluent Export Project – Phase II.

2. Authorize Staff to execute the necessary contract documents.
Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question - the motion was unanimously passed.

Chairwoman Wong, at 9:45 p.m. called for a five minute break; the Board reconvened at 9:50 p.m.

**H.8. Review, discuss and possibly accept the presentation of and the acceptance of June 30, 2016 Comprehensive Annual Financial Report including an Unmodified Report by the District’s Auditor including the Change in Accounting Principle (Requesting Staff Member: Director of Finance Gerry Eick)**

Director of Finance Gerry Eick gave an overview of the packet materials and stated that the Audit Committee reviewed the report and accepted same.

Trustee Horan said that the Audit Committee met at 4 p.m., for about an hour, and talked about the Audit Reports and financial reports. He then provided the following summary for Trustees Callicrate and Dent:

- The discussion was about financial condition;
- The report complies with the State of Nevada in content and form;
- Our auditor acknowledged the correspondence received and he addressed those items;
- The information provided to the State is different than that provided to the public;
- GASB 33, 34 and 54 has applicability for items such as special funding, exchange versus non-exchange, and punch cards;
- Build up has evolved over time with different auditors;
- The District has gone to the State of Nevada Local Government Finance Committee and the State of Nevada Department of Taxation and we are in compliance and this has been validated in the report included in the Board Packet;
- We talked about the report being not easily understood but that the items can be reconciled;
- Asked the General Manager if he has met with the community and he acknowledged that he has;
- Asked Mr. Carter if the questions that were asked, by members of public, were considered in the review of the unmodified opinion and he answered in the affirmative;
We have a Director of Finance who is very knowledgeable and an audit firm that is in the top 25;
This audit firm has given us an unmodified report, we got validation, and it is his assumption that we will get the same from the State of Nevada; and
He is recommending approval of the June 30, 2016 Comprehensive Annual Financial Report including an Unmodified Report by the District’s Auditor including the Change in Accounting Principle.

Trustee Hammerel made a motion to accept the June 30, 2016 unmodified audit report, including the Change in Accounting Principle, and direct Staff to file the Comprehensive Annual Financial Report (CAFR) with the State of Nevada and make it generally available for public use. Trustee Horan seconded the motion. Chairwoman Wong asked for comments, receiving none, called the question - Trustees Callicrate and Dent voted opposed and Trustees Hammerel, Horan and Wong voted in favor - the motion passed.

H.9. Review, discuss and possibly select Eide Bailly, LLP as the District’s Audit Firm for Audit Services for Fiscal Year Ending June 30, 2017; Cost would be $54,000 (Requesting Staff Member: Director of Finance Gerry Eick)

Director of Finance Eick gave an overview of the submitted materials and said that this was brought to the Audit Committee where it was discussed and is now being brought to the Board because the Board requested it and that March 31, 2017 is the deadline but that the Board asked to look at doing this at an earlier date thus this agenda item.

Trustee Horan said that he supports the recommendation and that the question was asked about the additional costs that might have been required due to requests by the community. Director of Finance Eick said yes that was brought up and that the fee was for the basic audit and that they have provisions that if they encounter additional work they will bill for that. This past year's bill included just over $4,000 in additional costs and those additional costs relate directly to the correspondence submitted by members of the public and those requests needed to go over the local office to their national offices.
Trustee Hammerel said that he has made this request before; are there any Trustees who will be voting against any kind of proposed motion and if so can they make their opinions known now to both the Board and the public.

Trustee Callicrate said he is not going to vote in favor of continuing with this audit firm as we need to go out and look at another auditing firm as he would like one that is more thorough and does an in depth look at our books like a forensic audit.

Trustee Dent said that he agrees and that this is a limited audit. We have a new Board coming in and thus he doesn’t understand what the sense of urgency is so he would like to wait until January and then discuss expanding the scope of work as well as interviewing other auditors.

Trustee Hammerel said that this Board approved a five year contract with Eide Bailly and that he wanted to hear the concerns. The contract allows us to opt out in any year so we are not committed to it but that he feels this is appropriate today.

Trustee Hammerel made a motion to designate Eide Bailly, LLP as the District’s audit firm for the fiscal year ending June 30, 2017, under their multiyear contract as outlined under the financial section. Trustee Horan seconded the motion.

Chairwoman Wong said no matter what auditing firm we use, there are standards they have to meet. Eide Bailly is held to a standard and have peer reviews so she is not sure the service would be any different. We did agree to a five year contract, Mr. Carter is a fairly new partner as this is his second year so it is like having a new auditor and switching would be an added cost to the District when she doesn’t see anything that is wrong. Eide Bailly has done a great job, met her expectations, and answered all her questions so she will be voting in favor.

Chairwoman Wong asked for any further comments, receiving none, called the question - Trustees Callicrate and Dent voted opposed; Trustees Hammerel, Horan and Wong voted in favor; the motion passed.
I. REVIEW WITH BOARD OF TRUSTEES, BY THE DISTRICT GENERAL MANAGER, THE LONG RANGE CALENDAR (for possible action) (was Agenda Item O.)

General Manager Pinkerton went over the long range calendar and the Board agreed to do the training they weren’t able to do in December on January 11 along with swearing and then do a regular meeting on January 18.

Trustee Callicrate left the meeting at 10:05 p.m.

J. DISTRICT STAFF UPDATE (was Agenda Item I.)

J.1. General Manager Steve Pinkerton
   ❖ Budget and Finance
   ❖ Information Technology
   ❖ Washoe County Community Area Plan
   ❖ Federal Legislation: Lake Tahoe Restoration Act

General Manager Pinkerton gave an overview of all the above items.

K. APPROVAL OF MINUTES (for possible action) (was Agenda Item J.)

K.1. Regular Meeting of November 16, 2016

Chairwoman Wong asked the Board for changes, no changes were offered by the Board, and the minutes were approved as submitted.

L. REPORTS TO THE IVGID BOARD OF TRUSTEES* (was Agenda Item K.)

L.1. District General Counsel Jason Guinasso

District General Counsel Guinasso said, regarding the Katz litigation, that an opening brief on the original appeal was filed by Mr. Katz who is representing himself. It contended that the District exceeded its power as did the Judge. The opening brief is voluminous and the Nevada Supreme Court has ordered our attorneys to not respond. Mr. Katz also appealed the attorney fees and costs and he is being represented by Mr. Cornwell who filed a motion for a stay to prevent enforcement, the motion was opposed, and we are awaiting that decision. If Mr. Katz prevails, he must post a bond. If Mr. Katz fails, then he is immediately responsible for the
fees and there is an entire array of discovery tools that would be available to us.

Trustee Hammerel asked if the discovery tools included making these public meetings. District General Counsel Guinasso said yes and that he would recommend we post the deposition. Trustee Hammerel said he agreed.

Chairwoman Wong said on the first item is it unusual that the Nevada Supreme Court tell us not to respond. District General Counsel Guinasso said that he has never had a court say that and that we have to wait for the court to review the brief. It really telegraphs to us that the Nevada Supreme Court is struggling with the merits and that there are two likely outcomes - appeal is denied or court finds some merit and then will ask our legal counsel to argue one particular point. Chairwoman Wong said on the second item, is Mr. Katz going to have to come up with the funds either way - bond or pay us. District General Counsel Guinasso said yes as he can’t get a stay without posting a bond and we will either get our money with the bond or by pursuing Mr. Katz.

District General Counsel Guinasso said, regarding Government Sciences Group (GSG) aka Flashvote, that he received a note that they are terminating their contract with the District. It is his duty to inform members of the public that we are taking all the appropriate actions to protect the data in accordance with the contract and that GSG must deliver the electronic and paper copy within thirty days. The public should know that GSG is prohibited from using the IVGID logo or database and that if they are doing so it is without permission.

District General Counsel Guinasso said that he wanted to assure the Board that is working on codifying the District’s ordinances, etc. in order to create an IVGID General Code that is a comprehensive body of law and that we will discuss it in more detail at a later date.

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

Chairwoman Wong presented a Proclamation to Trustee Hammerel thanking him for his service on this Board. Trustee Hammerel said thank you to all the Staff
who does an incredible job with a lot of criticism which is unnecessary, thanked
the Trustees on the Board, both current and past, and said that this has been a
great learning experience. Tonight is bittersweet and that he has made tons of
mistakes but it is all part of the process. He also thanked Mrs. Eick and Mr. Dolan
for staying late and said that we have a great thing going on here.

N. CORRESPONDENCE RECEIVED BY THE DISTRICT* (was Agenda
Item M.)

District Clerk Susan Herron reported that correspondence had been received
from Linda Newman and Dick Warren and that it had been distributed and will be
included, in hard copy, in the next Board packet.

O. PUBLIC COMMENTS* - Conducted in accordance with Nevada
Revised Statutes Chapter 241.020 and limited to a maximum of three
(3) minutes in duration; see Public Comment Advisory Statement
above. (was Agenda Item N.)

Steve Dolan said that he wanted to talk about golf - the graphs showed
something which really seemed counterintuitive and that is that the usage is
going down and the cost is going up. We have two industries here that are
identical and have opposite seasons - ski and golf. Both have the same
demographic problem and weather and that made him think that during the
height of the drought, Diamond Peak really flourished and that it didn’t flourish
because of dynamic pricing. They flourished because they kept their prices low
and used industry standards to identify that price. They went in at $35 when
others were at $90 and they flourished because of the lower price situation. It
seems to him that reevaluating the structure to get the lines together would be
more helpful. The Championship Golf Course has high prices and they lost 20%
or something like that and then the Mountain Golf Course lost 1% or somewhere
in that range. So dynamic pricing should be focused around that lower price. The
Mountain Golf Course has lower prices that brought in customers, grew their
customer base, and brought in young people so he thinks the price structure
matters. Mr. Dolan concluded by wishing everyone a Merry Christmas.

P. ADJOURNMENT (for possible action)
The meeting was adjourned at 10:27 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 (8 pages): - Written Statement to be included in the written minutes of this December 14, 2016 Regular IVGID Board Meeting - Agenda Items D and H(1) - Public Hearing and Board Action re: Proposed Modifications to Solid Waste Ordinance No. 1

Submitted by Jeffry A Poindexter (1 page): - Input to 14 Dec 2016 Public Hearing on Ordinance 1

Submitted by Aaron Katz (4 pages): - Written Statement to be included in the written minutes of this December 14, 2016 Regular IVGID Board Meeting - Agenda Item H(2) - Approval of MOU with Incline Bike Project which puts IVGID on track to spend $270K or more on a mountain bike pump track

Submitted by Aaron Katz (2 pages): - Written Statement to be included in the written minutes of this December 14, 2016 Regular IVGID Board Meeting - Agenda Items D - Public Comment - Trustee Hammerel has disqualified himself from voting on any IVGID matter

Submitted by Aaron Katz (3 pages): - Written Statement to be included in the written minutes of this December 14, 2016 Regular IVGID Board Meeting - Agenda Item E - Public Comments - Pinkerton misstates the truth because he has an agenda to make local property owners think they are the cause of Staff's massive overspending

Submitted by Judith Miller (1 page): - Public Comment IVGID Boards of Trustees Meeting 12/14/2016

Submitted by Pete Todoroff (6 pages): - Washoe County Announcement - Top 5 things to know from the Washoe County Board of Commissioners meeting (12/13/2016)
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS DECEMBER 14, 2016 REGULAR IVGID BOARD MEETING – AGENDA ITEMS D AND H(1) – PUBLIC HEARING AND BOARD ACTION RE: PROPOSED MODIFICATIONS TO SOLID WASTE ORDINANCE NO. 1

Introduction: Here staff proposes modifications to Solid Waste Ordinance No. 1. For the reasons which follow, I protest and object to the adoption of those modifications. Moreover, if the recently modified solid waste franchise agreement is not in accord with the current version of Solid Waste Ordinance No. 1 and the subject proposed modifications are not approved, I ask that the recently modified solid waste franchise agreement be rescinded. And these are the purposes of this written statement.

Notice: Please explain to the community why this matter is subject to thirty days' notice by means of publication as if it involved modification to IVGID's Ordinance Nos. 2 (sewer) and 4 (water). NRS 318.199(2) declares 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 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." Yet according to staff and Mr. Guinasso, these notice provisions only apply to water or sewer resolutions/ordinances because of the NRS 318.199 description: "rates, tolls and charges for sewerage or water services or products." Why then is staff providing the notice required by NRS 318.199 for solid waste rates/tolls? Or stated differently, why doesn't the Board implement these same procedures for changes to the Recreation ("RFF") and/or Beach ("BFF") Facility Fees?

Although I do not object to 30 days' notice being given for changes to Solid Waste Ordinance No. 1, I do object to the fact staff exercises jurisdiction to pick and choose which matters will be the subject of 30 days' notice and publication, and which will not.

Objection to Trustee Hammerel's Ability to Vote: Mr. Hammerel is not qualified to vote on this matter because he is no longer qualified to serve as IVGID trustee. I incorporate my written statement on this subject which is submitted contemporaneously with this written statement.

We Don't Need IVGID to Contract for Solid Waste Disposal: Last month Washoe County approved a new trash franchise rate/service agreement with Waste-Management for the unincorporated portions of the county but not for IVGID. In other words, if IVGID were not contracting for solid waste disposal services in Incline Village/Crystal Bay, we would be covered by the county's franchise with Waste-Management.

____________________

1 Here the proposed modifications represent practices which will affect rates, tolls, charges, services or products.
I have prepared a spreadsheet which compares the key features of the county's franchise with Waste-Management to IVGID's, and it is attached to this written statement as Exhibit "A." As the reader can see, but for fees, the services provided are fairly comparable. Why then do we rely upon IVGID to contract for solid waste removal? Is the collector better than the county's? Is the service more expensive than the county's? Are the costs lower? The answers are no, no and no.

All this talk of how great a job of negotiating staff did with Waste-Management is just that; talk. The time has come for IVGID to get out of the Incline Village/Crystal Bay solid waste disposal contracting business. If it did, we would be paying considerably less than we are currently paying.

"The Laws of this State:" Addressing the substance of the subject proposed modifications, here they represent another example of IVGID acting as if it were a full-fledged municipality with the power to provide for the health, safety and welfare of its inhabitants. But it isn't. General improvement districts ("GiDs") are limited forms of local government. Their powers are restricted to those expressly "authorized in NRS 318.116" [NRS 318.055(4)(b)] "as supplemented by...sections of...chapter" 318 [NRS 318.077]. As such, a GiD Board's exercise of powers is pre-conditioned upon express grant by their County Board of Commissioners ("the County Board").

"Although IVGID's initiating ordinance granted it the basic power [NRS 318.055(4)(b)] to furnish facilities for sewer disposal and water supply, because Nevada has adopted Dillon's Rule² [Ronnow v. City of Las Vegas (1937) 57 Nev. 332, 341-43, 65 P.2d 133], it may only exercise those powers expressly granted or necessarily implied, and none others [A.G.O. 63-61, p.103 (August 12, 1963)].

When Chairperson Wong announced at the Board's regular October 26, 2016 meeting that she had attended a League of Cities' meeting where she learned the difference between "home" and "Dillon's" Rule, one would have expected she understood the limitations on IVGID's powers. But apparently she does not. For this reason those limitations will be discussed.

NRS 318.170(1)(e): states that "the board may, in connection with a district with basic powers relating to storm drainage facilities, sanitary sewer facilities, refuse collection and disposal facilities, and water facilities, or any combination of such facilities...make all other sanitary regulations not in conflict with the Constitution or laws of this State, and provide that any person who violates these regulations or ordinances shall be punished by a fine not to exceed $100 or by imprisonment not to exceed 1 month, or by both fine and imprisonment. Thus to the extent staff assert the Board may pass refuse collection and disposal regulations, let alone regulations providing for fines, let alone in excess of $100, such regulations are in conflict with the Constitution and the laws of this State. Why then is there an IVGID Ordinance No. 1?

² "Any fair, reasonable (or) substantial doubt concerning the existence of power is (to be) resolved... against the (municipal) corporation...the power is denied...(and) all acts beyond the scope of...powers granted are void" (Ronnow, supra, at 57 Nev. 343).
The Power to Legislate: Notably, nowhere in NRS 318 in general, nor NRS 318.116 specifically, are GIDS granted the power to pass laws or to legislate. And since IVGID is not a form of government with general powers, it may not pass laws which declare conduct to be unlawful, nor provide for imprisonment for their violation. Thus to the extent staff assert the Board may pass resolutions or ordinances declaring conduct to be criminal and provide incarceration as a penalty, those acts are in conflict with the Constitution and the laws of this State and I object.

The Power to Make Solid Waste Regulations: Although IVGID may have the power under NRS 318.170(1)(e) to make "sanitary regulations not in conflict with the...laws of this State," it has no power to make regulations "relating to...refuse collection and disposal facilities." Yet that's exactly what is being proposed by this proposed ordinance. Thus to the extent staff assert the Board may pass resolutions or ordinances regulating conduct related to refuse collection and disposal, those acts are in conflict with the Constitution and the laws of this State and I object.

Proposed Sewer Ordinance No. 1: For the reasons which follow, I expressly protest and object to the adoption of the following provisions of proposed modified Ordinance No. 1 | assert are beyond IVGID's jurisdiction and authority:

¶7.1 - which declares "it shall be unlawful for any person, firm, or corporation to erect, construct, enlarge, alter, repair, move, improve, remove, convert, demolish, equip, use, or maintain any waste container...in violation of this Ordinance."

Objection: IVGID has no power to declare any conduct to be unlawful.

¶7.2H - which declares "one or more of the following remedies are available to the District for failure of any person to comply with any provisions of this Ordinance...referring violations that may involve criminal conduct to the Washoe County Sheriff."

Objection: Although IVGID may refer criminal conduct to the Sheriff, it has no power to refer any conduct it has declared to be unlawful to anyone.

¶7.1.B.7 - which declares "a residential service violation shall include but not be limited to...anything in the judgement of the Director of Public Works which constitutes a violation of the General Provisions of this Ordinance."

Objection: Putting aside the fact IVGID has no power to declare any conduct to be unlawful, to the extent its Director of Public Works has the power to unilaterally determine what does and does constitute a violation of the proposed modified ordinance and thus becomes unlawful, this provision becomes unconstitutionally vague and unenforceable. And Mr. Guinasso knows this!

¶7.1.C.7 - which declares "a Commercial Service violation shall include but not be limited to...anything in the judgement of the Director of Public Works which constitutes a violation of the General Provisions of this Ordinance."
Objection: Putting aside the fact IVGID has no power to declare any conduct to be unlawful, to the extent its Director of Public Works has the power to unilaterally determine what does and does constitute a violation of the proposed modified ordinance and thus becomes unlawful, this provision becomes unconstitutionally vague and unenforceable. And Mr. Guinasso knows this!

¶7.2.B.5 - Fee schedule for residential noncompliance: 1st offence: mandatory enhanced wildlife resistant cart service. 2nd offence: $100-$999$^3$. 3rd and beyond offence(s): $500-$999$^3$.

Objection: There is nothing in NRS 318.170(1) which allows a GID to impose penalties for refuse collection and disposal ordinance violations. NRS 318.170(1)(e) declares that penalties are only authorized for sanitary sewer facility violations.

Notwithstanding and assuming arguendo NRS 318.170(1) allows for the imposition of penalties for refuse collection and disposal violations, the only permissible penalties are: "a fine not to exceed $100 or by imprisonment not to exceed 1 month, or by both fine and imprisonment." Nothing permits IVGID to compel a violator to involuntarily pay for enhanced wildlife resistant cart service or bear shed. Moreover, although a monetary fine may be permissible, it may "not...exceed $100." And nothing allows IVGID to compel a violator to install a bear shed in lieu of a financial penalty.

Disingenuously, Mr. Guinasso has declared IVGID may pass any regulation of its choosing as long as it is expressly NOT prohibited by the Constitution or the laws of the State of Nevada. What he espouses is the notion of "home rule" which is the exact opposite of Dillon's Rule. As stated above$^2$, Dillon's Rule declares that a local government may only exercise those powers expressly granted or necessarily implied, and nothing more. And should there be "any fair, reasonable (or) substantial doubt concerning the existence of power (it) is (to be) resolved...against the (municipal) corporation ...(and) all acts beyond the scope of...powers granted are void."

Moreover, even if Mr. Guinasso were correct, here the Board proposes taking action expressly prohibited by NRS 318.170(1). The only financial penalty permissible is one that does not exceed $100.

Fee schedule for commercial noncompliance: 1st offence: up to $999$^4$. 2nd and beyond offence(s): $500-$999$^4$.

Objection: Again, there is nothing in NRS 318.170(1) which allows a GID to impose a penalties for refuse collection and disposal violations. Penalties are only authorized for sanitary sewer facility violations.

Notwithstanding and assuming arguendo NRS 318.170(1) allows for penalties for refuse collection and disposal violations, the only permissible penalties are: "a fine not to exceed $100 or by

---

$^3$ With the proviso any financial penalty will be waived if the violator installs a bear shed within 60 days or some other mutually agreed time frame of being billed the penalty.

$^4$ With the proviso any financial penalty will be waived if the violator installs a wildlife resistant dumpster within 60 days or some other mutually agreed time frame of being billed the penalty.
imprisonment not to exceed 1 month, or by both fine and imprisonment." Although a monetary fine may be permissible, it may "not...exceed $100." And nothing allows IVGID to compel a violator to pay for a wildlife resistant dumpster in lieu of a financial penalty.

Again, Mr. Guinasso has declared IVGID may pass any regulation of its choosing as long as it is expressly NOT prohibited by the Constitution or the laws of the State of Nevada which is the exact opposite of Dillon's Rule. And again, even if Mr. Guinasso were correct, here the Board proposes taking action prohibited by NRS 318.170(1). The only financial penalty permissible is one that does not exceed $100.

Preemption: occurs when a higher level of government removes regulatory power from a lower level of government. Intrastate preemption is where a municipality's authority in a particular area has been supplanted by State law [87 BLR 1113, 1114, Intrastate Preemption (2007)]. And that is another issue insofar as the subject proposed ordinance is concerned.

It is from the State's inherent police power that local governments derive their authority from the State Constitution. Therefore local authority to regulate must be delegated (Id.). And when the Legislature has given no clear guidance regarding preemption, courts ask whether local authority has nonetheless been impliedly delegated (Id., at 1114-15)? Which again returns us to Dillon's Rule.

Because preemption only occurs when two levels of government operate within the same sphere (Id., at 1122), Nevada is a Dillon's Rule regime, GIDs are limited forms of government not vested with general powers, and express grants of authority to GIDs from the Legislature are virtually nonexistent, GIDs are effectively precluded from engaging in any substantive policymaking. Yet that hasn't stopped IVGID.

Uniformity: represents the reason for preemption. NRS 318.170 is a general law because it operates "alike upon all persons similarly situated" statewide. Proposed modified Ordinance No. 1 is a local law because "it operates over a particular locality instead of over the whole territory of the State" [City of Fernley v. State Dept of Taxation (2016) 132 Nev. Adv. Op. 4, 366 P.3d 699, 708]. Thus proposed Ordinance No. 1 represents "special legislation" because it "imposes peculiar disabilities, or burdensome conditions in the exercise of a common right" [Clean Water Coalition v. The M Resort, LLC (2011) 127 Nev. 301, 255 P.3d 247, 254]. Where a statute is local or represents "special legislation" and it does not come within any of the cases enumerated in Article 4, §20 of the Constitution (and here Ordinance No. 1 does not), its constitutionality depends upon whether a general law can be made applicable (Id.). Stated differently, "all laws shall be general and of uniform operation throughout the State...in all...cases where a general law can be made applicable" [Article 4,

5 Article 8, §8 of the Constitution declares it shall be the Legislature which provides for the organization of general purpose governments, and restricts their powers. Since the Legislature has provided for the organization of GIDs, their powers are similarly restricted.

6 Nowhere in NRS 318.116 can a GID be granted the basic power to legislate or pass laws.
§21 of the Constitution]. Because proposed modified Ordinance No. 1 is applicable only to solid waste disposal within IVGID boundaries (Id., at 255 P.3d 250), it cannot be made applicable throughout the State.

**Conclusion:** Please understand what's really going on in our community. People like Chairperson Wong and Trustees (former) Hammerel and Horan have this philosophy that "the ends justify the means," regardless of what our laws declare. Their positions are to support and "rubber stamp" staff's "social engineering" initiatives which by-and-large place members of the public in the position of being forced to file lawsuits if they don't like what the Board has done (and then look at the chilling consequences). This is wrong. I urge all trustees to exercise their considerable power to think for themselves and reject the portions of proposed Ordinance No. 1 identified above as acts in conflict with the Constitution and the laws of this State.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because No One Else Seems to be Watching).

---

7 Since staff reports that nearly two-thirds of local property owners are either non-citizens, non-natural persons, nonresidents, or they own more than one property within IVGID's boundaries (and thus because of the "one man, one vote principle" they are disenfranchised to the extent they are limited to a single vote), the overwhelming majority of persons with the greatest interest in matters such as Ordinance No. 1 are disenfranchised from voting for/against trustees.
<table>
<thead>
<tr>
<th>Description</th>
<th>County</th>
<th>IVGID</th>
<th>Monthly County Rate</th>
<th>Monthly IVGID Rate</th>
<th>IVGID Surcharge</th>
<th>Monthly County Franchise Fee</th>
<th>Monthly IVGID Franchise Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collector Supplied 32 Gallon Residential Waste Container</td>
<td>✓</td>
<td></td>
<td>-</td>
<td>$22.71</td>
<td></td>
<td>$2.06</td>
<td></td>
</tr>
<tr>
<td>Collector Supplied 64 Gallon Residential Waste Container</td>
<td>✓</td>
<td>✓</td>
<td>$19.84</td>
<td>$23.01</td>
<td>15.98%</td>
<td>$0.94</td>
<td>$2.09</td>
</tr>
<tr>
<td>Collector Supplied 64 Gallon Senior Residential Waste Container</td>
<td></td>
<td></td>
<td>$19.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collector Supplied 96 Gallon Residential Waste Container</td>
<td>✓</td>
<td>✓</td>
<td>$23.93</td>
<td>$25.43</td>
<td>6.27%</td>
<td>$1.14</td>
<td>$2.31</td>
</tr>
<tr>
<td>Collector Supplied 64 Gallon Residential Recycle Container</td>
<td>✓</td>
<td></td>
<td>$107.58</td>
<td></td>
<td></td>
<td>$5.12</td>
<td></td>
</tr>
<tr>
<td>Collector Supplied 1 Yard Commercial Dumpster Once/Week</td>
<td>✓</td>
<td></td>
<td>$152.90</td>
<td></td>
<td></td>
<td>$7.28</td>
<td></td>
</tr>
<tr>
<td>Collector Supplied 2 Yard Commercial Dumpster Once/Week</td>
<td></td>
<td></td>
<td>✓</td>
<td>$217.11</td>
<td></td>
<td>$19.74</td>
<td></td>
</tr>
<tr>
<td>Collector Supplied 3 Yard Commercial Dumpster Once/Week</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>$215.23</td>
<td>32.39%</td>
<td>$10.25</td>
<td>$25.90</td>
</tr>
<tr>
<td>Collector Supplied 4 Yard Commercial Dumpster Once/Week</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>$284.94</td>
<td>36.38%</td>
<td>$14.93</td>
<td>$38.87</td>
</tr>
<tr>
<td>Collector Supplied 6 Yard Commercial Dumpster Once/Week</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>$427.57</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess 32 Gallon Waste Stickers</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess 32 Gallon Yard Waste Only Stickers</td>
<td>96</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Transfer Station Drop Offs</td>
<td>4</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free Senior/Disabled Side/Rear Yard Service</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

169
Kendra Wong

Subject: Input to 14 Dec 2016 Public Hearing on Ordinance 1

I strongly object to the proposed changes to Ordinance 1 and provide the following specific changes, and request for change.

Reference 3.5: Waste Management should have no access to anything but the exterior of a residence.
Reference 5.5: add "...but shall be published."
Reference 6.1: Customer should be able to discontinue service – provide words to that effect.
Reference 7.1.B.2: Delete in its entirety. Waste Management should have no authority manage waste left outside a building, only waste left outside a container.
Reference 7.1.B.7: Delete in its entirety. If Waste Management thinks of anything else specific they can hold another public hearing.
Reference 7.2.B.5: Delete and replace with something that:

1. Differentiates between a problem with an Animal and a problem with other issue with waste. This is Nevada, not California and we should not have an Ordinance focused on going after owners who are violating waste management rules rather than revenue generation. Recommend the following:

<table>
<thead>
<tr>
<th>Animal Infractions</th>
<th>Waste Infractions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Violation: Provide the owner a notice with specifics on the violation</td>
<td>1st Violation: Provide the owner a notice with specifics on the violation</td>
</tr>
<tr>
<td>2nd Violation: Require the owner to use an Enhanced Wildlife Container</td>
<td>2nd Violation: Provide the owner a notice that service will be suspended upon the 3rd violation</td>
</tr>
<tr>
<td>3rd Violation: Suspend service until owner has worked with Waste Management to remedy the base problem</td>
<td>3rd Violation: Suspend service until owner has worked with Waste Management to remedy the base problem</td>
</tr>
</tbody>
</table>

Jeffry A Poindexter
615 Woodridge Circle
Incline Village, NV 89451
14 Dec 2016
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS DECEMBER 14, 2016 REGULAR IVGID BOARD MEETING – AGENDA ITEM H(2) – APPROVAL OF MOU WITH INCLINE BIKE PROJECT WHICH PUTS IVGID ON TRACK TO SPEND $270K OR MORE ON A MOUNTAIN BIKE PUMP TRACK

Introduction: Former Trustee Hammerel has been a proponent for NOT increasing IVGid’s recreation "footprint" because inevitably, it results in more capital expenditures requiring subsidization by the Recreation Facility Fee ("RFF"). Yet here staff is presenting more; a continuous loop of dirt berms and rollers at for the very first time revealed $270K or more! With a five year capital improvement plan calling for nearly $30M in expenditures over the next five years, where is the money going to come from? Moreover, since promoters do not propose that user fees will be assessed, where are the administrative, maintenance and improvement costs going to come from? And that's the purpose of this written statement.

For the Very First Time Staff Reveals a Cost of Over $270K: Each year at staff's urging, the Board approves a five year capital improvement project plan. Although the current Plan¹ calls for $20K in preliminary expenditures associated with this pump track (of which $9,700 has been spent to date²), and another possible $50K this fiscal year, it does not reveal the total contemplated costs³. Now for the first time that total cost is revealed, and it is a massive $270K or more!

This would be what Mr. Pinkerspin calls "nice-to-haves" except this time we know the cost. Where is the money going to come from to pay for their cost? And is this what the community had in mind when the previous budget was passed?

Why Isn't This Possible Project Part of the Community Services Master Plan? Where is the money going to come from to pay for it?

The Disc Golf Course: When a minor portion of our community wanted the land to construct and maintain a disc golf course, at their expense, they made a presentation which represented no cost to local property owners. Why hasn't this minor portion of our community done the same thing? Unless/until they do, this agenda item should be rejected.

³ To prove this point I have attached page 3 to the Plan as Exhibit "A" to this written statement, and I have placed an asterisk next to the project.
Conclusion: To have agreed to spend up to $70K now with another $200K on the horizon is irresponsible. Especially with another $30M in proposed recreation capital improvement project ("CIP") expenses over the next five years. Moreover, the community has spoken in recent surveys that they don't want new CIPs that will increase their RFF. Instead, they want the money spent on maintaining our existing recreation facilities. Is anyone listening?

And You Wonder Why the RFF and Beach Facility Fees Are Out of Control? I've now provided more answers.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because No One Else Seems to be Watching).
<table>
<thead>
<tr>
<th>Project</th>
<th>Project Number</th>
<th>Project Title</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>2016</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Ski Master Plan Implementation**

| Total | 215,000 | 215,000 |

**Parks**

| Total | 2,222,000 | 2,222,000 |

2016 - 5 Year Project Summary Project Totals
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS
DECEMBER 14, 2016 REGULAR IVGID BOARD MEETING – AGENDA ITEM D
– PUBLIC COMMENT – TRUSTEE HAMMEREL HAS DISQUALIFIED HIMSELF
FROM VOTING ON ANY IVGID MATTER

Introduction: At the Board’s regular October 24, 2016 meeting Mr. Hammerel announced he
would be permanently moving from Incline Village with no intent of returning other than making a
visit expressly for the purpose of voting at this December 14, 2016 meeting. Given the facts evidence
that Mr. Hammerel is no longer qualified to serve as IVGID Trustee, I and others I know object to his
voting on any IVGID matter. And that’s the purpose of this written statement.

Former Trustee Hammerel is No Longer Qualified to Vote: on any IVGID matter because he is
no longer qualified to serve as IVGID trustee because he no longer maintains actual as opposed to
constructive residency1. At or before the Board’s regular October 24, 2016 meeting, Mr. Hammerel
formed the intent to abandon his Incline Village residency prior to November 18, 2016. In support of
this assertion I point to his advertisement on craigslist (posting id: 5755535440) for the rental of his
former Incline Village townhouse condominium2; "available Nov. 18." I am informed and believe Mr.
Hammerel rented his former Incline Village domicile because he and his family have vacated that
domicile with the intent their domicile be someplace other than Incline Village (i.e., Jackson,
Wyoming), and it is currently occupied by others. I also point to an admission on his facebook that as
of November 19, 2016 at 9:16 P.M. that he had "just moved in(to his Jackson, Wyoming home)...full
time...today."3

NRS 281.050(1) declares that "the residence of a person with reference to eligibility to (hold)
office is the person’s actual residence within the State or county or district...during all the period for
which residence is claimed by the person." NRS 281.050(4) declares that "actual residence means the
place where a person is legally domiciled and maintains a permanent habitation." Although "if any
person absent himself or herself from the jurisdiction of that person’s residence with the intention in

1 NRS 283.040(1)(f) states that "every office becomes vacant upon the occurring of any of the
following events before the expiration of (an incumbent’s)...term...the ceasing of the incumbent to be
an actual, as opposed to constructive, resident of the State, district, county, city, ward or other unit
prescribed by law in which the duties of the incumbent's office are to be exercised, or from which the
incumbent was elected or appointed, or in which the incumbent was required to reside to be a
candidate for office or appointed to office." Mr. Hammerel has lost his residence in this State because
he has "remove(d himself) to another state (i.e., Wyoming), territory or foreign country, with the
intention of establishing his or her domicile there" (NRS 293.493).

2 A copy of that advertisement appears at page 199 of the packet of materials prepared by staff in
anticipation of this regular December 14, 2016 meeting ["the 12/14/2016 Board packet"

3 See page 200 of the 12/14/2016 Board packet.
good faith to return without delay and continue such residence, the period of absence must not be considered in determining the question of residence," here Mr. Hammerel's return to vote at this meeting is expressly not "with the intention in good faith to...continue such residence" because he is legally domiciled elsewhere.

Should Mr. Hammerel Refuse to Relinquish His Trusteeship, I and others will ask the District Attorney to "commence and prosecute, in a court of competent jurisdiction...proceedings for (a) judgment and decree declaring (his) office vacant" as NRS 283.040(2) provides. On December 6, 2016 at 9:39 A.M. Judy Miller asked Mr. Hammerel to resign as IVGID trustee for the domicile/residency reasons outlined above4. Although he did not respond to Ms. Miller's request, chairperson Wong did. And her response was that Mr. Hammerel intended to "serve out his term through the end of the year" because he "still owns property in Incline Village."5

Whether or Not the District Attorney Has/Will Commence Action to Declare Mr. Hammerel's Office Vacant, There is Now a Vacancy on the IVGID Board: NRS 281.050(2) declares that "if a person who has filed as a candidate for elective office moves the person's residence out of the State, county, district, ward, subdistrict or any other unit prescribed by law for which the person is a candidate and in which the person is required actually, as opposed to constructively, to reside, a vacancy is created thereby and the appropriate action for filling the vacancy must be taken. A person shall be deemed to have moved the person's residence for the purposes of this section if: (a) The person has acted affirmatively to remove himself or herself from one place; and, (b) The person has an intention to remain in another place." Given here Mr. Hammerel has voluntarily removed himself from Incline Village with the intention to hereafter be domiciled in and remain in another place, a vacancy has been created. If anyone should know what this means, it should be Mr. Guinasso!

Conclusion: If Mr. Hammerel appears at this evening's or any other IVGID Board/Committee meeting and votes as a trustee, for the reasons stated above the Board's action will be voidable. Please do not allow this to occur. Instead, please ask Mr. Hammerel to formally resign as he is required to do.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because No One Else Seems to be Watching).

4 See page 198 of the 12/14/2016 Board packet.
5 See page 197 of the 12/14/2016 Board packet.
WRITTEN STATEMENT TO BE INCLUDED IN THE WRITTEN MINUTES OF THIS DECEMBER 14, 2016 REGULAR IVGID BOARD MEETING -- AGENDA ITEM E -- PUBLIC COMMENTS -- PINKERTON MISSTATES THE TRUTH BECAUSE HE HAS AN AGENDA TO MAKE LOCAL PROPERTY OWNERS THINK THEY ARE THE CAUSE OF STAFF'S MASSIVE OVERSPENDING

Introduction: For some time our General Manager Steve Pinkerton aka "Pinkerspin" has been spouting mistruths about IVGID's history to support his "tax and spend" agenda. Unfortunately, many who hear these mistruths believe them to be factual solely because they come from him. Well and a growing number of local residents know otherwise. And since nearly everything Pinkerspin and his band of merry men (and women) cost local property owners, I for one am not going to sit back and not challenge his mistruths. No one likes to call his/her President a crook, and no one likes to call Pinkerspin an accessory, but if the shoe fits, it's about time it be worn. And that's the purpose of this written statement.

Pinkerspin's December 8, 2016 GM Column: in the North Lake Tahoe Bonanza ("Bonanza") Newspaper (see http://www.sierrasun.com/news/opinion/ivgid-gms-corner-working-to-plan-our-future/) is the source of his latest batch of mistruths; mistruths intended to place the blame insofar as IVGID staff’s loss of $7 Million/annually on you and me rather than IVGID staff.

Mistruth 1 - It Wasn't IVGID Who Requested Beach Ownership. Allegedly it Was You and I: Pinkerspin represents that because the private sector wanted to sell off the beaches, our predecessors insisted IVGID come to the rescue.

The Truth: Whoever the "private sector" was, never sought to sell off the beaches to anyone other than IVGID. Incline Village was initially developed by Crystal Bay Development Co. ("CBD"). As parcels were sold to the public, CBD's principles represented that as part of their purchase price, purchasers would receive a fractionalized ownership interest in an homeowners' association ("HOA") which would own and operate four Lake Tahoe beaches consisting of approximately 15 acres and 2,620 lineal feet abutting the northeastern shore of Lake Tahoe ("the beaches"). But when it came time to deliver on their promises, CBD was unable. So its principals concocted a plan where HOA members would pay to purchase the very amenities they represented were included within their purchase price(s).

But since the HOA had no means of enforcing payment upon its members, CBD and the IVGID Board\(^1\) conspired amongst themselves to dissolve the HOA and sell the beaches to IVGID. And the money to fund IVGID's purchase would come from a bond IVGID could issue, whose servicing costs could come from HOA members through what Mr. Pinkerspin admits was the Recreation Facility Fee\(^2\)

\(^1\) Comprised of the principals of CBD.

\(^2\) "In fact, the original Facilities Fee was created in order to finance and maintain our beaches."
notwithstanding this was the product of another misrepresentation to the County Board³. CBD's principals represented that if the requested power (to furnish facilities for public recreation) were granted, IVGID's *ad valorem* taxes "together with (their) expected growth, w(ould) readily finance the acquisition and operation of the...beaches."

So no, IVGID did not purchase the beaches at the behest of the community. And no it did not use the *ad valorem* taxes local property owners paid to finance their acquisition and operation.

**Mistruth 2 - It Wasn't IVGID Who Sought to Purchase Our Golf Courses, Diamond Peak and Incline Bowl. Allegedly it Was You and I:** Pinkerspin represents that because the private sector was not operating our local golf courses and ski area at a level commensurate with the values of our community, our predecessors insisted IVGID again come to the rescue.

**The Truth:** Back in 1975 the IVGID Board was comprised of local business persons. They had a view that IVGID should be used as a tool to furnish amenities that would attract tourists who in turn would become their personal businesses' customers. So just like CBD, they used IVGID to purchase and operate these amenities notwithstanding the fact that when IVGID first acquired the power to furnish facilities for public recreation in 1965, its Board represented to the County Board that if the requested power were granted, the *only* recreational facilities to be acquired would be "park properties (including two beaches)...All (other envisioned)...recreational facilities⁴...w(ould) be privately owned...operated" and financed.

And since the RFF had worked so well to pay the servicing costs on bonds used to purchase the beaches, rather than its *ad valorem* taxes, the IVGID Board issued another round of bonds whose servicing costs were paid by a RFF twice the amount of the original RFF.

So no, IVGID did not purchase the golf courses and Diamond Peak at the behest of the community.

**Conclusion:** Whenever Pinkerspin asks you what "nice-to-haves" you'd like to have, does he share with you their cost? Or the cost incurred with consultants to come up with a list to present? Or where the money is going to come from to pay for their cost? The answer is a resounding "no" because if you had any idea, you would likely emphatically voice your opposition.

³ That if the requested power (to furnish facilities for public recreation) were granted, IVGID's *ad valorem* taxes "together with (their) expected growth, w(ould) readily finance the acquisition and operation of the...beaches."

⁴ CBD represented "Incline Village (would)...be a complete recreation area (consisting of)...two great golf courses, the finest tennis facilities in the world...a major ski development, riding stables...trails to the very crest of the mountains...gaming and related night club entertainment and a cultural center with related youth programs."
So the next time Pinkerspin presents a "doctored survey" which asks you how important it is to have his "nice-to-haves" of the month, refuse to participate unless/until he shares their projected cost. Like $200K or more\(^5\) in addition to the $70K which has already been budgeted to spend\(^6\) for an unpaved mountain bike "pump track" between the Tennis and Recreation Centers.

**And You Wonder Why the RFF and Beach Facility Fees Are Out of Control?** I've now provided more answers.

Respectfully submitted, Aaron Katz (Your Community Watchdog Because No One Else Seems to be Watching).

---

\(^5\) "The project is estimated to cost $200K [see page 104 of the packet of materials prepared by staff in anticipation of this regular December 14, 2016 meeting ["the 12/14/2016 Board packet" (https://www.yourtaho_place.com/uploads/pdf-ivgid/BOT-Regular_Packet_12-14-16.pdf)]."

\(^6\) See page 103 of the 12/14/2016 Board packet.
I want to congratulate the 3 candidates who've been elected to serve on the IVGID Board. I was encouraged by the Candidate Forum held on October 21 because every candidate in attendance expressly supported significant changes in the way this Board operates.

All expressed the opinion that the Board is ultimately responsible for the direction of our GID.

All expressed a general desire for better financial reporting and in particular a zero based budget.

The legality of the move to Special Revenue funds is questionable, but it has unquestionably resulted in reporting that is less transparent and more confusing, contrary to Mr. Eick's stated purpose of the change. We need to return to enterprise funds.

A zero based budget looks at every program and service and clearly states all costs, both direct and indirect, together with all sources of revenue. This is a complete shift from past budget workshops that only focused on projected revenues and seldom, if ever, discussed costs.

I also want to thank the 1570 voters in the district who supported me in the November election. I'm not a member of any large special interest group, just an ordinary resident/homeowner. I pledge to support your interests in the future by my attendance at these meetings and acting when your interests are jeopardized.

Recently Mr. Pinkerton has been promoting the concept that we should not focus on the bottom line. That is never a valid reason for hiding the costs of the individual programs/services IVGID provides. Since every expenditure IVGID makes has an impact on fees charged to property owners (according to former Trustee Weinberger), we deserve a detailed accounting of what each and every one of IVGID's dazzling array of programs and services cost. Without that, we open the door for waste; we have no idea if we even want those services; we have no idea if those services can be provided better/more economically by others.

I look forward to working with our new Board in the coming months; if you meant what you said as candidates, we will finally have a fiscally responsible GID that responds to the needs of the community.

Judith Miller
Washoe County Announcement

Top 5 things to know from the Washoe County Board of Commissioners meeting

County Commission approves expansion of senior services programs to Incline Village.

Media Release Contact: Chris Ciarlo
For Immediate Release cciarlo@washoecounty.us
www.washoecounty.us 775.328.2070

Reno, Nevada. Dec. 13, 2016. The following report highlights several important agenda items from the Washoe County Board of Commissioners meeting on Tuesday, Dec. 13, 2016. You can watch videos on-demand online.

1. County Commission approves money for a senior center in Incline Village. County Commissioners approved a General Fund Contingency transfer of $75,000 to the Senior Services Fund to pay for the expansion of Washoe County senior services programs to Incline Village.

The expansion will include a new senior center in Incline Village, nutrition, caregiver support, community programs, clinical services and innovative initiatives to benefit indigent seniors living within Washoe County. The senior center will be located at 855 Alder Ave., on Washoe County property near the current Incline Village Library.
The expansion will help older adults through caregivers maintain independence, dignity and quality in their lives by providing direct and indirect social and health services.

There is a significant need to enhance senior service resources in Incline Village to include a congregate meal site, increase in social activities, case management services and homemaker services for seniors in that area.

"This is just the beginning when it comes to supporting our valued seniors within Washoe County," said Assistant County Manager Kevin Schiller. "The 60-plus population is the fastest growing age group in Washoe County, so plenty still remains to be done and will get done as County leadership prepares for the influx of seniors anticipated in the near future."

Commissioner Marsha Berkbigler (Dist. 1) said the Commission is dedicated to helping the senior population.

"Our aging community is affecting everyone," Berkbigler said. "The goal of Washoe County Senior Services is to make sure that as the number of seniors living within Washoe County increases, we continue to make improvements in our ability to meet the unique needs of the senior population and this senior center in Incline Village is a good start."

2. County Commission approves a contract with Bell-Men Golf to manage Washoe Golf Course. County Commissioners approved a professional services agreement to Bell-Men Golf, 3-2 (Hartung, Lucey dissent), to manage Washoe Golf Course beginning Jan. 1, 2017, through
June 30, 2021.

Additionally, County Commissioners agreed to accept $120,000 immediate payment by Bell-Men Golf, 3-2 (Hartung, Lucey dissent), to resolve outstanding payments. Both Washoe County and Bell-Men agreed to forego any future plans of litigation regarding the dispute over the amount of money owed.

Washoe Golf Course is owned by Washoe County. The course, founded in the early 1930s, is the oldest golf course in Reno.

3. County Commission approves transfer of water rights to the Pyramid Lake Paiute Tribe. Following Tuesday’s public hearing, County Commissioners approved the purchase and sale of 362 acre feet of Truckee River Water Rights (claim DTR-014) to the Pyramid Lake Paiute Tribe.

The County believes the $2,896,000 sale of water rights will enhance the water quality in the lower Truckee River by allowing the water to stay in the river for the benefit of the river’s ecosystem.

According to Nevada Revised Statute, the money from the sale of water rights must be used for capital projects within the County. The money will be put in the Capital Improvement Fund.

“We feel fortunate that the Pyramid Lake Paiute Tribe is in a position to work with Washoe County on this purchase to benefit all residents of Washoe County not only economically, but to help preserve the natural environment leading to and including Pyramid Lake,” said Washoe County Director of
Community Services Dave Solaro.

4. County Commission proclaims January 2017 as National Radon Action Month. The University of Nevada Cooperative Extension, the Nevada Division of Public and Behavioral Health and the U.S. Environmental Protection Agency are encouraging all Washoe County residents to test their homes for radon for National Radon Action Month. Radon is a naturally-occurring radioactive gas in the ground that is colorless and odorless.

The Environmental Protection Agency estimates 21,000 people in the United States die each year from lung cancer caused by indoor radon exposure.

Testing is the only way to find out what the level of radon is within a home. During the months of January and February, free radon test kits will be available at Cooperative Extension and partner offices statewide. In Washoe County, educational programs will be offered at several libraries and partner locations, where free kits will also be offered.

- Jan. 7 - Northwest Reno Library, 2325 Robb Dr., Reno, at 1 p.m.
- Jan. 12 - Sparks Library, 1125 12th St., Sparks, at 6 p.m.
- Jan. 24 - Spanish Springs Library, 7100 Pyramid Way, Sparks, 5:30 p.m.
- Feb. 1 - Incline Village Public Works, 1220 Sweetwater Rd., Incline Village, at 6 p.m.
- Feb. 8 - South Valleys Library, 15650A Wedge Pkwy., at 6 p.m.
- Feb. 12 - Sierra View Library, 4001 S. Virginia St., at 2 p.m.

For other locations offering free radon test kits in January and February, visit ps://www.washoeCOUNTY.us/outreach/2016/12/2016-12-13-bcc-meeting.php#
the Cooperative Extension radon website or contact the Radon Hotline at 888-Radon10 (888-723-6610).

“The work the folks at UNR have been doing to raise awareness about the dangers of high levels of radon within the home is extremely important,” said Washoe County Commissioner Hartung (Dist. 4). “I thank them and the Commission supports them in their efforts to keep this community safe.”

5. County Commissioners praise County Manager John Slaughter during annual review. At Tuesday’s meeting, the County Commission conducted their annual performance evaluation of County Manager Slaughter. The Commission extended Slaughter’s contract two more years through the year 2021.

The Commission approved a five percent salary increase. The Commission also approved a 10 percent bonus of his base salary. Slaughter requested that 10 percent of that bonus be deferred to the Employee Scholarship Program.

The Commission praised Slaughter for his leadership over the past year.

“Mr. Slaughter, you display an incredible calm, patience and control in the midst of crisis,” said Commission Chair Kitty Jung (Dist. 3). “I thank you for always being responsive to the staff and Commission’s needs. We are honored to have you as our Washoe County Manager.”

“Mr. Slaughter, I want to commend you for going through a review process publicly as challenging as it is,” said Commission Vice Chair Bob Lucey (Dist.
2). “You have done a phenomenal job with leadership and providing access to information for commissioners and the staff. I have heard from the community and how much they appreciate your humble nature.”

Slaughter thanked the County Commission for their support.

“I feel very blessed every day that I have the opportunity to work for this organization and this community for 30 years,” Slaughter said. “I'm blessed with a great executive team, department directors and most importantly, the employees of Washoe County.”

In addition, County Commissioners accepted the following donations:

$750 from the Reno Air Racing Association, Inc., National Championship Air Races to the Washoe County Sheriff's Office for the Citizen Corps Program.

$300 donation from the Fire Shows West to the Washoe County Sheriff’s Office for the Citizen Corps Program (CCP).

All photos from Tuesday’s Board of County Commissioners meetings can be seen online.

###
MINUTES

REGULAR MEETING OF JANUARY 18, 2017
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, January 18, 2017 at 6:00 p.m. at the Chateau located at 955 Fairway Boulevard, Incline Village, Nevada.

Presentation of Award by the Incline Village/Crystal Bay Historical Society

Richard Miner read from a prepared statement which is attached hereto.

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, Peter Morris, Phil Horan, and Kendra Wong.

Also present were District Staff Members Director of Finance Gerry Eick, Communications Coordinator Misty Moga, Information Technology Manager James Russell, Diamond Park Ski Resort Manager Mike Bandelin, Director of Human Resources Dee Carey, Principal Engineer Charley Miller, Director of Public Works Joe Pomroy, Parks and Recreation Director Indra Winquest, and Director of Asset Management Brad Johnson.

Members of the public present were Pete Todoroff, Kathleen Watty, Steve Dolan, Bill Watson, Richard Miner, McAvoy Layne, Craig Olson, Kayla Anderson, and others.

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

C. PUBLIC COMMENTS*

Bret Hansen read from a prepared statement which is attached hereto.

Pete Todoroff said he is the Chairman of the Citizen Advisory Board and that on December 29, 2016 he was sent an eviction notice from the place where he has
Minutes  
Meeting of January 18, 2017  
Page 2  

lived for thirty years. He contacted Washoe County Commissioner Marsha Berkbigler who got him an attorney right away. He has lived there for thirty years and this is the second owner that has taken him to court. He saw the attorney yesterday and he can’t thank Washoe County Commissioner Berkbigler enough for what she did for him.

D. APPROVAL OF AGENDA (for possible action) (moved up by Chairwoman Wong)

Trustee Dent made a motion to have a flexible agenda; Trustee Horan seconded the motion. Chairwoman Wong, receiving no comments, called the question and the motion was passed unanimously.

Chairwoman Wong moved Item E. to Item F. after General Business and moved Item F.1. to F.3.

E. GENERAL BUSINESS (for possible action)

E.1. Presentation of the First Annual Community Survey results; survey was conducted in October 2016 (Presented by Stephen Bohnet of Finn Consulting) (was Agenda Item F.2.)

Mr. Bohnet gave a PowerPoint presentation which is incorporated herewith by reference.

Chairwoman Wong asked about the Net Promoter Score. Mr. Bohnet said you want it to be in the positive.

Trustee Dent said, regarding the skateboard park, that the rank is so low and he guesses it is because the responders were old thus we shouldn’t be surprised. Mr. Bohnet said that he has plotted the users. Trustee Dent said because the sample size is so small it is probably irrelevant; Mr. Bohnet agreed. Trustee Dent said so it is an outlier. Mr. Bohnet said that 96% of the respondents didn’t use it so it is not a statistically solid data point because it only had 4% of the respondents.

Trustee Callicrate said that the pickleball courts are a hot button issue for the tennis complex and the sport is wildly popular as well as the fastest growing sport so he doesn’t want to send the wrong message to anyone opening this document and he is curious about how to deal with those
numbers. Mr. Bohnet said it is one set of data and you can’t look at just
one data point. You also don’t want to cherry pick data to support and
discount those that do not rather take that point and comb through it and
see if anyone is saying anything about the pickleball courts and use it as
guidance.

Trustee Morris asked if we had all the comments; Mr. Bohnet said they are
forthcoming.

Chairwoman Wong thanked Mr. Bohnet and noted that this feels very
consistent with our community meeting that we had in the past and it is a
good reminder about value in this community.

General Manager Steve Pinkerton said this is very consistent with other
surveys and it has the same percentages so it is reinforcing what we
already know. Staff is looking forward to looking at it more and making it a
part of our strategic process. Staff will get all this information online and all
the accompanying data as it does deserve additional review. As to Village
Green, and its negative score, it is consistent with what we are hearing
especially about conflict of use so this is a good starting point for Staff.

Trustee Morris said, as a user of the Net Promoter Score, when we publish
it we need to counsel that explanation that anything about a zero is pretty
good.

E.2. Review, discuss and possibly award a Procurement Contract
for Sewer Pump Station #6 Replacement – 2016/2017 Capital
Improvement Project: Fund: Utilities; Division: Sewer; Project #
2599DI1104; Vendor: Smith and Loveless, Inc. in the amount of
$63,345 (Requesting Staff Member: Director of Asset
Management Brad Johnson) (was Agenda Item F.3.)

Principal Engineer Charley Miller gave an overview of the submitted
memorandum.

Trustee Dent asked, of the eighteen sewer pump stations in town, how
many have been replaced. Director of Asset Management Brad Johnson
said ten or eleven of the eighteen are package stations and about half of
those have had the guts replaced. In some of the larger stations, we have
replaced multiple pumps, etc. and same thing on half of the package ones
and some of the larger stations.
Chairwoman Wong said that this was the only bid as part of our process. Director of Asset Management Johnson said we had one other very interested bidder and that they went through the due diligence but they ultimately couldn’t meet the requirements so they opted not to bid.

Trustee Morris said so with one bidder, and as we go forward to replace the others, is there concern with only one bidder. Director of Asset Management Johnson said that at the other stations the hydraulics are not as specific. Smith and Loveless is a reputable firm and they were not aware, until bid opening, that they were the only bidder.

Trustee Morris made a motion to:

1. Award a procurement contract to Smith and Loveless, Inc. totaling $63,345 for a packaged sewer pump station for the replacement of Sewer Pump Station #6.

2. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

Trustee Callicrate seconded the motion. Chairwoman Wong asked for comments, hearing none, she called the question and the motion was unanimously passed.

E.3. Election of Board of Trustees Officers for 2017 - Positions are Chair, Vice Chair, Treasurer and Secretary (Election process to be conducted by District Clerk Susan Herron) (was Agenda Item F.1.)

District Clerk Susan Herron announced that all of the newly elected positions will be effective tomorrow, Thursday, January 19, 2017.

District Clerk Herron opened the nominations for the position of Chair. Trustee Horan nominated Trustee Wong. Trustee Dent nominated Trustee Callicrate. Hearing no further nominations, District Clerk Herron closed the nominations for the position of Chair. District Clerk Herron did a roll call vote for all those in favor of Trustee Wong as Chair - Trustees Dent and Callicrate voted no and Trustees Horan, Morris, and Wong voted yes. Trustee Wong is Board Chair.
District Clerk Herron opened the nominations for the position of Vice Chair. Trustee Wong nominated Trustee Horan. Hearing no further nominations, District Clerk Herron closed the nominations for the position of Vice Chair. District Clerk Herron announced that with only one nomination, and confirmed same with District General Counsel, that a roll call vote was not necessary and that Trustee Horan is Vice Chair.

District Clerk Herron opened the nominations for the position of Treasurer. Trustee Callicrate nominated Trustee Dent. Trustee Wong nominated Trustee Morris. Hearing no further nominations, District Clerk Herron closed the nominations for the position of Treasurer. District Clerk Herron did a roll call vote for all those in favor of Trustee Dent as Treasurer - Trustees Wong and Morris voted no and Trustees Horan, Callicrate and Dent voted yes. Trustee Dent is Treasurer.

District Clerk Herron opened the nominations for the position of Secretary. Trustee Dent nominated Trustee Callicrate. Hearing no further nominations, District Clerk Herron closed the nominations for the position of Secretary. District Clerk Herron announced that with only one nomination that Trustee Callicrate is Secretary.

At 7:15 p.m., Chairwoman Wong called for a ten minute break; the Board reconvened at 7:25 p.m.

F. PRESENTATIONS*

F.1. Director of Community Services Sharon Heider – Update on Community Services activities which may include an update on Incline Park Field #3 (was Agenda Item E.)

Parks and Recreation Director Indra Winquest said, due to the illness of the Director of Community Services, he would give a brief PowerPoint presentation, which is incorporated herewith by reference. Following the presentation, he read from a prepared statement, which is attached hereto, about Incline Park Field #3.

Trustee Horan said that he had a call from a parcel owner that a tree was down in her lawn and that she got a great response from Staff so he appreciates that quick response.
Parks and Recreation Director Winquest said kudos to Public Works and Parks Staff for snow removal.

G. **DISTRICT STAFF UPDATE**

G.1. **General Manager Steve Pinkerton**

- Mid-Year 2016/2017 Budget
- 2017/2018 Budget Preparation
- Washoe County Community Area Plan
- Information Technology
- Report on Storm Event - January 2017 - Washoe County State of Emergency

District General Manager Pinkerton went over each item.

Trustee Callicrate said during the last two year cycles we have had for the District's budget that he has been pushing for a zero based budget process and that it be an in depth process. Two candidates campaigned on this issue so where are we and if not this year then when because we need to seriously address this item. General Manager Pinkerton said that he will be providing lots of information on February 8 and that the Board will get further information at that time.

Trustee Callicrate asked how many Washoe County plows are in town. General Manager Pinkerton said that is a good question to ask Washoe County Manager John Slaughter and that he will also ask about ongoing deployment. Trustee Callicrate said that he recalls Washoe County agreeing to have the walking path clearing equipment available so he would appreciate the reach out. General Manager Pinkerton said he will reach out and that Staff is reaching out more.

G.2. **Diamond Peak Ski Resort General Manager Mike Bandelin - Verbal update on the Diamond Peak Ski Resort ski season**

Diamond Peak Ski Resort General Manager Mike Bandelin gave the following report:

*Diamond Peak opened on December 15, our projected date, with 30% of the terrain open with machine made snow. On December 16, we hosted our 50th Anniversary season pass holder party including appetizers and movie premiers. December 19, snowmaking efforts on Ridge, Popular and*
Penguin were completed allowing us to operate Lakeview lift and Snowflake Lodge with 55% of developed terrain open for skiing. On December 25, we opened the Great Flume trail for skiing with machine made snow. With the help of the storms in the first week of January, we were able to open 100% of the developed terrain. Some December statistics - the skier visit count for the month was 34,112, a 32% increase for the 10 year average. The final skier visit count for the holiday break was 35,000, although we were 8,000 skier visits behind last season’s holiday break, we were 7% better than the 10 year average. During the period we saw one 4,000 plus day as well as three 3,000 plus days which is the average for days with those skier counts for the season; last season was 43,189. Christmas week, December 26 through January 1, we saw 21,679 visits, down 15% or 4,000 visits from last season while an increase of 20% over the 5 year average. During the week, on December 27, we set a record for ski and snowboard rental units rented at 824 and topped the record on the December 28 with 836 units rented; approximately 22% of the visitors for the week used our rental equipment. Immediately following the holiday break, we offered Community Appreciation Week. It was very much like last season - a successful week of community participation with almost 2,300 tickets provided to picture pass and punch card holders. This compares to 600 tickets in 2014 and 800 tickets in 2015 (so nearly triple the participation of the past few seasons). The following week, we offered Learn to Ski and Ride week (January 9 through the 13). Although we were closed two days, the weeklong event had a total of 260 people took advantage of Diamond Peak’s learn to ski and ride week which is actually part of a national Learn to Ski and Ride month which encourages new skiers and riders to give the sport a try by taking a lesson from a certified instructor. After Learn to Ski and Ride week, we entered into MLK weekend with very nice conditions and in full operation including Solitude Canyon and Golden Eagle Bowl where we set a record for the three day weekend with approximately 9,000 skier visits; last season, we had approximately 8,000 skier visits. Overall, season pass sales continue to be strong as they were last season. Season to date, we have issued 3,900 season passes with 1,766 of those being resident passes. Last season, for the same period, 3,010 passes with 1,089 being resident passes. Our Ski and Ride schools have been enjoying teaching our guests to ski and snowboard with over 5,600 lessons taught in December and 8,500 lessons season to date. Approximately 15% of our visitors are taking lessons with our ski schools. The ski resort just finished our thirty fifth operating day of the season with just over 59,000 skier visits to date. We are scheduled to be open for 88 more days this year and typically we
would see about half of our visits for the season come by end of January. Please be sure to view our event calendar at Diamond Peak.com for information on lots of fun events going on and coming up in February and March.

Trustee Callicrate said that he has heard nothing but raves from those in the community and that this is one of those winters we have been dying for and that your Staff has done a tremendous job so huge kudos to you as the person in charge. He had visitors here and of all the places they went they said that Diamond Peak was the best time and the value was great.

H. REPORTS TO THE IVGID BOARD OF TRUSTEES*

H.1. District General Counsel Jason Guinasso

H.1.a. Discussion about the upcoming 2017 Legislative Session and matters that could be relevant or of interest to IVGID

District General Counsel Jason Guinasso said their law firm is actively engaged monitoring legislative activity and that they have added issues that may impact the District. Right now there is not a ton to talk about as everything is in the form of bill draft requests (BDRs) and thus they are one sentence descriptions with no language. They have created a number of tags for the BDRs, next month we will have a narrowed scope of monitoring, and will have pieces of legislation to look at. It is really important for the Board to consider having some representation down at the Legislature because if they are having a meeting or testimony it is important to have a voice and in order to have that voice, the Board should review the BDRs and give direction. Board Policy 3.1.0 is a guide and he is looking forward to condensing this list. He wanted to flag the fact that we are monitoring the legislation that might affect the District and that includes things we are hearing about or are pertinent to make sure we are monitoring and then they will add this to their list.

Trustee Morris said in his experience in working with the Legislature that things come up pretty quickly so we should collaborate and decide, as a Board, what we are going to do to be able to have a rapid response. District General Counsel Guinasso said he will screen what we do and that Policy 3.1.0, specifically paragraph 0.17, dictates. The Board might want to retain them at a flat fee and use the resources that are already in place.
Minutes
Meeting of January 18, 2017
Page 9

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

Chairwoman Wong said that she has a Nevada League of Cities meeting on January 30 and the only topic is BDRs and that she will be in attendance. Trustee Dent said he will also be attending.

J. **CORRESPONDENCE RECEIVED BY THE DISTRICT**

District Clerk Susan Herron reported that correspondence had been received from Dick Warren and Stan Wolken, it has been distributed, and will be included, in hard copy, in the next Board packet.

K. **PUBLIC COMMENTS** - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see Public Comment Advisory Statement above.

None made at this time.

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

General Manager Pinkerton went over the long range calendar and asked District Clerk Herron to briefly go over the February 15 event – Face to Face with IVGID Trustees. General Manager Pinkerton said that he understands that the second meeting in March needs to be rescheduled so Staff will work with you individually on that challenge. Trustee Morris said that he has a problem with the meeting on April 26. General Manager Pinkerton said that the June 17 date may move to June 24 for second Community Meeting and then look at another one in August and then one in the fall.

M. **ADJOURNMENT (for possible action)**

The meeting was adjourned at 8:05 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 Richard Miner (3 pages): Introductory Remarks to IVGID Board and Audience, 6:00 p.m. January 18, 2017 at the Chateau in Incline Village, NV.

Submitted by Bret Hansen, 6 pages
INTRODUCTORY REMARKS TO IVGID BOARD AND AUDIENCE

6:00 PM, JANUARY 18, 2017 AT THE CHATEAU IN INCLINE VILLAGE, NV

Good Evening. My name is Richard Miner and I am president of the Incline Village & Crystal Bay Historical Society. I want to thank the IVGID Board of Trustees for giving me the opportunity to address all of you this evening. I realize I have but three minutes so my remarks will be brief.

First of all, I want to announce that the Incline Village & Crystal Bay Historical Society has entered into an agreement with Thunderbird Lodge Preservation Society which will result in the closing of our 501 (C) (3) organization and the transfer of all of our archives, collections, and records to Thunderbird with immediate effect. This agreement has been under discussion for some time, and was accelerated by the recent loss of our leases within a month of each other for our Museum space in the Starbucks building and our office space in the Village Center. We are pleased and very fortunate to be able to work with Chief Executive and Curator Bill Watson, his Board of Directors, and the Thunderbird staff in the months ahead to ensure that these valuable, and indeed irreplaceable materials will safely and securely remain in our community for public viewing and historical research for years to come. The museum, for instance, is planned to reopen before the summer season in a space refurbished by Thunderbird in the Visitor's Bureau building here in Incline. More details about these developments will be forthcoming in the days ahead.

Secondly, it is with great pleasure that I announce that in one of our last official acts, the Board of Directors of the Incline Village and Crystal Bay Historical Society created and funded an award that we have been discussing for several years. And tonight with all you present, I would like to make the first, and as you can now well understand, the only such award we will ever make.

Will McAvoy Layne please come forward to join me and our Vice President, Craig Olson, as we make the presentation.
(While McAvoy is approaching the microphone)

As already mentioned, the IV&CBHS has been considering for some time the creation of an award that would recognize members of our community for outstanding contribution to the cause of historical preservation here on the north shore of Lake Tahoe. One could well argue that any or all of the founders of our society itself could be worthy candidates for such honors, but hey, they knew what they were signing up for when in 2006 Chuck Greene pulled together Michelle Schmitter, Manny Sylvester, Joe Bourdeau and Bill Horn to form the first board of directors of our society. But in the end, our current board agreed that through thirty or so years of incredible perseverance, no one in our community is more deserving of this commendation than our friend and neighbor McAvoy Layne.

Let me now read the inscription:
THE INCLINE VILLAGE & CRYSTAL BAY HISTORICAL SOCIETY

AWARD

FOR DISTINGUISHED CONTRIBUTION

TO THE CAUSE OF HISTORICAL PRESERVATION

PRESENTED TO

McAVOY LAYNE, THE GHOST OF MARK TWAIN

FOR RECALLING AND PRESERVING MARK TWAIN'S HISTORIC LEGACY FROM VIRGINIA CITY, NEVADA TO THE SHORES OF LAKE TAHOE AND BEYOND;

AND FOR PROMOTING TO YOUNG AND OLD ALIKE ACROSS THE UNITED STATES AND AROUND THE WORLD

THE WIT AND WISDOM OF ONE OF NEVADA'S AND AMERICA'S GREATEST WRITERS AND ORATORS OF ALL TIME.

INCLINE VILLAGE, NEVADA

JANUARY 2017
The drivers of our 50,000 pounds trucks must slow down to operate safely in storm conditions. Carefully stopping and starting these large trucks on slick streets can slow a route which normally takes 8 hours to 12 hours or more. Some customers have expressed concern that we did not continue make-up routes on Sunday. The answer is simply a matter of Department of Transportation regulations. Our drivers are restricted to a total of 60-hours per week. Extending their hours on Sunday, would result in a shortage of drivers later in the week.

I cannot express strongly enough that Safety is the top priority for Waste Management. If we deem a specific area of a route unsafe for the operation of one of our trucks, we will wait until it becomes clear. Similarly, if bins or bear sheds are blocked and could cause injury to our drivers, we encourage them to err on the side of caution. – I’ve included some pictures to demonstrate some of the conditions they are currently facing. The public is welcome to look at these pictures as well – you’ll find them near the door.

We sincerely apologize for any inconvenience to our customers, and appreciate their patience and understanding as we are do our best to mitigate the situation created by this unusual series of storms.

In working with Public Works we will be implementing a 12 week pure weed program for strains + 4 weeks in fuel
To IVGID board of trustees

Sent from my iPhone        IVGID and Washoe Co did a great job on snow removal under the
epic snow conditions! Many of my friends and neighbors have all kinds of concerns regarding
the Waste Management company. I hope the concerns are used constructively to make it smooth
and safe for our beautiful community. The first concern is the lack of communication to the
full time and part time residents. NV energy did a great job on updates and communication.
3 weeks ago Waste Management said they could not take a big dumpster for condo I manage
because of ice. I didn't want to use the so called 1 time courtesy pick up I was told
because of impending weather for the next two Wednesdays when I might need it. Well sure
enough the next week no service at all so I went down to Waste Management last Wednesday and
the office was closed and the 1 guy knew nothing. The next day I called 4 times-twice a busy
signal, then diverted to corporate, and then I left a voice message that was never returned.
The next day I went down and asked for regional manager and was told by two people they were
told to not give it out. I find that absolutely unacceptable. Waste Management has all
kinds other warm areas to fly in staff for emergencies. Finally I got the phone number of
regional manager to simply find out game plan for all our neighbors as I set totes out for
them as a favor. I was told by Mr Hansen that they can't work union workers more than 60
hours and something about their safety. Also I visit many ski areas with similar conditions
where it snows everyday and they have 4 wheel trucks, etc- when you see the old trucks in
Incline with bulky chains I really wonder if we are adequately provided the necessary safety
equipment to our community and their workers. I was told we wouldn't receive any extra
service until the normal pick up this week. I saw on several streets today totes dumped over
with dogs and probably bear activity. We had to handle and empty dumpsters by hand with
broken bags and exposure to health issues. I feel we should get a credit on our service for
the past 3 weeks. When we took all kinds of things to the station we were told to just throw
all in 1 pile. It is is amazing for our community the loose recycling procedures. I think
issues need to be re-evaluated and a game plan for future situations that hopefully will
involve great communication and make extra effort for lack of service. Thanks -S Wolken
604 Lariat. This is for sole individual use of the board of trustees.
As noted below, I wrote and asked for a list of the IVGID Parks & Rec venues on 16 Nov, which you were specifically named / requested to send me a copy of the Parks & Rec venues physically located within the boundaries of Crystal Bay. This request was to help me prepare for the forthcoming 'Master Plan Interactive Workshop'. As of this date I have not received your response. Can you please clarify as to when you expect to forward me that list?

Secondly, I also asked 'once again' for an update on the name change of the 'Incline Village Parks & Rec's' department to something else more representative of the community it is supposed to provide services to. If you would like, I will be more than happy to forward the extensive list of requests I have personally sent you on the topic of 'branding' that you not only assured me but the BOT that you were addressing.

Bottom line, as a property owner whose tax dollars and rec fees directly support IVGID's recreational services, I am keenly interested in hearing directly from you, our General Manager, what rec services we presently have / are planned to be provided the residents of Crystal Bay within the confines of Crystal Bay's boundary.

Regards, Mark

Hi Misty,

Please take a look at the departments name!!! This is an exclusive event for 'Incline Village'. I am still waiting on IVGID, namely the General Manager, to send me an update on renaming of this department in recognition of the broader community it is supposed to support. However I will reconsider attending if IVGID (specifically its General Manage Steve Pinkerton) will forward me a list of 'Incline Village Parks & Recreation' venues presently located within the boundary of Crystal Bay.

Heck, in the absence of such a list, I will settle for a list of venues 'proposed within the boundary of Crystal Bay in 2017' by 'Incline Village Parks & Recreation'. Such an action would help me better understand how my tax dollars, which are ear marked for IVGID and its community service programs, actually support venues within the Crystal Bay boundary and encourage my participation in the planned workshop.
In the absence of such a list(s), I am doubtful that I can / could / should provide any meaningful input to the meeting.

Respectfully, Mark

Sent from Mark's iPad

markalexanderjr@att.net<mailto:markalexanderjr@att.net>
M (775) 772-9128

On Nov 16, 2016, at 9:58 AM, Facebook
<notification+p5_3muui@facebookmail.com<mailto:notification+p5_3muui@facebookmail.com>> wrote:
Misty Bray Moga invited you to Incline Village Parks & Recreation's event Community Services Master Plan Interactive Workshop Wednesday, November 30 at 5:30 PM 955 Fairway Blvd, Incline Village, NV 89451-9006, United States
Going Interested Not Interested Come help us plan the Community Services programs, facilities, events, or activities you want in your community. We want to hear from you! Participate and tell us! You are invited to an interactive c... Kim Schmidt and 3 others are also on the guest list. My Events Block invites from Misty?

Misty Bray
Moga<https://www.facebook.com/n/?misty.braymoga&aref=1479319096702652&medium=email&mid=5416e87aeb3eag5a652cag5416ed144b6bc6b6b&bcode=1.1479319094.Abnb4Kh8p9Y0w4Lbq&n_m=markalexanderjr%40att.net> invited you to Incline Village Parks & Recreation<https://www.facebook.com/n/?InclineVillageParksRecreation%2F&aref=1479319096702652&medium=email&mid=5416e87aeb3eag5a652cag5416ed144b6bc6b6b&bcode=1.1479319094.Abnb4Kh8p9Y0w4Lbq&n_m=markalexanderjr%40att.net>'s event

[https://scontent.xx.fbcdn.net/t31.0-0/c0.0.883.331/s640x640/15068955_104475408968840_8130571041067563004_o.jpg]

Community Services Master Plan Interactive Workshop<https://www.facebook.com/n/?events%2F359841474376463%2F&ref=6&ref_n=
Wednesday, November 30 at 5:30 PM

955 Fairway Blvd, Incline Village, NV 89451-9006, United States

Going

Interested

Not
Come help us plan the Community Services programs, facilities, events, or activities you want in your community. We want to hear from you! Participate and tell us! You are invited to an interactive c...

Kim Schmidt and 3 others are also on the guest list.

[https://scontent.xx.fbcdn.net/v/t1.0-1/p40x40/14717312_1339490729394552_485657365370132519_n.jpg?oh=31f32ae2b2b5ede854864614885393d8&oe=58912F38]<https://scontent.xx.fbcdn.net/v/t1.0-1/p40x40/14717312_1339490729394552_485657365370132519_n.jpg?oh=31f32ae2b2b5ede854864614885393d8&oe=58912F385%5d%3chttps://www.facebook.com/misty.braymoga%3e>


[https://scontent.xx.fbcdn.net/v/t1.0-1/p40x40/12196206_10207691623432379_2890172251000827395_n.jpg?oh=e7adf312c79bccc15461b48709ba332f&oe=588FA38D]<https://www.facebook.com/tiarancourt>

[https://scontent.xx.fbcdn.net/v/t1.0-1/c0.0.40.40/p40x40/10665796_102028749_754988327_484486715637340997_n.jpg?oh=ddb50b6889538c53a38d73e9e992aa1&oe=58C2FFE3]<https://www.facebook.com/bruce.simonian>

[https://scontent.xx.fbcdn.net/v/t1.0-1/p40x40/13716143_10209069152705083_9129376417967519578_n.jpg?oh=8600b68bda832744b573110fee711158&oe=58CO4117]<https://www.facebook.com/shelia.leijon>

My Events<https://www.facebook.com/n/?events%2FUpcoming%2F&context=%7B%22ref%22%3A%226%22%22%2C%22ref_notif_type%22%3A%22%22%22%2A%22plan%2Fuser_invited%22%2C%22action_history%22%3A%22null%22%2C%22D%22%2Fext=1510855096%2Fhash=AeSn7Il6iKYgPFH%2F&ref=1479319096702652&medium=email&mid=5416e87aeb3eaG5a652cafG5416ed144b6bcG6b&bcode=1.1479319094.AbnB4K8p9YOw4Lbq&n_m=markalexanderjr%40att.net>

Block invites from Misty<https://www.facebook.com/o.php?k=A5OPg-t8I9OoHvfp&u=1516580015&mid=5416e87aeb3eaG5a652cafG5416ed144b6bcG6b&eventid=359841474376463&inviterid=1000009136250&default=block_inviter>
This message was sent to markalexanderjr@att.net. If you don’t want to receive these emails from Facebook in the future, please unsubscribe=https://www.facebook.com/o.php?k=AS0Pg-t8l9OoHvfp&u=1516580015&mid=5416e87aeb3eaG5a652cafG5416ed144b6bcG6b>. Facebook, Inc., Attention: Community Support, 1 Hacker Way, Menlo Park, CA 94025.
Correspondence received

---------- Forwarded message ----------
From: Anthony Brunello <Anthony.Brunello@supremelending.com>
Date: Wed, Dec 14, 2016 at 6:05 PM
Subject: Bike Park
To: "dent_trustee@ivgid.org" <dent_trustee@ivgid.org>, "hammerel_trustee@ivgid.org" <hammerel_trustee@ivgid.org>, "horan_trustee@ivgid.org" <horan_trustee@ivgid.org>, "wong_trustee@ivgid.org" <wong_trustee@ivgid.org>, "steve_pinkerton@ivgid.org" <steve_pinkerton@ivgid.org>, "callicrate_trustee@ivgid.org" <callicrate_trustee@ivgid.org>

As a family of 4 full time Incline residents, we feel the bike park will be a great asset for the community, residents and visitors alike.
Thank you, Anthony, Haley, Prima and Sianha Brunello

Get Outlook for Android
As mentioned for almost the past 3 months, I am still awaiting a response to my questions/comments articulated to you back on September 20th. In response to a question from Mr. Horan concerning differences in budget amounts that I and others had raised, Mr. Eick responded that these differences would be reconciled when the 2016 CAFR was prepared. I took a quick look at the 2016 CAFR, and I do not see these reconciliations presented. Could you possibly tell me on what page, or pages, these budget reconciliations have been presented?

And naturally, I would love to see my original questions/comments addressed from my September 20th email.

Susan, please include this email in the next Board packet. Thank you.

Sent from my iPad

On Nov 29, 2016, at 11:38 AM, Dick Warren <bd1947@icloud.com> wrote:

This is my every two weeks reminder to the Board of Trustees as to their dereliction in responding to valid questions from local residents.

Susan, please include this email in the next Board packet. Thank you.

Begin forwarded message:

From: Dick Warren <bd1947@icloud.com>
Subject: Fwd: IVGID Financial Accounting Issues
Date: November 14, 2016 at 1:22:59 PM PST
To: Hammerel <hammerel_trustee@ivgid.org>, Tim Callicrate <callicrate_trustee@ivgid.org>, Kendra Wong <wong_trustee@ivgid.org>, Matthew Dent <dent_trustee@ivgid.org>, Horan <horan_trustee@ivgid.org>
Cc: Peter Morris <pmorris.ivgid@gmail.com>, klangley@tax.state.nv.us, Jstrand@eidebailly.com, Daniel Carter <dcarter@eidebailly.com>, Chali Spurlock <CSpurlock@tax.state.nv.us>, Susan Herron <Susan_Herron@ivgid.org>

This is just my bimonthly reminder demonstrating the inefficiencies and the ineffectiveness of the BOT responding to questions from residents.

Susan, please include in the next Board packet.

Begin forwarded message:

From: Dick Warren <bd1947@icloud.com>
Subject: Fwd: IVGID Financial Accounting Issues  
Date: October 30, 2016 at 5:35:53 PM PDT  
To: Horan <horan_trustee@ivgid.org>, Kendra Wong <wong_trustee@ivgid.org>, Tim Callicrate <callicrate_trustee@ivgid.org>, Matthew Dent <matthew.ivgid@gmail.com>, Hammerel <hammerel_trustee@ivgid.org>  
Cc: klngleby@tax.state.nv.us, Jstrand@eidebailly.com, Daniel Carter <dcarter@eidebailly.com>, Susan Herron <Susan_Herron@ivgid.org>  

Board of Trustees, I am really starting to get frustrated with you as a collective group. Take a look at the email string below - Matthew Dent tells me that he instructed Pinkerton/Eick to respond to my questions (they never respond, I assume they might be waiting to see if Dent wins in November, because if he loses they can continue to ignore me), then, when I mention to Matthew that I never heard from Pinkerton/Eick, Matthew tells me that Phil Horan will address this at the October 26th Board meeting. And once again, Horan did not even come close to addressing my questions initially raised to you the Board on July 27th.

Do you see why common folks like me think you do not have a clue as to what is going on? And furthermore, this is additional evidence that the IVGID Staff runs the BOT, and not the other way around.

Susan, please include this in the next Board meeting packet.

Begin forwarded message:

From: Dick Warren <bd1947@icloud.com>  
Subject: Re: IVGID Financial Accounting Issues  
Date: October 26, 2016 at 10:28:18 PM PDT  
To: Matthew Dent <matthew.ivgid@gmail.com>

Matthew, around the 2 hour, 11 minute mark in the Livestream video of tonight’s meeting, I believe Phil Horan made some comments about the upcoming audit. But those comments did not even come close to addressing the issues I have raised. Horan made a reference to the fact that these “...additional footnotes, disclosures, etc., should answer any questions that residents have...” I am paraphrasing Horan’s brief comments.

Maybe something was said at some other time during the meeting and I missed it, but believe me, this is not an acceptable answer.

On Oct 26, 2016, at 10:40 AM, Dick Warren <bd1947@icloud.com> wrote:

Thank you for your quick response, Matthew.
I will not be attending tonight's meeting; however, I will view it on Livestream.

Sent from my iPhone

On Oct 26, 2016, at 8:28 AM, Matthew Dent <matthew.ivgid@gmail.com> wrote:

I have heard Phil Horan (Audit Chair) and Steve will be addressing this at tonight's BOT meeting. Do you plan on attending? Thank you. Matthew

Matthew Dent
IVGID Board of Trustees
(775) 530-1345 | www.yourtahoeplace.com/ivgid
693 Southwood Blvd, Incline Village, NV 89451

On Tue, Oct 25, 2016 at 9:54 PM, Dick Warren <bd1947@icloud.com> wrote:
Before I get to the purpose of this email, I did want to thank you for attending the IVGID 2016 Candidates' Forum. I did watch the entire, almost 3 hours of questions & answers, and it was informative. I was happy to hear that you have now publicly stated that you will not approve the issuance of new bonds without parcel owners' approval.

You sent the below email to me almost a week ago, and I have yet to hear from either Mr. Pinkerton or Mr. Eick. I am not surprised, I suspect they have no sensible answers to give me.

But what I find discombobulating is that you, as a Trustee, specifically directed them to respond to questions I raised as far back as July 27, 2016, and they rebuffed your request. Doesn't that kind of bug you? If I were a Trustee and they did this to me, I would be in Pinkerton's face, demanding that he obey my order ASAP, and if he does not, then we'll have another kind of conversation.

It's these kind of moments, when common folks like me get the impression that IVGID Staff is in charge, and the Trustees cater to their interests, and not the other way around. I just find it incredulous the arrogance of Mr. Pinkerton and his Director of Finance.

Sent from my iPad
On Oct 19, 2016, at 10:03 PM, Matthew Dent
<mattew.ivgid@gmail.com> wrote:

Mr. Warren,
Thank you for the email and for bringing
this issue to our attention. I brought this up at the
last BOT meeting and assumed you would have
received a response by now. I have CC’d Steve and
Gerry on this email as they should respond soon.
Thank you. Matthew

On Wednesday, October 19, 2016, Dick Warren
<bd1947@icloud.com> wrote:
It has now been another 2 weeks, and you have
continued to ignore my correspondence.

When were you planning on responding to my
emails?

Susan, please ensure that this follow-up follow-up
email is included in the next Board packet. It is
important that the residents of Incline Village get a
report card on the Trustees willingness to respond to
bonafide questions from the public.

Begin forwarded message:

From: Dick Warren <bd1947@icloud.com>
Subject: Fwd: IVGID Financial Accounting
Issues
Date: October 5, 2016 at 2:04:02 PM PDT
To: Hammerel
<hammerel_trustee@ivgid.org>, Tim Callicrate
<callicrate_trustee@ivgid.org>, Kendra Wong
<wong_trustee@ivgid.org>, Matthew Dent
<dent_trustee@ivgid.org>, Horan
<noran_trustee@ivgid.org>
Cc: klangley@tax.state.nv.us,
Jstrand@eidebailly.com, Daniel Carter
<dcarter@eidebailly.com>, Susan Herron
<Susan_Herron@ivgid.org>

Two weeks ago I sent you the email and
attachments noted below. I pointed out that Trustees
have a fiduciary responsibility to ensure the
preparation of clear, reliable and fair financial statements. The evidence I presented confirmed confusing, unreliable and misleading financial information. To date, I have not received a response.

I am asking you again: HOW DO YOU PLAN TO RECTIFY THIS?

Susan, please ensure that this follow-up email is included in the next Board packet.

Begin forwarded message:

From: Dick Warren <bd1947@icloud.com>
Subject: IVGID Financial Accounting Issues
Date: September 20, 2016 at 9:10:15 PM PDT
To: Hammerel
<hammerel_trustee@ivgid.org>, Tim Callicrate
<callicrate_trustee@ivgid.org>, Kendra Wong
<wong_trustee@ivgid.org>, Matthew Dent
<dent_trustee@ivgid.org>, Horan
<horan_trustee@ivgid.org>
Cc: klangley@tax.state.nv.us,
Jstrand@eidebailly.com, Daniel Carter
<dcarter@eidebailly.com>, Susan Herron
<Susan_Herron@ivgid.org>

Attached is a memo and 3 additional attachments concerning the Financial Reporting of the 2015-2016 Budget for your review and corrective action.

Susan, please ensure that this information is included in the next Board packet. Thank you.

Matthew Dent
IVGID Board of Trustees
(775) 530-1345 | www.yourtahooplace.com/ivgid
393 Southwood Blvd, Incline Village, NV 89451
Dear Susan,

Please be kind enough to place this Memo from Cliff Dobler and myself, along with the Attachments in the next Board packet.

Many thanks,

Linda
Memorandum

To:      IVGID Audit Committee: Trustee Chair Phil Horan, Trustees Wong and Hammerel

cc:      IVGID Trustees Dent and Callicrate

From:    Cliff Dobler and Linda Newman

Dated:   December 7, 2016

To be included in the next Board packet

Subject: Sounding Another Alarm on IVGID’s Deceptive and Fraudulent Accounting Practices:

Re: 1. Fictional Parcel Owner Discounts on Entry Fees Reported in the 2011, 2012, 2013, 2014, and 2015 Comprehensive Annual Financial Reports (CAFRs) as stated in the Basic Financials for Proprietary Funds Statement of Revenues and Expenditures and Changes in Net Position and the Notes to Financial Statements 1(Q) for 2012; 1(R) for 2013; 1(S) for 2014; and 1(S) for 2015

2. Contrived Misallocation of the Fictional Parcel Owner Discounts to Inflate Beach Fund Operating Revenues and Distort Community Services Fund Operating Revenues

3. Unlawful Cash Transfers from the Community Services Fund to the Beach Fund totaling approximately $1.5 Million through June 30, 2016

4. Defrauding an entire community through the Improper Financial Mismanagement of the Community Services Fund and the Beach Fund

BACKGROUND OF PREVIOUS MEMORANDUMS

Over the past fourteen months we have provided four memorandums to the IVGID Board of Trustees documenting the District’s improper accounting and reporting of parcel owner discounts on entry fees through the use of Recreation Punch Cards as reported in the above referenced CAFRs which resulted in the following:

1) Unlawful and Undisclosed cash transfers between two major funds;

2) Theft of a portion of parcel owner Community Services Fund Standby and Service Charges (Rec Fee) used to pay Beach Fund operating and capital expenditures;

3) Theft of a portion of Rec Fees paid by parcel owners legally denied access to the beaches;

4) Material overstatement of Beach Fund Operating Revenues;

5) Material understatement of Community Services Fund Operating Revenues;
All of the above has translated into defrauding an entire community through the financial mismanagement of the Community Services and Beach Funds. As a further consequence, this erroneous accounting has materially distorted the District’s Annual Budget and the audited and unaudited financial statements to deliberately mislead taxpayers, investors, creditors and Federal, State and Local Regulatory Agencies on the District’s operating performance, financial health and fiscal integrity.

On September 30, 2015, an extensive memorandum titled "Misallocation of Parcel Owner Discounts at the Community Services Fund and the Beach Fund" was submitted to the IVGID Trustee Audit Committee. This memo documented five years of major changes in reporting Parcel Owner Discounts ("Discounts") through the use of punch cards and an arbitrary allocation of 88% of these "Discounts" to the Community Services Fund and 12% of these "Discounts" to the Beach Fund. In addition to inaccurately reporting Community Services and Beach Fund revenues, this scheme involved unlawful and undisclosed cash transfers from the Community Services Fund to the Beach Fund. In stark defiance of Nevada law and the public trust, the District “repurposed” to the Beach Fund a portion of the Community Services Rec Fee paid by 8181 parcel owners, including approximately 438 parcel owners legally precluded from accessing IVGID beaches. At the end of June 30, 2015 the misallocation of these Discounts amounted to $1,128,820 and is now estimated to be $1,500,000 as of June 30, 2016. (Exhibit "A")

On November 25, 2015 we prepared a follow-up memorandum titled "Beach Analysis" which reported the effect of the misallocation of the "Parcel Owner Discounts" and the profound negative impact on Beach Fund operations. In addition to providing all the details, we requested that this fiasco be corrected with the required repayments made to the Community Services Fund. Above all, we requested these Funds be reported and managed properly. (Exhibit "B")

At the December 16, 2015 IVGID Trustee Audit Committee meeting convened to approve the District’s 2015 CAFR, Board Chair Kendra Wong posed the following question to Mr. Dan Carter, Eide Bailly audit engagement partner: “Something that’s come up with a lot of different community members is how we account for our punch card usage and the fact that if we use a punch card at the beach that it stays within the beach fund essentially to make sure people who don’t have beach access aren’t necessarily paying for things related to the beaches. So can you talk about the audit procedures that you do over that process and how comfortable you are that our community services funds and our beach funds stay separate?”

Mr. Carter answered: “It is our understanding that IVGID has a policy to account for basically the contra revenue of those beach cards against the people who are actually paying for them. They are associated with fees or the taxes associated on a parcel by parcel basis. So the policy of IVGID, as approved by the Board of Directors, is to offset those punch cards against the property holders versus the actual users. And so we have, you know, our basic audit procedures covered that area. We were comfortable that we had done enough work over that and found basically the ratio of those contra revenues to be in line with the property taxes themselves, so yeah, we were able to gain comfort with that specifically, yeah.” (Exhibit "C")
Chair Wong’s question and Mr. Carter’s response did not address our concerns about the improper accounting and reporting. This interchange raised serious doubts about whether Trustee Chair Wong, a licensed California CPA, had reviewed the serious allegations cited in the memorandums and understood the gravity of unlawful and unreported cash transfers between Enterprise Funds. Mr. Carter’s response added to our discomfort as it was apparent that he had not read the memorandums and had referenced non-existent “beach cards” and “policies” as well as rendering other statements that we found incomprehensible.

Despite this, two of the three Trustee Audit Committee members recommended approval of the 2015 CAFR. At the Board of Trustee meeting that followed, the CAFR was approved on a 4 to 1 vote without any changes to the improper accounting and reporting documented in our memorandums.

Shocked as we were, on February 19, 2016 we prepared another memorandum with commentary and analysis of Chair Wong’s question and Mr. Carter’s response of December 16, 2015 alerting the Board to the fact that they did not address, rebut or provide a remedy for our concerns (Exhibit "D").

As we were unaware of any “policy” approved by the Board of Trustees which would clarify Mr. Carter’s remarks, we generated a Public Records Request on March 1, 2016. We were provided IVGID Ordinance No. 7 and IVGID Board Policy 16.1.1. Neither provided clarification nor support for Mr. Carter’s statements on the accounting policies for contra revenues for “Parcel Owner Discounts”. With this in mind, we have no understanding of exactly what constituted Eide Bailly’s basic audit procedures.

On March 3, 2016 IVGID Board of Trustees held a Board Retreat to discuss the 2016-2017 Operating Budget as presented by Director of Finance Eick. Pages 21-26 of the power point presentation was dedicated to Recreation Punch Cards. On that day, Mr. Dobler presented a memo annotating each of the Punch Card pages to highlight the fallacies Mr. Eick stated on each page. (Exhibit E)

TO DATE, WE HAVE NOT RECEIVED ANY RESPONSE TO OUR PUBLIC COMMENTS, MEMORANDUMS AND FOLLOW-UP CORRESPONDENCE. WE HAVE NEVER RECEIVED ANY REPORTS EVIDENCING ANY INVESTIGATIONS INTO OUR ALLEGATIONS.

THE PROLIFERATION OF IMPROPER ACCOUNTING AND REPORTING IS UNACCEPTABLE AND BEYOND CONTEMPT FOR THE LAW. IT IS A BETRAYAL OF THE PUBLIC INTEREST YOU ARE ELECTED TO SERVE.

It is important to understand that "Parcel Owner Discounts on Entry Fees" created through the use of Prepaid Punch Cards are FICTIONAL. After reviewing IVGID Ordinance No. 7, the District’s website on Recreation Privileges and five years of the District’s CAFRs and the related Footnotes, we recently discovered that there are ACTUALLY no “parcel owner discounts on entry fees” using prepaid punch cards. These “discounts” as reported, were payments of the difference between the resident rate and the retail, non-resident or guest rate using the value of the prepaid punch cards to pay the full cost. No discounts were ever intended or provided.
In accordance with the District's chronic fabrications and unchecked misrepresentations, the District created FICTIONAL Parcel Owner Discounts as the foundation for an elaborate accounting scheme to record additional operating revenues from the use of Recreation Punch Cards. As the punch cards had already been paid for by the annual Rec and Beach Fees and recorded as revenues in the Community Services and Beach Funds when originally issued, the District double booked these revenues when these punch cards were utilized at the District's recreational venues. In order to balance the books on these prepaid punch card transactions, the District established a fallacious 88%/12% allocation of these "contra revenues of Parcel Owner Discounts." This formula enabled the District to record manufactured Beach Fund Revenues to pay for a portion of budgeted Beach Fund Expenditures. It also enabled the District to create unlawful and unreported cash transfers from the Community Services Fund to the Beach Fund to provide these manufactured revenues. In addition, the District devised different accounting procedures to record the use of prepaid punch cards at the Beaches and the Community Services recreational venues. At the Beaches, sales are recorded with corresponding contra revenue discounts; at the Community Services venues sales are recorded at each venue and the contra revenue discount is recorded in the Administration Sub-Account, rather than at each venue. These inventions have circumvented generally accepted accounting principles and Nevada law to manipulate the proper accounting and reporting for the Community Services and Beach Funds.

At the time our original memorandums were written, we had not questioned the District's characterization of parcel owner discounts utilizing punch cards as actual "discounts". Our concentration was on the misallocation of the discounts between two funds and the lack of proper disclosure. These additional layers of deception cause us deep concern and complete distrust of the District's entire financial accounting and reporting practices.

The Evidence Follows:

PUNCH CARD OVERVIEW

The nature of what IVGID characterizes as "parcel owner discounts" derives from the District's assessment of the annual Recreation and Beach Standby and Service Charges. The payment of these Charges, known as the Rec and Beach Fees entitle parcel owners to specific recreation privileges as defined in District Ordinance No. 7. This Ordinance last amended on March 25, 1998 establishes rates, rules, and regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District.

In exchange for the payment of these Rec and Beach Fees, each parcel owner has the right to obtain any combination of five Recreation Passes or prepaid Recreation Punch Cards. (Ordinance No. 7, page 6, paragraph 30).

The Recreation Pass, often referred to as a Picture Pass, is a non-transferable photo identification pass. For holders with Beach access it provides FREE access to the Beaches and resident rates for hourly, daily and seasonal use of District owned recreational facilities. For holders without Beach access, with the exception of Beach access, the privileges are the same. (Ordinance No. 7, page 6, paragraph 24).
Recreation Pass, whether it is used once or a thousand times retains its intrinsic value as essentially “identification” for the holder to pay the established resident rate and receive all resident recreation privileges. The Recreation Pass can only be issued to certain family members and can also be assigned by a parcel owner to another person such as a renter.

The Recreation Punch Card ("Punch Card") is transferrable and can be used to PAY THE DIFFERENCE between the resident rate and the guest rate, retail or non-resident rate for access to various District recreation facilities. The Punch Card bears a face value established by the Board. (Ordinance No. 7, page 6, paragraph 22).

As the current Rec Fee is $730 and the Beach Fee is $100, and payers of these “Fees” are entitled to any combination of five Recreation Passes or Punch Cards, the Board has determined that for holders with beach access the Punch Card has a stated value of $166 per card. This is one-fifth of the combined Rec and Beach fees totaling $830. Punch Cards for holders without Beach access are valued at $146. This is one-fifth of the $730 Rec Fee. Additional Punch Cards for parcels with beach access can be purchased for $166. Additional Punch Cards for parcels without beach access can be purchased for $146.

Article VII of Ordinance No. 7 titled Recreation Punch Card states:

A Recreation Punch Card provides the cardholder with a face value of recreation privileges, determined by the Board, 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; and

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

c) the difference between the resident rate and the retail or non-resident rate for any other recreation use fee or rental fee as may be determined by the Board.

It is quite clear that Punch Cards are prepaid with the payment of the Rec and Beach Fees and can only be used to PAY THE DIFFERENCE between the resident rate and the guest, retail or non-resident rate depending upon the venue. As a discount is defined as “a reduction from the full or standard amount of a price” the amount of a prepaid punch card used to pay the full value for recreation venues, would not qualify as a discount. It is also clear that only the Picture Pass enables the holder to pay the “discounted” resident rate.

Further validation of our assessment can be found on the IVGID website at: [www.yourtahoeplace.com/parks-recreation/about-recreation/ivgid-passholder-information](http://www.yourtahoeplace.com/parks-recreation/about-recreation/ivgid-passholder-information)

"The Recreation Punch Card can be used to pay for any of the following privileges:

For beach access parcels only - the full cost of guest access to the beaches, pool and daily boat launching fees.
For all parcels - the difference between the regular rate and the IVGID Pass daily or hourly rates at the Recreation Center, Tennis Center, golf courses and Diamond Peak. The discounted rate must still be paid.

The card may be used at both golf facilities, but the difference between the standard and IVGID Pass rate will consume either most or all of the value of the card.”

According to the March 3, 2016 power point presentation by Director of Finance Eick at the Board of Trustees Retreat, the value of the prepaid Punch Cards WHICH WERE USED to pay the difference between resident rates and guest, retail, or non-resident rates have averaged approximately $600,000 for each of the fiscal years 2013-2016. Of this amount, approximately $450,000 is used annually at the Beaches. These punch card transactions are what IVGID considers to be a Parcel Owner Discount.

In addition to the District's opaque and improper accounting, we have no way to validate this amount as our Public Records Requests for the number of punch cards issued in previous years have been denied.

FALSE REPORTING IN THE COMPREHENSIVE ANNUAL FINANCIAL REPORTS

"Parcel Owner Discounts on entry fees" reported as contra revenues in the 2011 through 2015 CAFRs are NOT DISCOUNTS AT ALL and have been erroneously reported as “discounts” without any basis in fact or accounting theory. The District’s explanation of the transactions creating these "discounts" is contained in the Financial Statement Footnotes (the “Notes”).

Financial Statement Footnotes, required under GASB 34, are an integral part of the financial statements. They are extremely valuable in discerning how various accounting policies, including revenue recognition and significant transactions, are impacting the government’s reported results and financial condition. They provide information that is essential to a user’s understanding of the basic financial statements. In accordance with Government Auditing Standards issued by the Comptroller General of the United States the Auditor’s Responsibility to obtain reasonable assurances about whether the financial statements are free from material misstatement includes a review of the Financial Statement Footnotes.

Parcel Owner Discounts on entry fees were first reported in the 2011 CAFR Basic Financials for Proprietary Funds Statement of Revenues and Expenditures and Changes in Net Position without any disclosure in the Notes.

2011 marks the first year of IVGID double booking a portion of Beach Fund Standby and Service Charges (Beach Fee) revenues and creating corresponding contra revenues through the accounting and reporting of fictional parcel owner discounts on entry fees through prepaid punch card transactions at the Beach Fund’s recreational venues. This fraudulent accounting which violates generally accepted accounting principles and Nevada law inflated the Beach Fund’s total Sales and Fees by 47%. This new accounting policy and the nature and justification for this change were not disclosed in the Footnotes.
For the years 2012 through 2015, the CAFR Notes titled Parcel Owner Discounts reference and misquote Ordinance 7, contain four differently worded disclosures and multiple inaccuracies.

These Notes are presented below with our analysis as well as attached to this memo without commentary as Exhibit F.

COMPREHENSIVE ANNUAL FINANCIAL REPORTS – Summary of Significant Accounting Policies - Footnotes on Parcel Owner Discounts

Year ending June 30, 2012 - page 33:

1Q. Parcel Owner Discount
Under Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of fees.

Analysis: This Note referencing Ordinance 7 is false and misleading. It introduces the new term “buy down” which does not appear in Ordinance 7; confuses Recreation Passes with Recreation Punch Cards as defined under Ordinance 7; and fails to specify that the only types of fees under Ordinance 7 are “recreational”.

According to Wikipedia, the standardized definition of a BUY DOWN "is a mortgage financing technique where the buyer of a property attempts to obtain a lower interest rate for at least the first years of the mortgage. The seller of the property usually provides payments to the mortgage lending institution, which, in turn lowers the buyers monthly interest rate and therefore monthly payments."

Apparently, a “buy down” is an inappropriate term and has no meaning in the context of Ordinance 7. In addition, paying the difference between a resident rate and a guest, retail or non-resident rate at the recreational venues does not create or result in a discount. If there is NO DISCOUNT, there are no Parcel Owner Discounts on entry fees to present as Contra Revenue in the Community Services and Beach Fund Financial Statements.

If you review the definitions of Recreation Passes and Recreation Punch Cards under Ordinance 7, it is clear that the Note mischaracterizes Recreation Passes with the characteristics of Punch Cards.

Recreation Passes as defined in Ordinance 7 have no actual value assigned and are used only as photo identification to obtain resident rates and privileges. To our knowledge no discounts have ever been recorded by using a portion of a value that does not exist to “buy down” anything. To state this simply, the use of Recreation Passes are non-monetary transactions.

Recreation Punch Cards as defined in Ordinance 7 may be used to pay the difference between the resident rate and the guest, retail or non-resident rate at the District’s recreational venues. As annual Parcel Owner Rec and Beach Fees are recorded as Revenues in the Community Services and Beach Funds and Recreation Punch Cards are prepaid with the payment of the Rec and/or Beach Fee –there
are no additional revenues generated at the recreational venues when these punch cards are used to pay entry fees.

Despite this, $448,000 of Parcel Owner Discounts through the use of prepaid punch cards are reported at the Beach Fund artificially increasing the sales and fees by more than 50%. At Community Services, this improper accounting was also implemented. It increased the sales and fees by a nominal $108,370. At both the Community Services and Beach Funds, these sales and fees were offset by a corresponding "discount". Director of Finance Eick has represented that the utilization of punch cards to pay the difference between resident rates and guest or non-resident rates constitutes a "discount".

**Year ending June 30, 2013 - page 35:**

1R. Parcel Owner Discount

Under District Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of recreational fees. These discounts are presented as contra revenue in the Proprietary Fund statements. Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees.

**Analysis:** This Note maintains the false and misleading references to Ordinance 7 but clarifies the fees only pertain to "recreational." It erroneously states that the "buy down" are discounts which are presented as "contra revenue" in the Proprietary Fund statements. It also adds: "Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees." As Ordinance 7 does not provide a definition of "facility fees" the Notes do not provide the necessary clarity to determine what the allocations actually mean. An external user of the District’s financial statements would have to be familiar with the District’s operations to know that the Note reference to an 88%/12% allocation of the "contra revenue" is based on the ratio of the District’s Rec Fee of $730 and Beach Fees of $100 to their total of $830.

As written, the District is stating that irrespective of the recreational venue where punch cards are actually utilized, the District will apply 88% of the fictional discounts as Contra Revenue to the Community Services venues and 12% to the Beach venues. The Community Services and Beach Funds are separate Funds. The Standby Service Charges (the Rec and Beach Fee) assessed for the availability of use for the facilities and services of each Fund must, by law, be collected for the express use of each Fund. As the punch cards are prepaid with the payment of the Rec Fee and Beach Fee and these Fees are already recorded as revenues in the respective funds, they cannot be properly recorded as additional revenues or contra revenues when the punch cards are utilized at recreational venues irrespective of any new ratio the District devises.

To distill this down to its essence, as prepaid punch card transactions do not generate actual gross revenues at the recreational venues there are no contra revenues to deduct or net revenues to record at the Community Services or Beach Funds. This did not deter the District from contriving a new device for the creation of fictional revenues to derive corresponding non-existent contra revenues which can then be allocated and manipulated between two separate and distinct funds. This 88%/12% ratio signals the
beginning of unlawful and undisclosed cash transfers from the Community Services Fund to the Beach Fund.

This is best illustrated by historic information provided by Director of Finance Eick. Beginning on July 1, 2011, almost $320,000 in full price entry fees at the Beaches were paid by the use of prepaid punch cards. The full sales price was recorded as Sales and Fees revenues at the Beaches. Since no actual cash was exchanged, a credit for the same amount was recorded as “contra revenue” in a revenue sub-account titled PARCEL OWNER DISCOUNTS. For fiscal year ended 2012, $448,000 of full price entry fees at the Beaches paid by the use of prepaid punch cards received the same accounting treatment. Then, as stated in the referenced Notes for 2013, 2014 and 2015 CAFRs, 88% of the fictitious Parcel Owner Discounts were recorded in the Community Services Fund, not in the Beach Fund. The resulting $375,000 per year (88% of $450,000) for each of the following years required CASH TRANSFERS from the Community Services Fund to the Beach Fund in order to reflect that only 12% of the 100% Parcel Owner Discount was for beach entries. As a result, Revenues at the Beach Fund have been overstated by approximately $375,000 per year.

Keep in mind that there were never any discounts ever provided by using a prepaid Punch Card to pay the difference between a resident rate and the guest, retail or non-resident rate.

**Year ending June 30, 2014 - page 36:**

15. Parcel Owner Discount
Under District Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of recreational fees. These discounts are presented as contra revenue in the Proprietary Fund statements. Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees.

**Analysis:** This Note replicates 2013 without any corrections or additions.

**Year ending June 30, 2015 - page 36:**

15. Parcel Owner Discount
Under District Ordinance 7 parcel owners may use punch cards to buy down the difference between a regular rate and the resident rate for certain types of recreational services. The punch card utilization is presented as contra revenue in the Proprietary Fund statements. Utilization is allocated based on the card value relationship to one fifth of the per parcel total facility fee. Typically for a full privilege parcel this is 88% to Community Services Fund and 12% to the Beach Fund.

**Analysis:** The Note reflects the use of punch cards to generate so called “buy downs” rather than recreation passes. The inaccurate references to recreation passes in previous years are not acknowledged. The buy down of the difference between a regular rate and the resident rate is changed from certain types of “recreational fees” to certain types of “recreational services”. It eliminates the characterization of a “buy down” as a “discount” and states that “punch card utilization is presented as contra revenue in the Proprietary Fund statements.” New information is added: “Utilization is allocated
based on the card value relationship to one fifth of the per parcel total facility fee. Typically for a full privilege parcel this is 88% to Community Services Fund and 12% to the Beach Fund."

As written, this statement does not define "utilization" and is subject to multiple interpretations. It does not disclose any useful or understandable information to provide clarity or justification for the presentation of contra revenue in the Proprietary Fund statements for transactions involving prepaid punch cards. The new language is another fabricated construct to validate unlawful accounting practices and a contrived 88%/12% ratio to create and conceal illegal cash transfers between two major funds.

This collection of Notes and their respective errors, omissions and false statements appear to have been overlooked by the IVGID Audit Committee, the Board of Trustees approving the Audits and the Independent Auditor responsible for auditing the District’s annual financials.

CONCLUSION

Over five years, the invention of Fictional Parcel Owner Discounts and the 88%/12% Fictional contra revenue allocation has manipulated and distorted the Beach Fund and Community Services Fund financial statements. It has created a device to unlawfully transfer and conceal $1.5 million over four years from the Community Services Fund to the Beach Fund. This scheme has materially corrupted a fair representation of the District’s overall operational and financial management. It has become the foundation for inflating the Community Services Fund Rec Fee, what Director of Finance Eick and General Manager Pinkerton refer to as "smoothing" to provide the cash the District is unlawfully transferring to the Beach Fund to provide the necessary revenues to support the Beach Fund’s Operating and Capital Expenditures. This improper accounting and reporting materially misstates the District’s Comprehensive Annual Financial Reports for the past 5 years through the creation of nonexistent DISCOUNTS.

Due to the format of state and local government financial statements under GAAP, the AICPA Audit Guide for State and Local Governments requires auditors to consider MATERIALITY by "opinion unit" rather than for the financial statements taken as a whole. A major fund is an opinion unit. The IVGID Beach Fund is a major fund.

Major misstatements which have a material effect on the presentation of financial information require a restatement of prior year financial statements. During the past years the overstatement of Revenues from Sales and Fees at the Beach Fund has averaged 47% which would be considered a material misstatement.

Deceptive accounting practices defraud parcel owners. They also deliberately mislead all users of the District’s financial statements on the District’s operating performance, financial health and fiscal integrity. Those who rely upon the District’s financial reporting include taxpayers, investors, current and future creditors of the District’s General Obligation and Revenue Bonds, Federal, State and Local Regulatory agencies.
Your responsibility as Chairman of the IVGID Board of Trustee Audit Committee, and as a fiduciary, is to put an end to this false accounting, notify the auditors, require the past 5 years of CAFR Financial Reports be restated and ensure that the inappropriate cash transfers be returned to the Community Services Fund from the Beach Fund.

cc: Jeff Strand, Eide Bailly Risk Management

cc: Dan Carter, Eide Bailly Audit Engagement Partner

cc: Kelly Langley, Supervisor, Local Government and Finance, DOT

cc: Committee on Local Government Finance (CLGF)

Attachments:

Exhibit A: Misallocation of Parcel Owner Discounts at the Community Services Fund and the Beach Fund Memorandum

Exhibit B: Beach Analysis Memorandum

Exhibit C: 12-16-15 Audit Committee Transcript

Exhibit D: 2/19/16 Memorandum on comments by Dan Carter at the 12/16/2015 Trustee Audit Committee meeting

Exhibit E: 3/3/16 Memorandum on Recreation Punch Cards

Exhibit F: Comprehensive Annual Financial Report Footnotes on Parcel Owner Discounts for years 2012 to 2015
Exhibit A

To: Board of Trustees - Audit Committee (Wong, Hammerel & Callicrate)  
From: Clifford F. Dobler  
Re: Misallocation of Parcel Owner Discounts at the Community Services Fund and the Beach Fund

September 30, 2015

Dear Audit Committee,

In my recent review of the Beach Fund within the comprehensive annual financial reports for the past six years I discovered some disclosure deficiencies and a major violation of operational expectations. I am requesting that the audit committee instruct the auditor to investigate and remedy these problems, to include a required restatement of financial statements and reallocation of IVGID funds as necessary.

The disclosure problems are caused by an unexplained change in the accounting and reporting of parcel owner discounts (also known as punch card allowances) at beach and community services venues. Thus:

- There was a major (material) change to the methodology
- There was no disclosure and explanation of the change
- There was no reporting as to the effect of the change
- There is no (possible) logical explanation for the change as implemented

The operational problem caused by the change is worse: parcel owners without beach access are secretly (and illegally) being made to pay into the Beach Fund.

In other words, for the last several years, Community Services Fund dollars have been reallocated into the Beach Fund without the public knowing, especially the parcel owners without beach access. Now on to the details.

BACKGROUND AND INVESTIGATION

As way of background I am retired as a CPA. I have over 30 years of experience reviewing financial statements, both as an auditor and advisor to financial institutions and as a successful investor in distressed debt situations. My attention to tiny details and discrepancies have unearthed big problems or opportunities. I have lived in Incline Village for 20 years but only recently turned my attention to the IVGID financials.

I was looking through past audited financial reports to understand historical beach performance and usage. I started by assembling the historical parcel owners discounts in the Beach Fund into a table, using the data I VGID began reporting in 2010.

<table>
<thead>
<tr>
<th>Year Ending (June 30)</th>
<th>Beach Fund Parcel Owner Discounts</th>
<th>Community Services Fund Parcel Owner Discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 and prior</td>
<td>Not Available</td>
<td>Not Available</td>
</tr>
<tr>
<td>2011</td>
<td>319,888</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>448,003</td>
<td>108,379</td>
</tr>
<tr>
<td>2013</td>
<td>77,888</td>
<td>564,550</td>
</tr>
<tr>
<td>2014</td>
<td>71,625</td>
<td>529,896</td>
</tr>
<tr>
<td>2015</td>
<td>62,978</td>
<td>470,402</td>
</tr>
<tr>
<td>2016 (budget)</td>
<td>71,000</td>
<td>519,000</td>
</tr>
</tbody>
</table>

I noticed a gigantic drop off in the discounts for the beach usage from 2012 to 2013. Wow, did beach usage really plummet that much?

I gathered the historical Community Services Fund data also, to see if maybe the discounts there also dropped over that time period.

<table>
<thead>
<tr>
<th>Year Ending (June 30)</th>
<th>Beach Fund Parcel Owner Discounts</th>
<th>Community Services Fund Parcel Owner Discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 and prior</td>
<td>Not Available</td>
<td>Not Available</td>
</tr>
<tr>
<td>2011</td>
<td>319,888</td>
<td>0</td>
</tr>
<tr>
<td>2012</td>
<td>448,003</td>
<td>108,379</td>
</tr>
<tr>
<td>2013</td>
<td>77,888</td>
<td>564,550</td>
</tr>
<tr>
<td>2014</td>
<td>71,625</td>
<td>529,896</td>
</tr>
<tr>
<td>2015</td>
<td>62,978</td>
<td>470,402</td>
</tr>
<tr>
<td>2016 (budget)</td>
<td>71,000</td>
<td>519,000</td>
</tr>
</tbody>
</table>

Clearly not. In fact the numbers suggested that people had dramatically shifted discount usage away from the beaches to the other recreational facilities.

But the beaches and other facilities were open as usual during those years, so why would that happen? I looked at the total discounts next.

<table>
<thead>
<tr>
<th>Year Ending (June 30)</th>
<th>Beach Fund Parcel Owner Discounts</th>
<th>Community Services Fund Parcel Owner Discounts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 and prior</td>
<td>Not Available</td>
<td>Not Available</td>
<td>319,888</td>
</tr>
<tr>
<td>2011</td>
<td>319,888</td>
<td>0</td>
<td>556,382</td>
</tr>
<tr>
<td>2012</td>
<td>448,003</td>
<td>108,379</td>
<td>642,438</td>
</tr>
<tr>
<td>2013</td>
<td>77,888</td>
<td>564,550</td>
<td>601,521</td>
</tr>
<tr>
<td>2014</td>
<td>71,625</td>
<td>529,896</td>
<td>533,380</td>
</tr>
<tr>
<td>2015</td>
<td>62,978</td>
<td>470,402</td>
<td>590,000</td>
</tr>
<tr>
<td>2016 (budget)</td>
<td>71,000</td>
<td>519,000</td>
<td>590,000</td>
</tr>
</tbody>
</table>
So other than a failure to report discounts for 2011 in the Community Services Fund (that the auditor missed at that time and for which there was no footnote), the TOTAL parcel owner discounts looked to be in a consistent range before and after 2013.

This suggested some kind of major accounting change after 2012, so I dove into the text of the comprehensive financial reports and the notes to financial statements - summary of accounting policies parcel owners discounts.

In 2011 there was no explanatory text for the parcel owner discounts and then in 2012 this text was added in Note 1-Q:

"Under Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and a resident rate for certain types of recreational fees."

This was brief but sufficient. Discounts are always allocated as a reduction in the revenues booked in the associated sale (by definition) so no need to elaborate on that. The Beach resident rate is "free" or zero dollars so the discount ("buy down") value for the guest rate would be the entire rate. Accounting for the use of a punch card for a typical adult guest transaction at the beach should look like this for the Beach Fund:

<table>
<thead>
<tr>
<th>Sale of visit to a Resident Guest (Gross Revenue Amount)</th>
<th>$12.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allowance for Punch Card (Discount Amount)</td>
<td>-$12.00</td>
</tr>
<tr>
<td>Net Sale at the Beach (Net Revenue Amount)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Community Services Fund facility discounts (golf, rec center, skiing, etc.) are much less than 100% of the full price, but each discount should still be recorded as the difference between the regular rate and the resident rate. This seems to be how all the discounts were recorded and reported in 2012.

But then something strange happened. Beginning in 2013 and subsequent years, in the same notes to the financial statements - summary of accounting policies (Note 1-R), two new sentences were inexplicably added:

"Under Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and a resident rate for certain types of recreational fees. These discounts are presented as contra revenue in the Proprietary Fund statements. Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees." (emphasis added)

What? The first new sentence restated the obvious - of course discounts are contra revenue, they have to be. But then the following sentence conflicts with basic rules of discount and fund accounting. How can discounts from gross revenue be reported in a different and arbitrary way from how they were actually recorded? How could a beach discount be allocated to community services and vice versa?

If the discounts from the gross revenues for the Beach Fund or Community Services Fund were allocated differently from how they actually happened, there would no longer be accurate reporting of the net
revenue activity and discounts in either fund, which might explain the weird numbers I’d found. I did calculations of the reported Beach Fund discounts and Community Services Fund discounts as a percentage of the total discounts:

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Beach Fund Parcel Owner Discounts</th>
<th>Community Services Fund Parcel Owners Discounts</th>
<th>Total</th>
<th>Beach/CSD Discount Split</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 and prior</td>
<td>Not Available</td>
<td>Not Available</td>
<td>Not Available</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>319,888</td>
<td>0</td>
<td>319,888</td>
<td>100.0/0.0</td>
</tr>
<tr>
<td>2012</td>
<td>448,003</td>
<td>108,379</td>
<td>556,382</td>
<td>80.5/19.5</td>
</tr>
<tr>
<td>2013</td>
<td>77,888</td>
<td>564,550</td>
<td>642,438</td>
<td>12.1/87.9</td>
</tr>
<tr>
<td>2014</td>
<td>71,625</td>
<td>529,896</td>
<td>601,521</td>
<td>13.5/86.5</td>
</tr>
<tr>
<td>2015</td>
<td>62,978</td>
<td>470,402</td>
<td>533,380</td>
<td>11.8/88.2</td>
</tr>
<tr>
<td>2016 (budget)</td>
<td>71,000</td>
<td>519,000</td>
<td>590,000</td>
<td>12.0/88.0</td>
</tr>
</tbody>
</table>

The reported discount split did change to something approximating the arbitrary 88%/12% split referred to in the financial statement notes, beginning in 2013. So even though the numbers did not match precisely as alleged, this had to be the explanation.

DISCLOSURE IMPLICATIONS

The first observation from a disclosure perspective is that there has definitely been a change in accounting in 2013 and thus a failure to adequately explain and disclose this change as required by accounting standards. Accounting guidelines state that for any material change in accounting methodology, there must be a clear disclosure and explanation of the change. This was not done.

The guidelines also imply that there must be a logical and justified explanation for the change as implemented. That doesn’t appear possible in this case. The change creates a significant misrepresentation that fails basic accounting logic the way it was implemented. Actual discounts at point-of-sale must be reported as they are recorded, not as they are massaged after the fact into some arbitrary restatement. Revenues for one proprietary fund cannot be reported as revenues for another.

Disclosure guidelines aside, it is also clear that since 2013, records for “Parcel Owner discounts on entry fees” are no longer reporting the actual amount of Parcel Owner discounts on entry fees at the various venues. The accounting is not telling the public what is actually happening.

According to IVGID Staff, the vast majority of parcel owner discounts continue to be recorded at the beaches such that the annual beach discounts still amount to around $450,000. This means that the fictional allocations of parcel owner discounts since 2013 (12% to the Beach Fund and 88% to the Community Services Fund) remain the opposite of the real ratios (about 80% to the Beach Fund).

This also means that the net revenues at the Community Service Fund are understated by about $375,000 and the net revenues at the Beach Fund are overstated by the same amount. This overstatement is about 40% for the Beach Fund, which is obviously material by accounting standards.
OPERATIONAL ANALYSIS

While we cannot ascertain any justification for these accounting changes, we can explain their financial effects. A major operational problem emerges given the required separation of the Beach Fund Recreational Standby Fee payments from the Community Services Fund Recreational Standby Fee payments. IVD's particular situation is that some parcel owners have beach access and pay beach facilities fees and some parcel owners do not have access and (by strict legal requirements) do not pay for beach operations. This accounting change has caused payments to the Community Services Fund to be redirected into the Beach Fund.

As explained above, an adult guest transaction at the beach happens like this:

Sale of visit to a Resident Guest (Gross Revenue Amount) $12.00
Allowance for Punch Card (Discount Amount) -$12.00
Net Cash Sale at the Beach (Net Revenue Amount) $0.00

But since 2013, an adult guest transaction at the beach has apparently been recorded and reported like this:

Sale of visit to a Resident Guest (Gross Revenue Amount) $12.00
Beach Fund Allowance for Punch Card (12% of Discount) -$1.44
Community Services Fund Allowance for Punch Card (88% of Discount) -$10.56
Net Cash Sale (Net Revenue Amount) $0.00

While this gives the illusion of balancing, the accounting now has most of the Allowance for Punch Card (parcel owner discount) being booked into a different fund, so from the Beach Fund perspective the transaction looks like this:

Sale of visit to a Resident Guest (Gross Revenue Amount) $12.00
Beach Fund Allowance for Punch Card (12% of Discount) -$1.44
Net Sale at the Beach (Net Revenue Amount) $10.56

The Beach Fund now has significant net revenues which were not previously recorded, because each time a guest obtains access to the beach by use of a punch card, 88% of that sale's discount is recorded in the Community Services Fund.
For each adult beach guest we now have $10.56 in net Beach Fund revenue that is being reported for each sale but without any cash being paid at the time of sale. If the Beach Fund is booking $10.56 in revenue and receiving $0.00, the $10.56 value per sale has to be coming from somewhere else in the financials and operations.

In other words, since the Beach Fund does not receive any cash from these guest sales as they take place at the beach, it must be receiving cash from some backchannel. Working from this deduction, I wanted to find out where the missing revenue or cash might be coming from.

After further investigation that included several discussions with IVGID staff, an answer has emerged. Through a series of convoluted journal entries and the use of a "cash pool" that has not been disclosed to the public, actual cash is being transferred from the Community Services Fund to the Beach Fund through the "cash pool" to make up for the discount reallocation.

Specifically, during the three year period ending June 30, 2015 a total of $1,128,820 of cash was transferred through the cash pool from the Community Services Fund to the Beach Fund. This corresponds to the missing amount of money needed to cover all of the revenue booked but not received into the Beach Fund due to the reallocation of parcel owner discounts. These transfers are continuing today.

OPERATIONAL IMPLICATIONS

The existence of this cash transfer means that the subset of parcel owners that pay into the Community Services Fund and do not have beach access - and therefore are not supposed to be paying anything into the Beach Fund - have had a portion of their $730 Community Services Fund Recreational Standby Fee payments reallocated into the Beach Fund without their knowledge or permission.

This is obviously an operational violation that needs to be stopped immediately and then fully reversed for previous years. In fact, anything short of a complete public acknowledgement, report and full remedy for all affected citizens will raise suspicions of bad intent.

I hope and trust that with the findings reported in this letter, the Audit Committee will now direct IVGID (and their Auditor) to acknowledge this mistake, undo it, investigate why it happened and report on the findings and the processes put in place to ensure that it never happens again.

Also please keep in mind that in light of the disclosures herein, any failure by the Audit Committee members to expedite an investigation and remediation of this problem would easily be considered aiding and abetting this malfeasance.

Thank you all for your prompt attention to this serious matter. If this letter raises any additional questions, I may be contacted by phone (775-722-4487) or email (cfdobler@aol.com).

Regards,

Clifford F. Dobler
November 25, 2015

To: Board of Trustees

From: Clifford F. Dobler

Re: Beach Analysis

As a result of the misallocation of the Parcel Owner Discounts between the Community Service Fund and the Beach Fund for the past three years and the current year, I decided to study the Beach activity for the past 7 years and the budget for the current year.

The study consist of a two page summary of the Revenue, Expenses, Adjustments, Debt payments, Capital projects and various data compiled from the audited financial statements and budgets and the study is attached hereto.

In looking at sales and fees (line 9) you can see beginning in year 2011 a large jump in amounts received without any real increase in visits (line 46). This was the year, the Staff decided to start grossing up the revenues to account for usage of the punch cards for resident’s guests. Further increases in sales and fees then a leveling off occurred in years 2012 to 2015 which must have been a combination of a rate increase (line 42) and increase in visits (line 46). At the same time note the dramatic drop off of the Parcel Owner Discounts (line 13), which is further detailed in my letter to the BofT audit committee on September 30, 2015.

As a result of adjusting and taking the Parcel Owner Discounts (line 13) total revenues (line 18) exploded upwards beginning in years 2013 through 2015.

As this new found source of journal entry funding materialized notice the large increases in expenses (line 29) beginning in 2014, 2015 and the budget for 2016.

By adjusting the Parcel Owner discounts from what was reported to what actually occurred it is easy to see the yearly nosedive in Operating Income (line 33) beginning in 2013.

On page 2 of the analysis which includes the operations, required debt service and capital projects and adjusting for the parcel owner discounts to the proper amounts, the beaches have been operating in the red (line 60) since the bogus accounting for punch card usage was concocted.

**What are the ramifications:**

1) The Staff and Board of Trustees in order to "smooth out" the annual Recreational Facility Fee and the Beach Fee has deceived the citizens on exactly how much of a citizen "subsidy" is actually required to support all of the costs and expenses of operating, maintaining and debt service for the beaches. The BofT would have to be honest and explain to the public that the Beach Facility Fee should have been $150.00 per year rather than the $100.00 since 2013. Of course, there would also be a corresponding reduction in the Community Service Recreational Facility Fee from $730.00 down to $680.00. This explanation would also require courage and admitting a mistake.
2) The estimated Beach Fund "reserves" AKA unrestricted assets of $1,192,021 as of June 30, 2015 would be ZERO or negative if the $1,200,000 of punch card usage not recorded at the beaches was recorded properly and the cash funds returned to the Community Service Fund.

3) The published five year capital project report would be incorrect as there would be no funds to accomplish any new capital projects. The existing five year capital project report indicates capital projects would be "Paid from Beach Fund Balance, as available" Since there is truly no reserves available nothing could be constructed. As a result, in order to fund planned capital projects the Beach Fee most probably would have to be increased above the $150 per year mark or borrowings would be required.

4) There are different parcel owners who are charged different fees depending on which parcels have beach access rights. Again an admission of a mistake would be required.

I would suggest that this fiasco be corrected and above all reported and managed properly.

Clifford F. Dobier

[Signature]
## Incline Village General Improvement District

### Analysis of Actual Revenues and Expenses 2009 to 2015 and budget for 2016

Data obtained from audited financial statements and budgets

### BEACHES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Fees</td>
<td>533,603</td>
<td>501,128</td>
<td>622,581</td>
<td>838,017</td>
<td>866,715</td>
<td>871,540</td>
<td>871,379</td>
<td>855,200</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>128,022</td>
<td>99,152</td>
<td>61,227</td>
<td>26,910</td>
<td>68,974</td>
<td>63,915</td>
<td>70,839</td>
<td>62,500</td>
</tr>
<tr>
<td>Concessions</td>
<td>110,536</td>
<td>4,573</td>
<td>108,288</td>
<td>127,999</td>
<td>161,867</td>
<td>118,700</td>
<td>120,000</td>
<td></td>
</tr>
<tr>
<td>Other Revenues</td>
<td>16,466</td>
<td>13,698</td>
<td>16,000</td>
<td>6,160</td>
<td>2,888</td>
<td>9,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>User Fees and Other Revenues</strong></td>
<td>766,542</td>
<td>724,514</td>
<td>445,303</td>
<td>562,276</td>
<td>956,401</td>
<td>1,023,092</td>
<td>990,601</td>
<td>975,200</td>
</tr>
<tr>
<td>Recreational Standby Fee</td>
<td>1,110,476</td>
<td>865,540</td>
<td>783,028</td>
<td>899,565</td>
<td>725,102</td>
<td>780,716</td>
<td>778,149</td>
<td>774,300</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>1,977,018</td>
<td>1,590,054</td>
<td>1,228,331</td>
<td>1,461,841</td>
<td>1,761,503</td>
<td>1,836,315</td>
<td>1,767,750</td>
<td>1,750,500</td>
</tr>
</tbody>
</table>

### Operating Expenses (no depreciation)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and Benefits</td>
<td>640,061</td>
<td>592,445</td>
<td>623,406</td>
<td>528,825</td>
<td>554,750</td>
<td>690,594</td>
<td>771,640</td>
<td>909,410</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>34,628</td>
<td>30,038</td>
<td>13,030</td>
<td>344,221</td>
<td>344,221</td>
<td>344,221</td>
<td>344,221</td>
<td></td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>322,719</td>
<td>322,697</td>
<td>368,704</td>
<td>344,221</td>
<td>325,734</td>
<td>374,682</td>
<td>547,507</td>
<td>422,545</td>
</tr>
<tr>
<td>Central Service Cost</td>
<td>69,600</td>
<td>63,600</td>
<td>72,000</td>
<td>In Service &amp; Sales</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance</td>
<td>10,343</td>
<td>17,159</td>
<td>16,427</td>
<td>77,898</td>
<td>85,763</td>
<td>102,082</td>
<td>91,140</td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>81,503</td>
<td>81,839</td>
<td>76,596</td>
<td>78,318</td>
<td>77,898</td>
<td>85,763</td>
<td>102,082</td>
<td>91,140</td>
</tr>
<tr>
<td>Legal and Audit</td>
<td>15,918</td>
<td>7,634</td>
<td>4,798</td>
<td>7,369</td>
<td>4,683</td>
<td>3,246</td>
<td>2,746</td>
<td>15,000</td>
</tr>
</tbody>
</table>

### Operating Income as Reported

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>864,846</td>
<td>538,242</td>
<td>121,370</td>
<td>433,708</td>
<td>734,474</td>
<td>590,040</td>
<td>324,771</td>
<td>202,005</td>
<td></td>
</tr>
<tr>
<td>Adjust for Parcel Owner Discount (per E&amp;I)</td>
<td>(313,084)</td>
<td>(448,003)</td>
<td>(77,983)</td>
<td>(71,629)</td>
<td>(62,978)</td>
<td>(70,900)</td>
<td>(75,000)</td>
<td></td>
</tr>
<tr>
<td>Operating Income adjusted</td>
<td>864,846</td>
<td>538,242</td>
<td>121,370</td>
<td>433,708</td>
<td>362,791</td>
<td>209,067</td>
<td>(52,021)</td>
<td>(172,995)</td>
</tr>
</tbody>
</table>

### Sales and Fees to Users only

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Fees</td>
<td>533,603</td>
<td>501,128</td>
<td>672,581</td>
<td>838,017</td>
<td>866,215</td>
<td>871,540</td>
<td>871,379</td>
<td>855,200</td>
</tr>
<tr>
<td>Parcel Owners Discounts - as Reported</td>
<td>(313,084)</td>
<td>(448,003)</td>
<td>(77,983)</td>
<td>(71,629)</td>
<td>(62,978)</td>
<td>(70,900)</td>
<td>(75,000)</td>
<td></td>
</tr>
<tr>
<td>Parcel Owners Discounts - Adjustments</td>
<td>(313,084)</td>
<td>(448,003)</td>
<td>(77,983)</td>
<td>(71,629)</td>
<td>(62,978)</td>
<td>(70,900)</td>
<td>(75,000)</td>
<td></td>
</tr>
<tr>
<td>Adjusted Sales and Fees</td>
<td>533,603</td>
<td>501,128</td>
<td>353,493</td>
<td>390,014</td>
<td>416,371</td>
<td>419,842</td>
<td>431,609</td>
<td>409,700</td>
</tr>
</tbody>
</table>

### Percentage of Discounts to Sales not recorded

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate Increase</td>
<td>$10 to $12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE Personnel (Budget)</td>
<td>16.9</td>
<td>18.1</td>
<td>17.8</td>
<td>14.9</td>
<td>15.3</td>
<td>17.1</td>
<td>20.2</td>
<td>22.0</td>
</tr>
<tr>
<td>Incremental Personnel Expense</td>
<td>135,844</td>
<td>81,046</td>
<td>137,770</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Expense per each FTE Increase</td>
<td>$75,669</td>
<td>$26,144</td>
<td>$76,539</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visits</td>
<td>159,827</td>
<td>152,624</td>
<td>155,671</td>
<td>165,387</td>
<td>165,089</td>
<td>173,963</td>
<td>153,841</td>
<td>165,000</td>
</tr>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
<td>I</td>
</tr>
<tr>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
<td>-----</td>
</tr>
<tr>
<td>49</td>
<td>BEACHES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>Operating Income as Reported</td>
<td>864,846</td>
<td>538,242</td>
<td>121,370</td>
<td>433,708</td>
<td>734,747</td>
<td>590,040</td>
<td>324,771</td>
</tr>
<tr>
<td>53</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>Interest on Debt</td>
<td>(51,008)</td>
<td>(32,663)</td>
<td>(27,759)</td>
<td>(23,318)</td>
<td>(19,234)</td>
<td>(11,811)</td>
<td>(11,800)</td>
</tr>
<tr>
<td>55</td>
<td>Principal on Debt</td>
<td>(233,144)</td>
<td>(240,362)</td>
<td>(117,040)</td>
<td>(58,757)</td>
<td>(158,614)</td>
<td>(263,218)</td>
<td>(270,602)</td>
</tr>
<tr>
<td>56</td>
<td>Capital Projects</td>
<td>(80,587)</td>
<td>(122,173)</td>
<td>(138,173)</td>
<td>(17,544)</td>
<td>(550,397)</td>
<td>(127,176)</td>
<td>(695,822)</td>
</tr>
<tr>
<td>57</td>
<td>Net Resources</td>
<td>500,107</td>
<td>143,044</td>
<td>(261,602)</td>
<td>(234,089)</td>
<td>(3,532)</td>
<td>187,825</td>
<td>(646,653)</td>
</tr>
<tr>
<td>58</td>
<td>Adjustment for Parcel owners discounts</td>
<td>(371,956)</td>
<td>(380,073)</td>
<td>(376,792)</td>
<td>(375,000)</td>
<td>(381,145)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>59</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>Combined Losses</td>
<td>$ (1,257,678)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

299
Transcription of Relevant Comments – Verbatim in “quotes”.
of Dan Carter of EideBailly to the IVGID Audit Committee
On 12/16/15 – as viewed on Livestream (starting at about 9 minutes into the session)
by Linda Newman
Subject: IVGID 2015 CAFR

Present: Audit Committee Trustees Callicrate, Wong and Hammerel
         Dan Carter, EideBailly - Audit Partner that led engagement
         GM Pinkerton
         Director of Finance Eick
         IVGID Counsel Jason Guinasso
         IVGID Executive Ass’t Susan Herron

Community members –including Trustee Phil Horan

Question by Chairperson Kendra Wong:

“Something that’s come up with a lot of different community members is how we account for our punch card usage and the fact that if we use a punch card at the beach that it stays within the beach fund essentially to make sure people who don’t have beach access aren’t necessarily paying for things related to the beaches. So can you talk about the audit procedures that you do over that process and how comfortable you are that our community services funds and our beach funds stay separate?”

Answer by Dan Carter:

“It is our understanding that IVGID has a policy to account for basically the contra revenue of those beach cards against the people who are actually paying for them. They are associated with fees or the taxes associated on a parcel by parcel basis. So the policy of IVGID, as approved by the Board of Directors, is to offset those punch cards against the property holders versus the actual users. And so we have, you know, our basic audit procedures covered that area. We were comfortable that we had done enough work over that and found basically the ratio of those contra revenues to be in line with the property taxes themselves, so yeah, we were able to gain comfort with that specifically, yeah.”

Chairperson Wong:

“Thank you.”

Dan Carter:

“Of course.”

Trustee Callicrate:
Presents an apology to the other trustees and the accounting firm explaining that he had a series of work emergencies -- and as he could not thoroughly review this matter, he could not move forward. He also complimented and thanked Mr. Carter for his firm's services.

Trustee Hammerel:

Noted that Mr. Carter would be leaving after the Audit Committee Meeting and that Mr. Carter would not be present at the regular Board of Trustees meeting. Stated that questions from other community members as well as Trustees not on the audit committee might come up relative to the review and approval of the District's transition to Enterprise Fund Accounting from Special Revenue Fund Accounting and whether it was appropriate or not appropriate. Asked Mr. Carter to comment on the District's transition to Enterprise Fund Accounting.

Dan Carter:

Corrected Trustee Hammerel politely noting that it was the reverse transition – from Enterprise to Special Revenue Fund Accounting.

Then answered Trustee Hammerel's Question:

"I guess I'll caveat the discussion with the fact that you know again that's a management decision and a board approved decision. We can't be in anyway seen as approving those functions because we have to keep our independence with management what goes on up here. We really will come in on the back end and audit those funds to make sure they are being used properly and all the accounting with the transfers and the transitions all happened properly. So, I certainly can't guarantee that we won't have issues on the back end. And you know if there's adjustments that need to be made for us to be able to issue our opinion on them we will definitely present those to this group. So, I would say we had specific conversations with the Department of Taxation but it was more about the use of Special Revenue Funds. There are specific guidance in GASB about what can and can't be accounted for with a Special Revenue Fund and it kind of came out of – it's not really an issue up here but we have a lot of governments with just dozens and dozens of Special Revenue Funds. Any time something new came up they would just create a new fund to account for it. So GASB was trying to clean that up. And put in some pretty strict guidance as far as what a Special Revenue Fund can be used. It is unusual up here when we use the word fee like the Community Services fee or the Beach fee because it's actually technically a tax. It's collected by the Washoe County Assessor's Office and remitted to you guys along with regular property taxes so the fact that there's a restriction on the use of that tax money is exactly what a special revenue fund is used for. You know, it's a change in the funds, but I think it's the utilities funds being enterprise funds makes sense to me and not that using enterprise fund accounting for the beach and community services hasn't been okay in the past but if you really think of it more like a parks and rec type function within the government and splitting those up to be able to show funds that need to be accumulated for you know future capital improvements and maintenance, you know the debt associated with each of those separate functions and then obviously the special revenue fund to account for the receipt of taxes and the operations of them. It seems like it will be a benefit to the organization to be able to break those out and show them separately. But again, you know, I can't guarantee that there won't be issues."
you know, in the accounting for it. It is a complicated process and it seems like there’s been a lot of due diligence going into it. It is disclosed as a subsequent event in the current year CAFR. But I think on a go forward basis once we can get through the transitionary period I would hope that it would be, you know, a clear way to report the activities of everything that runs through those two funds. You know, right now, you know if you want to save up money for a capital project it’s just building a fund balance which isn’t necessarily what you should be doing in an enterprise fund. Getting that out and doing it in a capital projects fund is typically what we see. So, does that answer your question?"

Trustee Hammerel:

"Yeah, it does. Thank you very much."

Trustee Hammerel then addressed Trustee Horan, who was seated with the community, and gave him the opportunity to pose a question as Mr. Carter would not be available to speak at the Board Meeting.

Trustee Horan declined.

Audit Committee Trustees Wong and Hammerel then approved the 2015 CAFR. Audit Committee Trustee Callicrate voted against approving the 2015 CAFR.
February 19, 2016

TO: Audit Committee - Trustees Callicrate, Wong and Hammerel

RE: Questions asked of Dan Carter of EideBailly at Audit Committee Meeting on 12/16/2015 regarding the accounting for punch cards.

Transcript of Question and Answer and my observations and comments

Question by Kendra Wong

First Sentence - "Something that's come up with a lot of different community members is how we account for our punch card usage and the fact that if we use a punch card at the beach that it stays within the beach fund essentially to make sure people who don't have beach access aren't necessarily paying for things related to the beaches."

Comments: If a punch card is used at the beach for admission of a guest then the fee collected must remain at the beach. So any discount obtained by the use of the punch card (which is 100% of the fee charged) should also remain at the beach. So are we accounting for that discount appropriately? As a matter of FACT 88% of the punch card discounts used at the beach is being reported as a discount in the Community Services Fund wherein no sale at all has taken place. The cash amount of the discounts is then transferred from the Community Services Fund to the Beach Fund. There are approximately 400 parcel owners who pay the Community Services Fund Recreation Facility Fees and don't have beach access but are required to fund their share of the punch card discounts transferred to the Beaches. These owners represent approximately 5% of the total parcel owners. As such, these owners from 2013 through 2016, have had to pay 5% of the $1,500,000 transferred from the Community Services Fund to the Beach Fund. Please see calculation below.

So the simple answer to the question is: NO. The use of the punch card transaction is not staying at the beach and YES, people who don't have beach access are paying for things related to the beaches. The answer to the question by Dan Carter which is cited below can only be described as inept.

Second Sentence - "So can you talk about the audit procedures that you do over that process and how comfortable you are that our community services funds and our beach funds are separate?"

Comments: The questions which would be appropriate: Have you reviewed all of the punch card discounts used at the beach? Have you evaluated the process for allocating the discounts between two separate funds? Is the allocation process correct? Are all discounts recorded at the beach by use of the punch card (the process) been reviewed by you and found correct and in accordance with generally accepted accounting principles?

Answer by Dan Carter

First sentence - "It is our understanding that IVGID has a POLICY to account for basically the contra revenue of those beach cards against the people who are actually paying for them."
Comments: Is there a policy to account for basically the contra revenue for "those beach cards"? Since we have no idea what a "beach card" is or knowledge of its existence, how can anyone be paying for something that does not exist. As for a Board approved policy please be kind enough to present it to me for my examination.

**Second sentence** - "They are associated with fees or the taxes associated on a parcel by parcel basis."

Comments: I assume the "They" must mean those mysterious "beach cards." So Mr. Carter's second sentence has no meaning.

**Third sentence** - "So the policy of IVGID, as approved by the Board of Directors, is to offset those punch cards against the property holders versus the actual users."

Comments: There is no policy approved by the Board of Directors to "offset those punch cards." So this third sentence is untrue. If there were a Board approved policy, please explain what exactly is being "offset".

**Fourth sentence** - "And so we have, you know, our basic audit procedures covered that area."

Comments: What "area"? Are we to surmise the audit procedures were covering those "beach cards"? Or the "two IVGID policies"? Or the unknown "offsets"? Or the punch card? Please provide a detailed explanation.

**Fifth sentence** - "We were comfortable that we had done enough work over that and found basically the ratio of those contra revenues to be in line with the property taxes themselves, so yeah, we were able to gain comfort with that specifically, yeah."

Comments: "The contra revenues to be in line with the property taxes themselves." What does that even mean? We pay a Recreation Facility Fee and a Beach Facility Fee. Are these property taxes? Please clarify whether the Recreation Facility Fee and the Beach Facility Fee are property taxes or fees? And explain the ratio Mr. Carter has constructed.

**Summary**

Did Mr. Carter's answer to Trustee Wong's question resolve whether or not "IF WE USE A PUNCH CARD AT THE BEACH THAT IT STAYS WITHIN THE BEACH FUND?" As previously stated in my memorandum of September 30, 2015 and confirmed by Mr. Eick, there is approximately $450,000 per year of free guest entry at the beach by using the punch card. The stated beach guest entry fee is recorded as gross revenues in the Beach Fund and the 100% contra revenue or discount by use of the punch card is **recorded as only 12% in the Beach Fund.** The remaining punch card discount of 88% is recorded as a contra revenue (parcel owner discount) in the **Community Services Fund.** There is no actual sale recorded in the Community Services Fund yet a discount of 88% of the stated beach entry fee is recorded in the Community Services Fund. According to Mr. Carter this bookkeeping activity is actually a policy adopted by the Board of Trustees. We all know this accounting does not conform to accounting standards and is factually incorrect. What we know to be factually accurate is the net
revenues for the past three years have been vastly overstated at the Beach Fund and understated at the Community Services Fund by over $1,125,000 directly as a result of this fraudulent accounting scheme.

I am formally requesting this Audit Committee produce for my examination the Board approved policy that defines and permits the accounting for punch card discounts to be recorded at the Community Services Fund and the Beach Fund regarding the free entry of guests at the beaches. This is a Public Records Request.

This is Serious. Now is the time for you to take corrective action.

Below are some of my observations:

Beginning in 2011 it became obvious that the actual cash revenues collected at the beaches would not be adequate to cover the required expenses and costs. To cover these escalating costs the Beach Facility Fee would have to be increased beyond the $100 per year assessed. Staff was also proposing beach facility expansions which would also require raising the Beach Facility Fee. Borrowings would be out of the question as most residents want the beaches to be left alone and not to be tinkered with.

So it was up to the Director of Finance to come up with a creative solution to cover these rising costs and expenses without raising the Beach Facility Fee. And the solution was implemented through the budgeting process. Actual historical data existed which indicated that punch card discounts were predominately used at the beach so there was only small cash revenues. Since the beaches are restricted to homeowners, residents and their guests the ability to find new revenue sources would be minimal. So Staff needed to develop an accounting process to transfer money from the other recreational venues to the beaches.

So here comes the accounting theory. Our combined Recreation Facility Fee and Beach Facility Fee works out that 88% is required for the Community Services Fund and 12% is required for the Beach Fund. So let's forget about where the punch card discounts have historically been used and simply allocate the punch card discount 88% and 12% to the respective funds no matter where the punch cards are actually used. Ignore the actual fact that most of the punch cards are used at the beaches. Thus, one part of the various undocumented and unapproved smoothing policy had been established. The District had found a way to get more net revenues in the Beach Fund by reporting the full entry fees but only reporting 12% of the actual 100% discount from using the punch cards. The remaining 88% discount provided at the beaches but recorded in the Community Services Fund could easily be disguised since the Fund's revenues are 10 times larger than the Beach Fund and the discounts could be absorbed without much notice.

Was this discussed with the Board and a policy approved? I think not. The Board of Trustees as 'rubber stamp actors' simply approved the budget and I guess would not question that the Budget did not have the punch card discounts allocated properly.

Mr. Eick was faced with the dilemma of how he would record the remaining 88% of the punch card discount from the beaches onto the Community Services Fund. There were no sales made wherein an
88% discount could be assessed. As a result all punch card discounts were hidden in the administration department of the Community Services Fund. All Beach Fund discounts absorbed by the Community Services Fund were paid in cash to the Beach Fund.

Now, the simple and proper thing to do would be to budget the necessary Beach Facility Fee for the Beach Fund at a higher amount and lower the Recreation Facility Fee for the Community Services Fund by the corresponding amount. Easy? Yes. But then the District would have to face the community and explain why they are raising the Beach Facility Fee. As for reducing the Community Services Fee, also known as the Recreation Facility Fee, the community would applaud. But the District’s Staff does not like deviating from their unapproved and amorphous "smoothing" policy.

As shown below, Beach Fund expenses and costs (debt service and capital projects) less ACTUAL revenues collected (excluding the revenues which are 100% FREE by use of the punch card discounts) far exceed the Beach Facility Fee charged to beach access parcel owners. As a result, a huge shortfall began in 2013. In the prior four years from 2009 to 2012 the District was able to keep operating expenses at approximately $1,100,000 per year. The budget for 2016 lists expenses at $1,548,408. An explosion of over 40% within four years!

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses &amp; Costs</th>
<th>Actual Revenue</th>
<th>Required Beach Fee</th>
<th>Actual Beach Fee</th>
<th>Short Fall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1,765,035</td>
<td>(614,445)</td>
<td>1,150,590</td>
<td>775,102</td>
<td>375,488</td>
</tr>
<tr>
<td>2014</td>
<td>1,628,490</td>
<td>(655,536)</td>
<td>972,954</td>
<td>780,716</td>
<td>192,238</td>
</tr>
<tr>
<td>2015</td>
<td>2,414,403</td>
<td>(612,809)</td>
<td>1,801,594</td>
<td>778,149</td>
<td>1,023,445</td>
</tr>
<tr>
<td>2016</td>
<td>1,757,645</td>
<td>(601,200)</td>
<td>1,156,445</td>
<td>774,300</td>
<td>382,145</td>
</tr>
</tbody>
</table>

The SHORTFALL noted above for the past three years together with the 2016 budgeted is almost $2,000,000. Approximately $375,000 per year since 2013 has been transferred to the Beach Fund from the Community Services Fund with another $375,000 expected this current year. The total is $1,500,000.

In conclusion, if the Board of Trustees wants to continue this nonexistent approved POLICY of punch card discount allocations then go right ahead with the knowledge that you are not in compliance with Nevada Revised Statutes and you are not allocating punch card discounts in conformity with generally accepted accounting principles.

Rest assured that I personally will continue to press upon all of the Trustees to stop this charade and act prudently, correct the mistake and move forward.

If any of you have any logical concept, justification or POLICY which would deem the Punch Card Discounts as reported in the last three years of audited financial statements as being in accordance with any generally accepted accounting principles, then please provide them to me.
If any Audit Committee member actually believes that the answers to the questions asked of Dan Carter was sufficient and as a result the matter was resolved, then I expect a letter signed by each of you attesting to that fact.

To proceed forward with approving the financial statements for the 2014-2015 fiscal year is beyond my understanding. It did, however, demonstrate your failure to exercise your fiduciary duty to Incline Village/Crystal Bay parcel owners.

It is apparent you need my help as you are being taken advantage of by IVGID Staff and the District's counsel. I plead that you do not abuse the public trust and sacrifice your professional integrity by surrendering to the will of senior management.

Clifford F. Dobler - Resident

cc: Elde Bailly
cc: Trustee Dent
cc: Trustee Horan
March 3, 2016

IVGID - Board Retreat Discussion
2016-2017 Operating Budget
March 3, 2016
Punch Cards - Pages 21 to 26

Comments on each page by Clifford F. Dobler
To be included in next Board Packet

Page 21 - PUNCH CARD ADMINISTRATION

Using the need to change Ordinance 7 to reflect proper accounting of punch card discounts is utter nonsense and an improper statement. Ordinance 7 does not permit the 100% punch card discount used for free guest beach entry to be accounted for with 88% of the 100% discount allocated to the Community Services Fund and 12% of the 100% discount allocated to the Beach Fund.

In order to comply with Nevada Revised Statutes and Generally Accepted Accounting Principles the 100% punch card discount for free guest beach entry must be allocated to the Beach Fund. The Budget should accurately reflect the “actual” historical usage of punch card discounts at the Beaches and the Community Services venues to prepare the upcoming 2016/17 Budget.

Page 22 - PUNCH CARD CONTEXT THEN & NOW

This page has interesting facts but does not provide any context on Punch Cards.

Page 23 - PUNCH CARD ACCOUNTING EFFECTS

As the District has a system to track every punch card discount transaction, why is the District misrepresenting the venues where the punch card discounts are actually utilized? The discounts reported in the Community Services Fund and Beach Fund financial statements are most certainly an allocation that has not been properly applied against the actual revenue source.

Page 24 - PUNCH CARD BUDGETING

I would expect each venue to receive the actual revenue it receives from user fees regardless of payment types. I would expect that budget projections are based upon accurate historical data and that financial reporting of actual revenues are accurately reported. Apparently, the District has carved out a special exception for Punch Cards. When this “payment type” for free guest entry is used at the Beaches, the actual 100% discount and net revenue of ZERO is not properly reported in the Beach Fund.
ON WHAT BASIS SHOULD THE MAJORITY OF PUNCH CARD DISCOUNTS BE DUMPED INTO THE COMMUNITY SERVICES ADMINISTRATION WHEN THE MAJORITY OF THE PUNCH CARD DISCOUNTS ARE USED AT THE BEACH? There is no rational justification for this, only faulty logic. Apparently, the beaches needed more money to cover rising expenditures and Senior Management did not want to increase the Beach Facility Fee. The District’s undefined and unapproved SMOOTHING policy was called into service to create an arbitrary allocation of punch card discounts to the Community Services Fund which capped the amount of punch card discounts that would be applied to the Beach Fund. The outcome of this sleight of hand would improve the appearance of Beach Fund net revenues to cover its expenditures and everyone paying the Recreation Facility Fee would in fact be paying for Beach Fund expenses! This is the “art of deception” in accounting. It inflates the budgeting demands of one Fund, the Community Services Fund which collects the Recreation Facility Fee to unlawfully provide and transfer the resources to the Beach Fund to meet its expenditures.

Page 25 - PUNCH CARD VALUES

Good information.

Page 26 - PUNCH CARD UTILIZATION

There is no historical summary of actual punch card usage at the District’s recreational venues. Because Mr. Eick was kind enough to provide this information at my request, we can see that THE MAJOR PORTION OF PUNCH CARD DISCOUNTS ARE UTILIZED AT THE BEACHES AND THIS AMOUNTS TO APPROXIMATELY $450,000 ANNUALLY. The District’s Accounting Reports do not reflect this! Ask Mr. Eick to provide the very information I requested on the actual utilization of the punch card discounts and ask why they are reported in any other fashion. He will hide behind Ordinance 7 and have no plausible explanation.

MY CLOSING REMARKS:

The change in the accounting for punch card discounts which occurred at the beginning of the 2012/13 fiscal year and continues today has created a massive fraudulent accounting scheme. Approximately $1,500,000 will have been transferred from the Community Services Fund to the Beach Fund by the end of this fiscal year. Over 8,180 parcel owners, of which over 400 do not have beach access, have had to chip in to pay for this transfer.

This is an issue ripe for litigation. If Senior Staff and Trustees cannot correct this material misstatement and ensure proper financial accounting and reporting, this will be the most viable option for the community to pursue.

Mr. Eick’s presentation is another snowball to confuse you and avoid the real problem.

6 pages of attachments included
cc: Eide Bailly

Sincerely,

[Signature]
Board Retreat Discussion

2016-2017 Operating Budget

March 3, 2016

Gerald W. Eck, CPA CGMA Director of Finance, Accounting, Risk Management and Information Technology
Punch Card Administration

- Punch Cards, as a form of payment, is the single largest exception to our ease of use of off the shelf point of sales systems
- Until Ordinance 7 is changed, staff sees no other alternative to the present accounting
- Staff will work to make the message cleared about Punch Card accounting in the budget
### Punch Card Context Then & Now

<table>
<thead>
<tr>
<th><strong>Budgeted 1998-1999</strong></th>
<th><strong>Budgeted 2015-2016</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Recreation &amp; Beach Total Sources - $12,130,257</td>
<td>Recreation &amp; Beach Total Sources $19,363,462</td>
</tr>
<tr>
<td>Facility Fee $2,208,400</td>
<td>Facility Fee $6,746,430</td>
</tr>
<tr>
<td>Total Operating Uses $9,174,285</td>
<td>Total Operating Uses $15,366,065</td>
</tr>
<tr>
<td>Capital Expenditures $3,220,393</td>
<td>Capital Expenditures $2,802,296</td>
</tr>
<tr>
<td>Debt Service $1,854,257</td>
<td>Debt Service $1,289,196</td>
</tr>
<tr>
<td>Total Expend. $14,248,935</td>
<td>Total Expend. $19,457,557</td>
</tr>
<tr>
<td>Facility Fees $275/$200</td>
<td>Facility Fees $830/$730</td>
</tr>
</tbody>
</table>
Punch Card Accounting Affects

- Ordinance 7 establishes the privilege to obtain a “Punch Card” to buy down user fees to resident rates
- District has a system to track punch card use based on each transaction to measure the value allowed under Ordinance 7
- Punch Cards are not an allocation, they are entirely based on which individual privileges and cards a parcel holds and uses
Punch Card Budgeting

- Each venue budgets for and receives the revenue for user fees, regardless of payment type.
- Since the Ordinance allows the use of the value of the punch cards to buy down user fees, there is an amount under Recreation Administration and in the Beach Fund to cover the use of the cards.
Punch Card Values

• Cards are worth one fifth of the Facility Fee paid by the parcel for its privileges:
  – Parcel With Beach privileges, punch card value
    • \$830 / 5 = \$166
  – Parcel Without Beach privileges, punch card value
    • \$730 / 5 = \$146

• Punch Cards are an alternative to picture pass, decided upon by the parcel owner
Punch Card Utilization

- The three year average use through June 30, 2015 was $605,000 and has been declining.
- Budget for 2015-2016 was set at $588,000
- Current fiscal year is fairly close to budget even with increased use at the ski resort
- Currently plan to budget a similar amount for 2016-2017, approximately 20% of the Facility Fee for the operating components
Comprehensive Annual Financial Report
Footnotes for Parcel Owner Discounts

Year ending June 30, 2012 - page 33:

Q. Parcel Owner Discount
Under Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of fees.

Year ending June 30, 2013 - page 35:

R. Parcel Owner Discount
Under District Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of recreational fees. These discounts are presented as contra revenue in the Proprietary Fund statements. Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees.

Year ending June 30, 2014 - page 36:

S. Parcel Owner Discount
Under District Ordinance 7 parcel owners may use a portion of the value of the recreation passes to buy down the difference between a regular rate and the resident rate for certain types of recreational fees. These discounts are presented as contra revenue in the Proprietary Fund statements. Discounts are allocated 88% to Community Services and 12% to the Beach Fund based on their relationship to total facility fees.

Year ending June 30, 2015 - page 36:

S. Parcel Owner Discount
Under District Ordinance 7 parcel owners may use punch cards to buy down the difference between a regular rate and the resident rate for certain types of recreational services. The punch card utilization is presented as contra revenue in the Proprietary Fund statements. **Utilization is allocated based on the card value relationship to one fifth of the per parcel total facility fee.** Typically for a full privilege parcel this is 88% to Community Services Fund and 12% to the Beach Fund.
Under Residential Violation, last line, I disagree that it should include “Anything in the judgement of the Director of Public Works which constitutes a violation of the General Provisions of this Ordinance.” This gives too much authority to the Director of Public Works, is not specific enough when it mentions General Provisions, and doesn’t provide for due process.

The Residential Fee Schedule for Non-Compliance is too broad. Additionally, 64 or 96 gallon Enhanced Wildlife Resistant Carts may not be compatible with the space requirements to store them or required capacity. 32-gallon Enhanced Wildlife Resistant Carts should be obtained for small homes or properties that are infrequently used.

I believe a more reasonable Fee schedule for the 2nd Offense would be: $150 - 350.

The range for 3rd & Subsequent Offenses: $350 - 750.

The proposed range up to $999 is unreasonable.

Thank you,

Richard Caviness
FlyerHiker@Gmail.com
775-343-9508
Dear Sirs:

We request your consideration of two revisions to your proposed ordinance:

1. Please do not make the new regulations effective until customers have received their new solid waste carts. Quite a few residents have requested 32 gallon carts. As part-time residents they have no need for 64 or 96 gallon carts and often have no place to put them. We are on the waiting list for a 32 gallon cart, which we are told will not be available until early 2017. Encouraging or requiring residents to use larger than necessary solid waste carts is contrary to conservation efforts. It is wasteful and contrary to good environment practices. Therefore, please modify the first offense remedy for residential non-compliance to specify “Mandatory 32, 64 or 96 gallon Enhanced Wildlife Resistant Cart Service”

2. Homeowners often clean up yard debris in the Fall in addition to doing so in the Spring. Bagging yard debris (with the Waste Management current year tags, of course) does not present a problem for wildlife. We request that the ability to bag yard debris be extended to a six month period to include Spring, Summer and Fall months.

Sincerely,

Steve Endicott
868 Jennifer Street
Incline Village

Mailing Address:
20 Greensburgh Ln
San Anselmo, CA 94960
Mr. Guinasso and Trustees,

It was my sincere hope that Mr. Hammerel, based on his often expressed opinion that property owners who have chosen to live elsewhere should not have a say in the District's decisions, would resign of his own volition.

Ms. Herron: please include a copy of this email in the next board packet.

Sincerely,

Judith Miller
Susan, please include this email and all attachments in the next Board packet.

Thank you.
Memorandum

Dated: January 16, 2017

To: IVGID Audit Committee Chair Horan, Trustee Chair Wong and Trustees Callicrate, Dent and Morris

To: Susan Herron – For Distribution to the Board of Trustees and Inclusion in the Next Board Packet

From: Dick Warren

Subject: IVGID 2016 Comprehensive Annual Financial Report ("CAFR")

Re: Statement of Activities ("Statement") – Page 23 of the CAFR

I would like to bring to your attention two issues of misrepresentation in the Statement and other Reports relating to Central Services Cost Allocations and Facility Fees.

Central Services Cost Allocations

Within the Statement there are Program Revenues relating to Charges for Services listed under General Government which consists of Central Services Cost Allocation ("CSCA") Income for $1,123,000. The reporting of these allocation costs as Program Revenues for Charges for Services is incorrect. It is also in conflict with CAFR Footnote disclosure 1S; Paragraph 59 of GASB #34; and it is inconsistent with the reporting on the Statement of Revenues, Expenditures and Changes in Fund Balance shown on Page 26. Page 26 appears to have reported this item correctly. However, in addition to Page 23, Page 28 General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance and Page 62, an identical duplicate of Page 28 are also incorrectly reported.

Note 1S of the CAFR Central Services Cost Allocation states: "The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and certain services and supplies
as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item with the expense category to reflect District-wide expenses at net.”

Paragraph 59 of GASB #34 states: “Eliminations should be made in the statement of activities to remove the ‘doubling-up’ effect of internal service fund activity. The effect of similar internal events (such as allocations of accounting staff salaries) that are, in effect, allocations of overhead expenses from one function to another or within the same function also should be eliminated, so that the allocated expenses are reported only by the function in which they were allocated.”

Basically, GASB #34 does not want the same expenses reported in two places.

So IVGID Staff may have it right on page 26 but slipped-up on three other pages: 23, 28 and 62. How does this occur? And who is exercising oversight? If you examine General Fund Revenues and Expenditures on page 26 and on page 62 you are confronted with two different accounting realities. Page 26 reflects General Fund Total Revenues of $3,035,284 and Total Expenditures of $2,466,578. Page 62, using the magic of improper reporting of Central Services Cost Allocation as Revenue shows the same General Fund with higher Total Revenues of $4,158,284 and higher Total Expenditures of $3,589,578. Yet, the excess of revenues over expenditures of $568,706 and the beginning and ending fund balance remains the same on both pages.

How to explain this mystery? If you inflate the General Fund Total Revenues by $1,123,000 and increase the Total Expenditures by the same $1,123,000 as reflected on page 62, you net out the correct General Fund’s Total Expenditures of $2,446,578 and maintain the equilibrium of excess revenues over expenditures and beginning and ending fund balance for both Financial Statements. This explains “HOW” it was done. The question remains WHY?

As the track record shows, IVGID Staff is consistently inconsistent in presenting financial information to readers of the financial reports.
Facility Fees

A similar situation exists with respect to the Recreation and Beach Standby and Service Charges which are classified on the Statement of Activities as “Facility Fees” and recorded as general revenues of the government rather than Charges for Services. As a result any reader of the financials would conclude that Facility Fees are available for all functions of government activities. This is extremely misleading as the Recreation and Beach Standby Service Charges are revenues specifically assessed for the operations, maintenance, capital projects and debt service expenditures for the Community Services Fund and the Beach Fund.

Note 17 on page 54 of the CAFR states: “The operating portion of the facility fee is combined with charges for services to provide the resources for providing services.”

Ten pages later in the same CAFR on page 64 of the Supplemental Financial Statement titled COMMUNITY SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE the entire Facility Fee is aggregated among all the recreational venues with other fees and sales as Charges for Services. The same holds true for the BEACH SPECIAL REVENUE FUND on page 66.

There is certainly a disconnect in properly identifying what type of revenue the "Facility Fee" is and applying the appropriate GASB Statement mandatory guidelines to report it. In one IVGID financial
statement (page 23) the Facility Fee is labeled general revenue. In another financial statement (page 24) a portion of the Facility Fee is considered specific revenues for capital projects and debt service, and yet in another financial statement (page 64) the Facility Fee is recorded as a charge for services. This lack of professional competence in preparing the District’s financial statements not only results in violating Generally Accepted Accounting Principles, it also deceives and confuses readers of the District’s audited financial statements.

GASB #34, beginning with paragraph 47, discusses Revenues in great detail. Program Revenues, which includes charges for services, are defined in paragraph 49 which states: “Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided.”

By the strict GASB definition provided above, “Facility Fees” are in fact “Charges for Services”. This is clearly substantiated by the annual Board of Trustee Resolutions and Ordinance 7 which state that the recreational standby and service charges (“Facility Fees”) assessed to Parcel Owners are established for recreational privileges.

In exchange for the payment of these “Facility Fees” all parcel owners are entitled to receive any combination of five Recreation Passes and Recreation Punch Cards. The Recreation Passes, often referred to as Picture Passes, allow holders to pay the resident rates for hourly, daily, and seasonal use of Community Services Fund recreational facilities. Recreation Pass holders with Beach access also enjoy the same privileges at the Beaches. The Recreation Punch Cards are prepaid with a dollar amount currently equaling 1/5 of the total Rec and/or Beach
Fee ("Facility Fee") paid by parcel owners which can be used to pay for the difference between a resident rate and the guest or general public rates at the same venues. **There can be no doubt that the District’s assessment of the “Facility Fees” which convey these Recreational Privileges qualify under GASB 34 as exchange revenues. They cannot be accounted and reported properly by applying different and randomly assigned accounting treatments.**

When you factor in Ordinance 7 and the language in the annual Board Resolution approving these fees for collection, these “Facility Fees” cannot be characterized as anything other than exchange or exchange-like revenues.

Despite the facts, all Trustees who have approved this CAFR are stating the contrary by approving the accounting treatment of the Community Services Fund and Beach Fund as Special Revenue Funds using the Facility Fee as the foundation. To establish and qualify these Funds as Special Revenue Funds you are representing to the Auditor, the Department of Taxation and all Parcel Owners that the Facility Fees are “imposed non-exchange revenues”. In plain English, you are asserting that IVGID is collecting these Facility Fees without giving or receiving value. Examples of non-exchange revenues include property (ad valorem) taxes, fines and penalties and property forfeitures.

This should cause a pause for reflection as the Resolution you have approved collecting these Facility Fees provides a different narrative. In addition to the privileges you enunciate, you state parcel owners are directly benefited in a fair and reasonable way for the sums they are charged. Unless you know otherwise, the truth cannot be fractured. As Trustees making competing and irreconcilable claims this is another
substantial inconsistency you have both a fiduciary and moral responsibility to correct.

Financial Statements are supposed to be a work of non-fiction. Facts matter! The preponderance of actual revenues which occur from the activities of the recreational venues are predominantly exchange transactions generated from Rec and Beach Fees, user fees, sales of food and beverage, merchandise sales and rental of facilities and equipment. Falsely representing the activities of Community Services and Beach recreational venues as “governmental activities” financed by “imposed non-exchange revenues” in order to report these business-type enterprises as governmental fund Special Revenue, Capital Project and Debt Service Funds is a deliberate misapplication of appropriate accounting principles.

This charade which masquerades the Community Services and Beach Funds as Special Revenue Funds when they are clearly Enterprise Funds must stop. When you promote a fiction and must continuously attempt to conceal the facts, it produces the kind of financials we are seeing. Ones that have no clear consistency from page to page on how items like Central Services Cost Allocations and Facility Fees are represented. This also requires the intentional omission of disclosures or presentation of inadequate disclosures regarding accounting principles and policies and related financial amounts.

It is quite apparent that Trustee reliance upon Senior Staff’s competence and representations are not serving the public interest. It is also clear, judging by the multitude of inaccuracies and inconsistencies in the District’s financials in this CAFR, reports to the State and across multiple District reporting platforms, a fair and
accurate assessment of the District’s operations and financial integrity is elusive. The District’s independent auditing firm, Eide Bailly, has not demonstrated independent judgment and has relied heavily upon Management’s Representations.

Over the past two years multiple allegations of the District’s violations of Nevada State Law along with the misapplication of accounting principles, policies and procedures used to measure, recognize, report, and accurately disclose revenues, expenditures and other transactions, has been brought to the attention of the Trustee Governing Board, the Trustee Audit Committee and the independent auditor. Although these are the hallmarks of accounting and financial fraud, no investigative or corrective action has been taken.

cc:  Kelly Langley, Supervisor, Local Government and Finance, DOT
cc:  Committee on Local Government Finance (CLGF)
cc:  Dan Carter, Eide Bailly Audit Engagement Partner
cc:  Jeff Strand, Eide Bailly Risk Management

Attachments:

*IVGID Statement of Activities – Page 23 FY 2016 CAFR

*Footnote 1-S Central Services Cost Allocation – Page 43 FY 2016 CAFR

*GASB Statement #34 Paragraph 59 – Page 24 of GASB Statement #34

*IVGID Governmental Funds Statement Of Revenues, Expenditures And Changes In Fund Balance – Page 26 FY 2016 CAFR
*IVGID General Fund Schedule of Revenues, Expenditures And Changes in Fund Balance – Budget And Actual – Page 28 FY 2016 CAFR

*IVGID General Fund Schedule of Revenues, Expenditures And Changes in Fund Balance – Budget and Actual – Page 62 FY 2016 CAFR

*Footnote 17 Segment Information For Community Services and Beach Special Revenue Funds – Page 54 FY 2016 CAFR

*IVGID Community Services Special Revenue Fund Schedule Of Revenues, Expenditures And Changes in Fund Balance – Budget And Actual – Page 64 FY 2016 CAFR

*IVGID Beach Special Revenue Fund Schedule of Revenues, Expenditures And Changes In Fund Balance – Budget And Actual – Page 66 FY 2016 CAFR

*IVGID Governmental Funds Balance Sheet – Page 24 FY 2016 CAFR

*GASB Statement #34 Revenues and Program Revenue Paragraphs #47 through #52 – GASB Statement #34 On Pages 19-21

*LATEST IVGID Resolution Number 1847: A Resolution Approving the Report for Collection of Recreation Standby and Service Charges, Fiscal Year 2016-17 – Director of Finance Eick Memo dated 5-10-16 plus Resolution 1847

*IVGID Ordinance #7
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th>Functions/Programs</th>
<th>Revenue</th>
<th>Charges for</th>
<th>Operating</th>
<th>Grants and Contributions</th>
<th>Grants and Contributions</th>
<th>Net (Expense)/Revenue and Changes in Net Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Expenses</td>
<td>Grants</td>
<td>Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Governmental</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Business-type</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Primary government</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$ 3,672,661</td>
<td>$ (1,23,500)</td>
<td>$ 1,440</td>
<td>$</td>
<td>$ (2,548,221)</td>
<td>$ (2,548,221)</td>
</tr>
<tr>
<td>Community Services</td>
<td>17,402,179</td>
<td>15,294,222</td>
<td>18,440</td>
<td>586,361</td>
<td>(1,241,156)</td>
<td>(1,241,156)</td>
</tr>
<tr>
<td>Roads</td>
<td>1,680,445</td>
<td>1,602,516</td>
<td></td>
<td></td>
<td>(687,927)</td>
<td>(687,927)</td>
</tr>
<tr>
<td>Internal services</td>
<td>2,472,555</td>
<td>2,455,521</td>
<td></td>
<td></td>
<td>(36,339)</td>
<td>(36,339)</td>
</tr>
<tr>
<td><strong>Total governmental-type activities</strong></td>
<td>$ 35,727,246</td>
<td>$ 29,172,284</td>
<td>$ 19,880</td>
<td>$ 586,361</td>
<td>(1,513,483)</td>
<td>(1,513,483)</td>
</tr>
<tr>
<td><strong>Business-type activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
<td>9,901,695</td>
<td>11,138,119</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total primary government</strong></td>
<td>$ 35,678,946</td>
<td>$ 31,313,390</td>
<td>$ 19,880</td>
<td>$ 586,361</td>
<td>(1,513,883)</td>
<td>(1,513,883)</td>
</tr>
</tbody>
</table>

General revenues:
- Property taxes: $ 1,897,986
- Combined taxes: $ 5,772,822
- Miscellaneous: $ 50,795

Total general revenues: $ 10,644,502

Total operating revenue: $ 2,548,221

Net profit: $ (2,548,221)

The notes to the financial statements are an integral part of this statement.
of revenues and expenses during the reporting period. Actual results may differ from those estimates.

S. Central Services Cost Allocation

The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item with the expense category to reflect District-wide expenses at net.

T. Punch Cards Utilized

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility use paid by the parcel. Under the current fee structure, this is generally 88% to Community Services Special Revenue Fund and 12% to the Beach Special Revenue Fund.

U. Implementation of GASB Statement No. 72

As of July 1, 2015, the District adopted GASB Statement No. 72, Fair Value Measurement and Application. The implementation of this standard requires governments to measure investments at fair value. The additional disclosures required by this statement are included in Note 2.

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year end the carrying amount of the District's checking deposits was $5,132,526, while the bank balance was $5,445,692. Of the bank balance, $250,000 was covered by Federal Deposit Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

Cash and Cash Equivalents as of June 30, 2016 consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Checking Accounts</td>
<td>$5,132,526</td>
</tr>
<tr>
<td>Petty cash and change funds</td>
<td>66,407</td>
</tr>
<tr>
<td>US Government Money Market</td>
<td>4,344,012</td>
</tr>
<tr>
<td>Total</td>
<td>$5,643,015</td>
</tr>
</tbody>
</table>

A portion of the District's investments are placed with Wells Fargo Bank as custodian in the US Government Money Market, where fair value is determined by multiplying the number of trading units held, by the quoted market value on that date.

The District categorizes its fair value measurements for investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District's investment in the LGIP is reported at fair value. Fair value is determined on a daily basis.
Internal activities—statement of activities

59. Eliminations should be made in the statement of activities to remove the "doubling-up" effect of internal service fund activity. The effect of similar internal events (such as allocations of accounting staff salaries) that are, in effect, allocations of overhead expenses from one function to another or within the same function also should be eliminated, so that the allocated expenses are reported only by the function to which they were allocated.

60. The effect of interfund services provided and used (see paragraph 112) between functions—for example, the sale of water or electricity from a utility to the general government—should not be eliminated in the statement of activities. To do so would misstate both the expenses of the purchasing function and the program revenues of the selling function.

Intra-entity activity

61. Resource flows between the primary government and blended component units should be reclassified in accordance with the provisions of paragraph 112 as internal activity in the financial statements of the reporting entity. Resource flows (except those that affect the balance sheet only, such as loans and repayments) between a primary government and its discretely presented component units should be reported as if they were external transactions—that is, as revenues and expenses. However, amounts payable and receivable between the primary government and its discretely presented component units or between those components should be reported on a separate line.

Reporting Internal Service Fund Balances

62. Internal service fund asset and liability balances that are not eliminated in the statement of net assets should normally be reported in the governmental activities column. Although internal service funds are reported as proprietary funds, the activities accounted for in them (the financing of goods and services for other funds of the government) are usually more governmental than business-type in nature. If enterprise funds are the predominant or only participants in an internal service fund, however, the government should report that internal service fund's residual assets and liabilities within the business-type activities column in the statement of net assets.
### INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
### GOVERNMENTAL FUNDS
### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
### FOR THE YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>General</th>
<th>Community Services</th>
<th>Beach Services</th>
<th>Community Services of Other Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad Valorem Taxes</td>
<td>$1,495,186</td>
<td>$50,000</td>
<td>$1,065,200</td>
<td>$1,065,200</td>
<td>$1,495,186</td>
</tr>
<tr>
<td>Grants</td>
<td>61,546</td>
<td>61,546</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,150</td>
<td>1,150</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$1,568,882</td>
<td>$56,146</td>
<td>$1,065,200</td>
<td>$1,065,200</td>
<td>$1,615,068</td>
</tr>
</tbody>
</table>

| **EXPENDITURES**     |         |                    |                |                                   |                          |
| General               |         |                    |                |                                   |                          |
| Salaries and Wages   | $1,283,739 | $1,283,739        |                |                                   |                          |
| Supplies             | 7,500   | 7,500              |                |                                   |                          |
| Maintenance          | 119,770 | 119,770            |                |                                   |                          |
| Other                | 151,095 | 151,095            |                |                                   |                          |
| Total Expenditure    | $1,513,104 | $1,513,104        |                |                                   |                          |

**Reconciliation**

**Change in Cash and Cash Equivalents**

**Other Financing Sources**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer From Other Funds</td>
<td>$2,302,210</td>
<td>Transfer to Other Funds</td>
<td>$2,302,210</td>
</tr>
<tr>
<td>Bond Principal Retirement</td>
<td>$1,899,740</td>
<td>Bond Amortization</td>
<td>$1,899,740</td>
</tr>
<tr>
<td>Net Change &amp; Ending Bal</td>
<td>$2,593,420</td>
<td></td>
<td>$2,593,420</td>
</tr>
</tbody>
</table>

**Net Balance, June 30**

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$2,593,420</td>
</tr>
<tr>
<td>Additions</td>
<td>$2,593,420</td>
</tr>
<tr>
<td>Total Increase</td>
<td>$2,593,420</td>
</tr>
<tr>
<td>Total Deductions</td>
<td>$2,593,420</td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$2,593,420</td>
</tr>
</tbody>
</table>

This statement is based on the information provided by the district.
## Incline Village General Improvement District

### General Fund

**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

*For the year ended June 30, 2016*

### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad valorem taxes</td>
<td>$1,453,911</td>
<td>$1,455,911</td>
<td>$1,497,006</td>
<td>$43,095</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated &amp; others</td>
<td>1,361,000</td>
<td>1,361,000</td>
<td>1,387,986</td>
<td>26,986</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>28,600</td>
<td></td>
<td>50,202</td>
</tr>
<tr>
<td>Central Services Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues (Form 2)</td>
<td>3,966,511</td>
<td>3,966,511</td>
<td>4,158,284</td>
<td>191,773</td>
</tr>
</tbody>
</table>

### Expenditures

**Current:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government - All Functions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function Summary - (Form 11)</td>
<td>3,707,300</td>
<td>3,707,300</td>
<td>3,589,578</td>
<td>177,722</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>3,707,300</td>
<td>3,707,300</td>
<td>3,589,578</td>
<td>177,722</td>
</tr>
</tbody>
</table>

Excess (deficiency) of revenues over expenditures: 250,211 199,211 564,706 369,495

### Other Financing Sources (Uses)

<table>
<thead>
<tr>
<th>Description</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingent</td>
<td>(75,000)</td>
<td>(15,000)</td>
<td></td>
<td>15,000</td>
</tr>
<tr>
<td>Operating Transfer Out</td>
<td>(250,000)</td>
<td>(250,000)</td>
<td>(250,000)</td>
<td></td>
</tr>
<tr>
<td>Net changes in fund balance</td>
<td>(65,789)</td>
<td>(65,789)</td>
<td>318,706</td>
<td>384,495</td>
</tr>
</tbody>
</table>

**Fund balance, July 1**

| $1,467,621 | $1,467,621 | 1,501,287 | 33,666 |

**Fund balance, June 30 (Form 11)**

| $1,401,832 | $1,401,832 | $1,819,903 | $418,161 |
## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
### GENERAL FUND
#### SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

### (Form 4404LG)

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ad valorem taxes</td>
<td>$1,453,911</td>
<td>$1,453,911</td>
<td>$1,497,196</td>
<td>$43,285</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consolidated &amp; other</td>
<td>1,361,000</td>
<td>1,361,000</td>
<td>1,487,986</td>
<td>126,986</td>
</tr>
<tr>
<td>miscellaneous</td>
<td>26,600</td>
<td>26,600</td>
<td>50,292</td>
<td>23,692</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>3,966,511</td>
<td>3,966,511</td>
<td>4,158,284</td>
<td>191,773</td>
</tr>
</tbody>
</table>

### EXPENDITURES

<table>
<thead>
<tr>
<th>Function Summary (Form 11)</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government</td>
<td>3,707,300</td>
<td>3,767,300</td>
<td>3,889,578</td>
<td>177,222</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>3,707,300</td>
<td>3,767,300</td>
<td>3,889,578</td>
<td>177,222</td>
</tr>
</tbody>
</table>

### Excess (deficiency) of revenues over expenditures

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>259,211</td>
<td>199,211</td>
<td>560,706</td>
<td>369,495</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses)</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>(75,000)</td>
<td>(15,000)</td>
<td>-</td>
<td>15,000</td>
</tr>
<tr>
<td>Operating Transfer Out</td>
<td>(250,000)</td>
<td>(250,000)</td>
<td>(250,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net changes in fund balance</strong></td>
<td>(65,789)</td>
<td>(65,789)</td>
<td>318,706</td>
<td>384,495</td>
</tr>
</tbody>
</table>

### Fund balance, July 1

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,467,621</td>
<td>1,497,621</td>
<td>1,501,297</td>
<td>33,666</td>
</tr>
</tbody>
</table>

### Fund balance, June 30 (Form 11)

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,401,832</td>
<td>$1,401,832</td>
<td>$1,819,993</td>
<td>$418,161</td>
</tr>
</tbody>
</table>
necessary, to recover the costs. The District’s Construction in Progress for the Community Services Fund
carried $230,616 as the cost of this claim. The claim was settled October 22, 2015 in an amount to cover
those costs. This recovery of capital costs is part of the increase in unrestricted fund balance in the
Community Services Special Revenue Fund.

**17. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL
REVENUE FUNDS**

The District provides recreation functions through two individual special revenue funds. Each serves a
different set of venues and customer base. A significant source of revenue for these functions for
operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each
function and expenditure type. Facility fees have been listed separately by fund and function. The
operating portion of the facility fee is combined with charges for services to provide the resources for
providing services. Charges for services are aggregated, while expenditures are provided by function. As
stated in Note 1T, part of the facility fee can be used to pay for charges for services in lieu of other forms
of privileges. These are referred to as Punch Cards. The following are major functions included in Charges
for Services and the approximate amounts of punch cards activity that is included:

<table>
<thead>
<tr>
<th>Charges for Services</th>
<th>Amounts Included in Charges for Services</th>
<th>Pad with Punch Cards</th>
<th>Value Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Golf</td>
<td>$4,133,535</td>
<td>$477,000</td>
<td>$</td>
</tr>
<tr>
<td>Facilities</td>
<td>275,156</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ski</td>
<td>10,202,972</td>
<td>114,000</td>
<td></td>
</tr>
<tr>
<td>Community Programming</td>
<td>1,284,177</td>
<td>149,000</td>
<td></td>
</tr>
<tr>
<td>Parks</td>
<td>59,421</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tennis</td>
<td>166,333</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recreation Administration</td>
<td>(521,359)</td>
<td></td>
<td>(541,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,584,435</strong></td>
<td><strong>$310,000</strong></td>
<td><strong>(541,000)</strong></td>
</tr>
</tbody>
</table>

| Beach               | $1,092,518                             | $505,000             | $73,000       |
| **District Total**  | **$6,416,953**                         |                      | **$613,000** |

**18. COMMITMENTS**

**General Fund:**
The District entered into an unemployment insurance contract with First Nonprofit Companies for total
premiums of $201,000 for calendar year 2016 services. As of June 30, 2016 $101,000 in quarterly deposits
are remaining to be paid as a part of the subsequent year’s budget.

**Capital Project Carryover:**
The District budgets for capital projects one year at a time for capital improvement project spending
authority. However, the actual execution of construction or acquisition can span one or more fiscal years.
The District has identified carryover and unspent budget authority for those projects. The amounts for
governmental fund types are re-budgeted for the subsequent fiscal year. The unused resources become part
of Unrestricted Net Position in its Enterprise Funds.

**Utility Fund:**
As of June 30, 2016 there is $19,967,144 of identified projects included in the carryover. The most
significant portion is $7,942,937 for the Effluent Export Line and $1,119,693 for the Public Works
Equipment Storage Building.

On March 30, 2016, the Board of Trustees authorized the purchase for $185,000 of a 2.08 acres parcel of
land adjacent to the District Waste Water Treatment Plant. On September 1, 2016 the transaction reached a
point where a definitive purchase agreement could be executed, pending further action to complete a land
boundary adjustment. Closing is expected prior to June 30, 2017.
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

(From 4601LG1)
Budgeted Amounts

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Championship Golf</td>
<td>$4,045,206</td>
<td>$4,045,206</td>
<td>$4,321,108</td>
<td>$473,902</td>
</tr>
<tr>
<td>Mountain Golf</td>
<td>1,250,139</td>
<td>1,250,139</td>
<td>1,210,81</td>
<td>(39,329)</td>
</tr>
<tr>
<td>Facilities</td>
<td>685,787</td>
<td>685,787</td>
<td>660,437</td>
<td>(25,350)</td>
</tr>
<tr>
<td>Ski</td>
<td>7,579,263</td>
<td>10,792,263</td>
<td>11,212,699</td>
<td>233,436</td>
</tr>
<tr>
<td>Community Programming</td>
<td>2,303,394</td>
<td>2,303,394</td>
<td>2,345,324</td>
<td>59,931</td>
</tr>
<tr>
<td>Parks</td>
<td>946,757</td>
<td>946,757</td>
<td>870,562</td>
<td>(76,195)</td>
</tr>
<tr>
<td>Tennis</td>
<td>308,196</td>
<td>308,196</td>
<td>297,693</td>
<td>(10,503)</td>
</tr>
<tr>
<td>Recreation Administration</td>
<td>464,220</td>
<td>464,220</td>
<td>462,516</td>
<td>(1,704)</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>30,000</td>
<td>30,000</td>
<td>58,438</td>
<td>28,438</td>
</tr>
<tr>
<td>Sale of Assets</td>
<td>34,409</td>
<td>34,409</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td>474,853</td>
<td>474,853</td>
</tr>
<tr>
<td>Total revenues (Form 9)</td>
<td>17,612,962</td>
<td>21,012,962</td>
<td>22,166,508</td>
<td>1,153,546</td>
</tr>
</tbody>
</table>

EXPENDITURES

<table>
<thead>
<tr>
<th>EXPENDITURES</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function Summary (Form 11)</td>
<td>13,817,520</td>
<td>14,886,520</td>
<td>14,853,757</td>
<td>13,345</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>14,817,520</td>
<td>14,867,520</td>
<td>14,853,757</td>
<td>13,345</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>3,795,442</td>
<td>6,145,442</td>
<td>3,312,759</td>
<td>1,163,491</td>
</tr>
</tbody>
</table>

Other Financing Sources (Uses)

<table>
<thead>
<tr>
<th>Source</th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>3,433,212</td>
<td>(3,433,212)</td>
<td>3,530,675</td>
<td>(97,463)</td>
</tr>
<tr>
<td>Operating Transfers Out - Capital Projects</td>
<td>(1,284,091)</td>
<td>(1,284,091)</td>
<td>(1,283,185)</td>
<td>(1,094)</td>
</tr>
<tr>
<td>Operating Transfers Out - Debt Service</td>
<td>1,121,861</td>
<td>1,228,139</td>
<td>2,197,673</td>
<td>1,268,934</td>
</tr>
<tr>
<td>Net change in fund balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance, July 1</td>
<td>5,294,138</td>
<td>5,294,138</td>
<td>5,357,755</td>
<td>63,617</td>
</tr>
<tr>
<td>Fund balance, June 30 (Form 11)</td>
<td>4,172,277</td>
<td>6,522,777</td>
<td>7,854,828</td>
<td>1,332,551</td>
</tr>
</tbody>
</table>
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
BEACH SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Original</th>
<th>Final</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture and Recreation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beach</td>
<td>$1,741,500</td>
<td>$1,762,300</td>
<td>$1,785,506</td>
<td>$19,206</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>9,000</td>
<td>9,000</td>
<td>11,263</td>
<td>2,263</td>
</tr>
<tr>
<td>Fund liabilities paid by other funds</td>
<td>-</td>
<td>-</td>
<td>344</td>
<td>344</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$1,750,500</td>
<td>$1,771,300</td>
<td>$1,790,203</td>
<td>$18,903</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beach</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and Wages</td>
<td>704,490</td>
<td>701,430</td>
<td>680,845</td>
<td>20,585</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>207,560</td>
<td>307,580</td>
<td>192,539</td>
<td>25,441</td>
</tr>
<tr>
<td>Supplies</td>
<td>639,085</td>
<td>639,885</td>
<td>630,170</td>
<td>8,915</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>$1,548,495</td>
<td>$1,548,195</td>
<td>$1,495,554</td>
<td>$52,941</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenditures</td>
<td>202,005</td>
<td>222,805</td>
<td>296,649</td>
<td>73,844</td>
</tr>
<tr>
<td><strong>Other Financing Sources (Uses)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contingency</td>
<td>(45,000)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Transfers Out - Capital Projects</td>
<td>(234,669)</td>
<td>(291,669)</td>
<td>(336,934)</td>
<td>(45,265)</td>
</tr>
<tr>
<td>Operating Transfers Out - Debt Service</td>
<td>(6,200)</td>
<td>(6,200)</td>
<td>(7,261)</td>
<td>(1,061)</td>
</tr>
<tr>
<td>Net changes in fund balance</td>
<td>(83,855)</td>
<td>(75,055)</td>
<td>(48,050)</td>
<td>27,019</td>
</tr>
<tr>
<td>Fund balance, July 1</td>
<td>$1,502,486</td>
<td>$1,502,486</td>
<td>$1,317,786</td>
<td>(104,700)</td>
</tr>
<tr>
<td>Fund balance, June 30 - (Form 11)</td>
<td>$1,218,631</td>
<td>$1,227,431</td>
<td>$1,059,750</td>
<td>(167,681)</td>
</tr>
</tbody>
</table>
## INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
### GOVERNMENTAL FUNDS
#### BALANCE SHEET
**JUNE 30, 2016**

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>GENERAL</th>
<th>COMMUNITY SERVICES</th>
<th>BEACH SERVICES</th>
<th>COMMUNITY SERVICES</th>
<th>BEACH CAPITAL PROJECTS</th>
<th>COMMUNITY SERVICES</th>
<th>BEACH DEBT SERVICE</th>
<th>TOTAL GOVERNMENTAL FUNDS</th>
</tr>
</thead>
</table>
|                     | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL REV. | SPECIAL RE
separate line in the statement of activities to report unallocated depreciation expense, it should clearly indicate on the face of the statement that this line item excludes direct depreciation expenses of the various programs. Required disclosures about depreciation expense are discussed in paragraph 117.

45. Depreciation expense for general infrastructure assets should not be allocated to the various functions. It should be reported as a direct expense of the function (for example, public works or transportation) that the reporting government normally associates with capital outlays for, and maintenance of, infrastructure assets or as a separate line in the statement of activities.

46. Interest on general long-term liabilities generally should be considered an indirect expense. However, interest on long-term debt should be included in direct expenses in those limited instances when borrowing is essential to the creation or continuing existence of a program and it would be misleading to exclude the interest from direct expenses of that program (for example, a new program that is highly leveraged in its early stages). Excluding the cost of the borrowing when it is necessary to establish or maintain the program would significantly understate its direct program expenses. Most interest on general long-term liabilities, however, does not qualify as a direct expense and should be reported in the statement of activities as a separate line that clearly indicates that it excludes direct interest expenses, if any, reported in other functions. The amount excluded should be disclosed in the notes or presented on the face of the statement.

Revenues

47. Programs are financed from essentially four sources:

a. Those who purchase, use, or directly benefit from the goods or services of the program (This group may extend beyond the boundaries of the reporting government's taxpayers or citizenry or be a subset of it.)

b. Parties outside the reporting government's citizenry (This group includes other governments and nongovernmental entities or individuals.)

c. The reporting government's taxpayers (This is all taxpayers, regardless of whether they benefit from a particular program.)

d. The governmental institution itself (for example, through investing).

For the purposes of the statement of activities:

- Type a is always a program revenue.
- Type b is a program revenue, if restricted to a specific program or programs. If unrestricted, type b is a general revenue.
- Type c is always a general revenue, even if restricted to a specific program.
- Type d is usually a general revenue.

Program revenues

48. Program revenues derive directly from the program itself or from parties outside the reporting government’s taxpayers or citizenry, as a whole; they reduce the net cost of the function to be financed from the government’s general revenues. The statement of activities should separately report three categories of program revenues: (a) charges for services, (b) program-specific operating grants and contributions, and (c) program-specific capital grants and contributions.

49. Charges for services include revenues based on exchange or exchange-like transactions. These revenues arise from charges to customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Revenues in this category include fees charged for specific services, such as water use or garbage collection; licenses and permits, such as dog licenses, liquor licenses, and building permits; operating special assessments, such as for street cleaning or special street lighting; and any other amounts charged to service recipients. Payments from other governments that are exchange transactions—for example, when County A reimburses County B for boarding County A’s prisoners—also should be reported as charges for services.

50. Program-specific grants and contributions (operating and capital) include revenues arising from mandatory and voluntary nonexchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program. Some grants and contributions consist of capital assets or resources that are restricted for capital purposes to purchase, construct, or renovate capital assets associated with a specific program. These should be reported separately from grants and contributions that may be used either for operating expenses or for capital expenditures of the program at the discretion of the reporting government. These categories of program revenue are specifically attributable to a program and reduce the net expense of that program to the reporting government. For example, a state may provide an operating grant to a county sheriff’s department for a drug-awareness-and-enforcement program or a capital grant to finance construction of a new jail. Multipurpose grants (those that provide financing for more than one program) should be reported as program revenue if the amounts restricted to each program are specifically

\[29\] Paragraph 34 discusses the meaning of the term restricted.
identified in either the grant award or the grant application.\textsuperscript{30} Multipurpose grants that do not provide for specific identification of the programs and amounts should be reported as general revenues.

51. Earnings on endowments or permanent fund investments should be reported as program revenues if restricted to a program or programs specifically identified in the endowment or permanent fund agreement or contract. Earnings from endowments or permanent funds that finance "general fund programs" or "general operating expenses," for example, should not be reported as program revenue. Similarly, earnings on investments not held by permanent funds also may be legally restricted to specific functions or programs. For example, interest earnings on state grants may be required to be used to support a specific program. When earnings on the \textit{invested accumulated resources} of a program are \textit{legally restricted} to be used for that program, the net cost to be financed by the government's general revenues is reduced, and those investment earnings should be reported as program revenues.

\textbf{General revenues}

52. All revenues are \textit{general revenues} unless they are required to be reported as program revenues, as discussed in paragraphs 48 through 51. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by type of tax—for example, sales tax, property tax, franchise tax, income tax. All other nontax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues. General revenues should be reported after total net expense of the government's functions.

\textbf{Reporting contributions to term and permanent endowments, contributions to permanent fund principal, special and extraordinary items, and transfers}

53. Contributions to term and permanent endowments, contributions to permanent fund principal, special and extraordinary items (defined in paragraphs 55 and 56), and transfers (defined in paragraph 112) between governmental and business-type activities should each be reported separately from, but in the same manner as, general revenues. That is, these sources of financing the net cost of the government's programs should be reported at the bottom of the statement of activities to arrive at the all-inclusive change in net assets for the period.

\textsuperscript{30}The grant application should be used for this purpose only if the grant award was based on that application.
MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Gerald W. Eick, CPA CGMA
Director of Finance

SUBJECT: Resolution Number 1847: A Resolution Approving the Report for Collection of Recreation Standby and Service Charges, Fiscal Year 2016-2017

DATE: May 10, 2016

I. RECOMMENDATION

That the Board of Trustees makes a motion to adopt Resolution Number 1847 to include consideration of any comments or protests made at the hearing held May 18, 2016, a finding of the equity of the report, a finding on the completeness of the report, and sets for the collection of recreation standby and services charges (also known as the Recreation Facility Fee and Beach Facility Fee). It further states a finding of benefit to the parcels covered there under as a part of the action considering the public hearing date of Wednesday, May 18, 2016 at 6:30 p.m. at 955 Fairway Boulevard, Incline Village NV.

II. BACKGROUND

As part of the annual budget process, the Board traditionally preliminarily approves the resolution presented by Staff, which outlines the billing and collection process set forth in Nevada Revised Statutes 318.197 (establishing standby service charges for the availability of services and facilities furnished by the District) and 318.201 (establishing the method of collection), as well as the amount of the Recreation Facility Fee (RF/F) and Beach Facility Fee (BFF).

Staff has prepared the Report for Collection on the Washoe County Tax Roll for the Recreation Standby and Service Charges (also known as the Recreation Facility Fee and the Beach Facility Fee). The Board is reminded that the method of collections refers to a process that is rooted in historical references. The report includes a table to establish those major events which link the current fee to those past events. Other sections cover budgetary and collection processes.
Resolution Number 1847: A

Resolution Approving
the Report for Collection of Recreation
Standby and Service Charges,
Fiscal Year 2016-2017

III. FINANCIAL IMPACT AND BUDGET

Staff has prepared an operating budget consistent with direction from the Board of Trustees which results in a combined Recreation Facility Fee and Beach Facility Fee of $830. Staff is recommending that the Recreation Facility Fee of $730 and Beach Facility Fee of $100, amended from the Recreation Facility Fee of $720 and the Beach Facility Fee of $110 as presented in the 2016-2017 preliminary Recreation Roll Report on April 27, 2016, be approved by the Board of Trustees.

At this time, the recommendation is only preliminary and may change on or by the May 18, 2016 date that is set for adoption.

Staff's recommendation is:

- Recreation Facility Fee without beach access: $730
- Beach Facility Fee: $100
- Total Combined Fee: $830

The total preliminary Recreation Facility Fee is:
- Recreation Facility Fee without beach access: $5,972,680
- Beach Facility Fee: $774,400
- Total Combined Recreation Facility Fee and Beach Fee: $6,747,080

IV. ALTERNATIVES

The Board can direct Staff to revise, change, reduce or modify the Recreation Facility Fee and Beach Facility Fee as stated above for the May 18, 2016 Board of Trustees Business Meeting.

V. BUSINESS IMPACT

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

329
## Incline Village General Improvement District

### Facility Fee Reconciliation by Parcel and Venue Component

<table>
<thead>
<tr>
<th>Components per Parcel</th>
<th>Per Parcel</th>
<th>Total 2016-17</th>
<th>Amount per Component</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operating</td>
<td>Capital</td>
<td>Debt Service</td>
</tr>
<tr>
<td>Recreation (8182 Parcels)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Golf - Championship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ 19</td>
<td>$ 41</td>
<td>$ 23</td>
<td>$ 83</td>
</tr>
<tr>
<td>Golf - Mountain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>21</td>
<td>-</td>
<td>54</td>
</tr>
<tr>
<td>Facilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>15</td>
<td>22</td>
<td>57</td>
</tr>
<tr>
<td>Diamond Peak Ski</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(150)</td>
<td>111</td>
<td>113</td>
<td>74</td>
</tr>
<tr>
<td>Youth &amp; Family Programming</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>-</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Senior Programming</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Recreation Center</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>30</td>
<td>1</td>
<td>111</td>
</tr>
<tr>
<td>Comm. Services Admin.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>67</td>
<td>-</td>
<td>170</td>
</tr>
<tr>
<td>Parks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>30</td>
<td>1</td>
<td>117</td>
</tr>
<tr>
<td>Tennis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>5</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>Recreation Facility Fee</td>
<td>$ 250</td>
<td>$ 320</td>
<td>$ 160</td>
</tr>
</tbody>
</table>

### Fiscal Year Facility Fee:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$ 266</td>
<td>$ 199</td>
<td>$ 226</td>
<td>$ 246</td>
<td>$ 199</td>
</tr>
<tr>
<td>Capital</td>
<td>$ 308</td>
<td>$ 315</td>
<td>$ 291</td>
<td>$ 211</td>
<td>$ 242</td>
</tr>
<tr>
<td>Total</td>
<td>$ 156</td>
<td>$ 216</td>
<td>$ 213</td>
<td>$ 273</td>
<td>$ 274</td>
</tr>
</tbody>
</table>

### Beach Facility Fee

<table>
<thead>
<tr>
<th>(7,744 Parcels)</th>
<th>$ 75</th>
<th>$ 24</th>
<th>$ 1</th>
<th>$ 100</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 774,400</td>
<td>$ 580,800</td>
<td>$ 185,856</td>
<td>$ 7,744</td>
</tr>
</tbody>
</table>

### Fiscal Year Total Facility Fee:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$ 75</td>
<td>$ 65</td>
<td>$ 63</td>
<td>$ 66</td>
<td>$ 98</td>
</tr>
<tr>
<td>Capital</td>
<td>$ 24</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 17</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 100</td>
<td>$ 100</td>
<td>$ 100</td>
<td>$ 100</td>
<td>$ 115</td>
</tr>
</tbody>
</table>

May 18, 2016
RESOLUTION NO. 1847

A RESOLUTION APPROVING THE REPORT
FOR COLLECTION ON THE WASHOE COUNTY TAX ROLL
OF RECREATION STANDBY AND SERVICE CHARGES
(ALSO KNOWN AS RECREATION FACILITY FEE AND BEACH FACILITY FEE)

RESOLVED by the Board of Trustees of the Incline Village General Improvement District, Washoe County, Nevada, that

WHEREAS, pursuant to Resolutions No. 419 and 420, as amended, and the order of this Board, a report entitled "Report for Collection on the County Tax Roll of Recreation Standby and Service Charges" has been prepared and filed with this Board, a report on recreation fees to be collected for the fiscal year 2016-17 for the use of Bumi Cedar and Incline Beaches and for the availability of use of the Incline Village Championship and Mountain Golf Courses, Diamond Peak, tennis courts, and other recreational properties and facilities for the District and its people;

WHEREAS, this Board has examined said report and finds the same to be sufficient for further proceedings in relation thereto;

WHEREAS, it is proposed that the charges contained in said report be collected on the general County tax roll (in two separate and distinct lines of items identified as Recreation Facility Fee and Beach Facility Fee) which general District taxes are to be collected for said year;

WHEREAS, on April 27, 2016, this Board adopted its Resolution No. 1846, A Resolution Preliminarily Approving The Report For Collection Of Recreation Standby And Service Charges, wherein it fixed May 18, 2016, at 5:30 p.m. at the Chateau, 955 Fairway Boulevard, Incline Village, Nevada, as the time and place when and where the Board would hear said report and all objections and protests, if any, to the report, and might revise, change, reduce or modify any charge therein, and finally approve and adopt same.

WHEREAS, notice of said hearing has been given by publication once a week for two weeks prior to the date of hearing, in the North Lake Tahoe Bonanza, a newspaper of general circulation printed and published within the District.
WHEREAS, said Board met at said time and place and ______ (XX) person(s) appeared and ______ (X) person(s) protested against the charges made on their property and against said report, and the Board fully heard all persons and considered all matters and was fully advised in the premises, and did by motion revise, change, reduce or modify any of the charges therein which, in its opinion, were so required in order that said charges be equitably distributed among the several parcels of property contained in the report;

NOW, THEREFORE, IT IS ORDERED as follows:

1. That protests were not made at or before said hearing by the owners of a majority of separate parcels of property described in said report, and that said Board has jurisdiction to take further proceedings in relation thereto;

2. That all revisions, changes, reductions or modifications required, be made in said report that are, in the opinion of the Board, required to be made in order that said charges be equitably distributed among the parcels of property contained therein, and all other protests are overruled.

3. That said report contains all of the properties within the District that will be benefited by being charged for the costs of the acquisition, administration, operation, maintenance and improvement of the recreational facilities, including the improvements thereon, and of the servicing of bonds issued or to be issued therefor.

4. The Board of Trustees finds that each parcel assessed pursuant to this Resolution and in its report for the collection on the Washoe County tax roll of standby and service charges for the fiscal year 2016-17 is specifically benefited as follows:

(a) Ordinance No. 7 sets forth in detail the specifics of the benefits available to property owners of all properties, whether improved or unimproved.
(b) The Board specifically finds that the availability of the use of NVGID's beaches; boat launch ramp; Championship golf course; Mountain golf course; tennis facilities; the Chateau; Diamond Peak Ski Resort, and Recreation Center, including reduced rates for season passes and reduced daily rates, are all benefits which inure to the owners of properties assessed hereunder. The Board also finds that such benefits are provided to said properties whether or not they are developed.

(c) In conclusion, the Trustees find that the owners of the parcels set forth herein are directly benefited in a fair and reasonable way for the sums which they are charged.

5. That the rates charged for natural, intrinsic and fundamental distinctions are reasonable in their relation to the object of the charges imposed in said report, and that said charges have been apportioned in relation to said natural, intrinsic, fundamental and reasonable distinctions among said rates.

6. That said report, as revised, changed, reduced or modified, if any, is hereby adopted and that all of the charges herein constitute a perpetual lien on and against each of the parcels of property in the amount set opposite their description in said report, which lien is effective as of the date on which general taxes for the fiscal year 2016/2017 become a lien.

7. The Secretary shall file with the Washoe County Treasurer: a copy of the report with a statement endorsed thereon over his signature that it has been finally adopted by the Board, and the Washoe County Treasurer shall enter the amounts of the charges (in two separate and distinct lines items identified as Recreation Facility Fee and Beach Facility Fee) against the respective lots or parcels of land as they appear on the current Washoe County tax roll.

8. The Washoe County Treasurer shall include the amount of the charges (in two separate and distinct lines items identified as Recreation Facility Fee and Beach Facility Fee) on the bills for taxes levied against respective lots or parcels of land in said report, or, in his discretion, issue separate bills therefor.
and separate receipts for collection on account thereof, and said amounts shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from the general taxes for the District, and shall be delinquent at the same time and thereafter be subject to the same delinquent penalties; and all laws applicable to the levy, collection, and enforcement of general taxes of the District, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale, are applicable to such charges.

... ...

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Incline Village General Improvement District on the 18th day of May, 2016, by the following vote:

AYES, and in favor thereof, Trustees
NOES, Trustees
ABSENT, None

Tim Callicrate
Secretary, IVGID Board of Trustees
REPORT
FOR COLLECTION ON THE COUNTY TAX ROLL OF
RECREATION STANDBY AND SERVICE CHARGES
(ALSO KNOWN AS THE RECREATION FACILITY FEE AND BEACH FACILITY FEE)

PROCEDURE FOR COLLECTION
UNDER NRS 318.201

FOR THE
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
WASHOE COUNTY, NEVADA

FISCAL YEAR ENDING
JUNE 30, 2017
Report
FOR COLLECTION ON THE COUNTY TAX ROLL OF
RECREATION STANDBY AND SERVICE CHARGES
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

This report has been prepared pursuant to the order of the Board of Trustees (herein called "Board") of the Incline Village General Improvement District (herein called "District"), Washoe County (herein called "County"), Nevada, for the purpose of having recreation standby and service charges, herein called ("charges"), for the fiscal year 2016-2017, collected on the general tax roll for said year of the County, and is based on the following facts, determinations and orders, the Board has adopted charges pursuant to NRS 318.201 through prior annual reports and other actions including:

<table>
<thead>
<tr>
<th>Resolution Number</th>
<th>Date Approved</th>
<th>Venue Affected</th>
<th>Related Bond Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>419</td>
<td>10/5/1967</td>
<td>Burnt Cedar and Incline Beach</td>
<td>N/A</td>
</tr>
<tr>
<td>420</td>
<td>10/5/1967</td>
<td>Burnt Cedar and Incline Beach</td>
<td>N/A</td>
</tr>
<tr>
<td>450</td>
<td>4/15/1968</td>
<td>Burnt Cedar and Incline Beach</td>
<td>N/A</td>
</tr>
<tr>
<td>1261</td>
<td>7/13/1976</td>
<td>Golf Courses, Ski Area, Beaches</td>
<td>N/A</td>
</tr>
<tr>
<td>1262</td>
<td>7/29/1976</td>
<td>Golf Courses, Ski Area, Beaches, Tennis and Recreation Parcels</td>
<td>2022**</td>
</tr>
<tr>
<td>1750</td>
<td>1/14/2004</td>
<td>Golf Courses, Ski Area, Parks, Tennis and Facilities</td>
<td>2014</td>
</tr>
<tr>
<td>1785</td>
<td>5/28/2008</td>
<td>Ski Area</td>
<td>2018</td>
</tr>
</tbody>
</table>

** Resolution 1262 related bond issue was part of refunding in 1991, 2002 and 2012.
I. The following annual charges are for the availability of use of the recreational facilities above described, and such charges (excepting those charges collected directly by the District) shall be collected by the Washoe County Treasurer at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the District.

A. **Dwelling Unit Included in the District Prior to June 1, 1968.** $730 annual base Recreation Facility Fee for each dwelling unit, whether such unit stands alone or is part of a multiple unit residential structure and whether or not such unit is separately assessed by the County Assessor; and an additional $100 annual Beach Facility Fee pertaining to the use of the beaches or boat launching area. (For purposes hereof, a dwelling unit shall be placed on the roll at the earlier of the commencement of construction, site preparation, or utility meter installation on any portion of the lot on which the dwelling unit is located.)

B. **Other Parcels in the District Prior to June 1, 1968.** For each parcel separately assessed by the County Assessor, which parcel does not contain any dwelling units, $730 annual base Recreation Facility Fee and an additional $100 annual Beach Facility Fee pertaining to the use of the beaches or boat launching area.

C. **Properties Annexed After June 1, 1968.** Properties annexed to the District after June 1, 1968, shall have an annual base Recreation Facility Fee of $730. Properties annexed after June 1, 1968, are not entitled to the use of the beaches or boat launching area and pay no Beach Facility Fee.

D. **Exceptions.** Lots, parcels and areas of land used, or the portions thereof used, or intended to be used, for religious purposes or educational purposes; common areas without occupied structures appurtenant to a condominium or townhouse cluster; and publicly owned lands, are excepted and excluded from the charges imposed by subsections A through C of this section. In addition, any parcel which is (1) undeveloped, and (2) subject to a deed restriction, acceptable to IVIGD staff, preventing any and all development of the parcel in perpetuity, which deed restriction is recorded in the Washoe County Recorder’s Office, and (3) whose owner agrees to waive in perpetuity on his own behalf as well as on behalf of his successors and assigns any right to demand in the future any recreation privileges arising from or associated with said parcel is also excepted and excluded from the charges imposed by subsections A through C of this section.

Any exception granted pursuant to paragraph I.D. shall operate prospectively only from and after the date subsequent to which such exception is approved by the Board of Trustees of the Incline Village General Improvement District and no exception as created by the paragraph I.D. shall have any retroactive application.
E. **Recreation Privileges.** Each parcel which is charged a Recreation and/or Beach Facility Fee is entitled to recreation privileges, as described in IVGID Ordinance No. 7, an Ordinance Establishing Rates, Rules and Regulations for Recreation Passes and Recreation Punch Cards by the Incline Village General Improvement District.

F. **Governmental, Civic, or Social Groups of Guests.** Any group of persons which participates with Incline Village General Improvement District property owner groups, governmental, civic, or social groups, in recreation or other community projects, may, upon application by the sponsoring group of Incline Village General Improvement District property owners, and when approved as to the time and use of the Incline Village General Improvement District facilities, be granted beach privileges upon payment of a sum not to exceed $12.00 per person, the amount to be determined at the time of application.

1. The sponsoring groups shall accept in writing total responsibility for their guests in their use of the Incline Village General Improvement District facilities.

2. Approval of use shall be for each specific group as to time and the activity, and shall be authorized in writing by the General Manager or his representatives of the Incline Village General Improvement District at least ten days prior to the requested group activity.

3. Such approval shall be granted only for such times as the group activity shall constitute minimal interference with the normal use of the facility.

II. The amount of moneys required for the fiscal year extending from July 1, 2016, to June 30, 2017, has been determined by this Board to be about $5,972,860 for the Recreation Facility Fee and $774,400 for Beach Facility Fee for the proper servicing of said identified bonds and for the administration, operation, maintenance and improvement of said real properties, equipment and facilities.

III. Said sum has been apportioned among the several lots, pieces or parcels of real property, and dwelling units within the District in accordance with the applicable rates and charges prescribed and established therefore as set forth in this report.

IV. The lots and parcels of real property so charged have been described by their parcel numbers used by the County Assessor in the County Tax Roll for the fiscal year 2016-2017, which are by reference to maps prepared by and on file in the office of the County Assessor for said County.

V. The Board has, by resolution, elected and determined to have such charges for the forthcoming fiscal year collected on the general tax roll of the County of Washoe for said year, on which general District taxes are collected, in the same manner, by the same persons and at the same time, together with and not separately from its general District taxes.
The District has agreed to pay the Washoe County Treasurer an annual fee of $1,000 for the processing of these fees.

VI. The amounts of the charges shall constitute a lien against the lot or parcel of real property against which the charge has been imposed as of the time when the lien of taxes on the roll attaches, and all laws applicable to the levy, collection and enforcement of general taxes of the District, including, but not limited to, those pertaining to the matters of delinquency, correction, cancellation, refund, redemption and sale, are applicable to such charges.

VII. The County Treasurer shall include the amount of the charges on the bills for taxes levied against the respective lots and parcels of land, and thereafter the amounts of the charges shall be collected at the same time and in the same manner and by the same persons as, together with and not separately from, the general taxes for the District, and shall be delinquent at the same time and thereafter be subject to the same delinquency penalties, provided that the County Treasurer may, in his discretion, issue separate bills for such charges and separate receipts for collections on account of such charges.

Dated: May 18, 2016

By Order of the Board of
Trustees of the Incline Village
General Improvement District

________________________
Secretary
I hereby certify that the report to which this certification is attached was filed with the Board of Trustees of the Incline Village General Improvement District, and set to be heard by it on May 18, 2016, and that I caused notice of said hearing to be published on May 5 and May 12, 2016, in the North Lake Tahoe Bonanza.

Susan A. Herron
Clerk to the Board of Trustees

I hereby certify that on May 18, 2016, the report to which this certification is attached came on regularly for hearing by the Board of Trustees of the Incline Village General Improvement District, being the time and place set therefore and that said Board heard and considered the report and all objections and protests thereto; that it found by resolution, that protests have not been made by the owners of a majority of the separate parcels of property described in the report, that consideration was given by it to the accuracy of each charge therein, and that where such charge was found to be inaccurate, if any, it was revised, changed, reduced or modified to make it accurate, and was finally approved and adopted.

Susan A. Herron
Clerk to the Board of Trustees

Received and filed on:

________________________

Washoe County Treasurer
ORDINANCE NO. 7
(As amended June 13, 1991; November 17, 1993;
May 8, 1995; June 12, 1995; March 25, 1998)

AN ORDINANCE ESTABLISHING RATES, RULES AND REGULATIONS
FOR RECREATION PASSES AND RECREATION PUNCH CARDS BY THE
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Index

ARTICLE I.  GENERAL PROVISIONS

1. Short Title ................................................................. 4
2. Words and Phrases .................................................. 4
3. Separability ............................................................. 4
4. Posting .................................................................. 4

ARTICLE II.  DEFINITIONS

5. Affinity ................................................................. 4
6. Agent ................................................................. 4
7. Assignment ........................................................... 5
8. Beach Pass .......................................................... 5
9. Board .................................................................. 5
10. Card Holder ......................................................... 5
11. Commercial Tenant ................................................ 5
12. Consanguinity ..................................................... 5
13. County ................................................................. 5
14. Director of Parks and Recreation ......................... 5
15. District ................................................................. 5
16. Family ................................................................. 5
17. General Manager .................................................. 5
18. Owner ................................................................. 5
19. Parcel ................................................................. 5
20. Pass Holder .......................................................... 5
21. Recreation ........................................................... 5
22. Recreation Punch Card ......................................... 6
23. Recreation Fee ..................................................... 6
24. Recreation Pass ..................................................... 6
25. Recreation Privilege ............................................... 6
26. Resident ............................................................... 6

ARTICLE III. PARCEL ELIGIBILITY

27. Eligible Parcels .......................................................... 6
28. Fees Kept Current ................................................... 6
29. Resident Eligibility .................................................. 6
30. Available Privileges ................................................ 6
ARTICLE IV. APPLICATION PROCEDURES

31. Application .................................................................................................................. 5
32. Proof of Ownership .................................................................................................... 7
33. Proof of Residence ..................................................................................................... 7
34. Proof of Commercial Tenancy .................................................................................. 7
35. Application Acceptance ............................................................................................. 7
36. Application Approval .................................................................................................. 7
37. Application Amendment .............................................................................................. 7

ARTICLE V. ASSIGNMENT OF PRIVILEGES

38. Assignment Procedures .............................................................................................. 7
39. Agent Designation ....................................................................................................... 8
40. Multi-Parcel Agent Designation .................................................................................. 8
41. Assignment Acceptance .............................................................................................. 8
42. Privileges Assignable - Residential Parcels ............................................................... 8
43. Privileges Assignable - Commercial Parcels ............................................................. 8
44. Assignment Approval .................................................................................................. 8
45. Assignment Amendments ........................................................................................... 8

ARTICLE VI. RECREATION PASS

46. Recreation Pass ........................................................................................................... 9
47. Term of Pass Issuance ................................................................................................. 9
48. Pass Expiration ............................................................................................................ 9
49. Ability to Transfer ................................................................................................ ...... 9
50. Responsibilities of Pass holder .................................................................................... 10
51. Lost/Stolen Recreation Pass ....................................................................................... 10
52. Reassignment Fee ..................................................................................................... 10
53. Ownership Transfer Fee ........................................................................................... 10

ARTICLE VII. RECREATION CARD

54. Recreation Punch Card ............................................................................................... 10
55. Expiration Date ......................................................................................................... 10
56. Transferability ............................................................................................................ 10
57. Replacement .............................................................................................................. 11
58. Exchange for Recreation Pass .................................................................................... 11
59. Refund ....................................................................................................................... 11

ARTICLE VIII. GENERAL USE REGULATIONS

60. Use of Recreation Pass and/or Card at Golf ............................................................. 11
61. Recreation Pass or Card Ownership ......................................................................... 11
62. Deed Restrictions ...................................................................................................... 11
63. Assumption of Risk ................................................................................................... 11
64. Fraudulent Use .......................................................................................................... 11
65. Selling of Recreation Privileges ................................................................................ 11
ARTICLE IX. AMENDMENTS

72. Modification of Privileges ................................................................. 14
73. Effective Date ................................................................................. 15
ORDINANCE NO. 7
(As amended June 13, 1991; November 17, 1993;
May 8, 1995; June 12, 1995; March 25, 1998)

An Ordinance Establishing Rates, Rules and Regulations
for Recreation Passes and Recreation Punch Cards by the
Incline Village General Improvement District

RECREATION PASS ORDINANCE

Be it ordained by the Board of Trustees of
the Incline Village General improvement
District, Washoe County, Nevada, as follows:

ARTICLE I. GENERAL PROVISIONS

1. Short Title. This ordinance shall be known and may be cited as the "Incline Village
General Improvement District Recreation Pass Ordinance."

2. Words and Phrases. For the purpose of this ordinance, all words used herein in the
present tense shall include the future; all words in the plural number shall include the singular
number; and all words in the singular number shall include the plural number.

3. Separability. If any section, subsection, sentence, clause or phrase of this ordinance or
the application thereof to any person or circumstances is for any reason held to be
unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of
this ordinance or the application of such provision to other persons or circumstances. The Board
hereby declares that it would have passed this ordinance or any section, subsection, sentence,
clause or phrase hereof irrespective of the fact that any one or more sections, subsections,
sentences, clauses or phrases be declared to be unconstitutional.

4. Posting. The adoption of this ordinance shall be entered in the minutes of the Board and
certified copies hereof shall be posted in three (3) public places in the District for ten (10) days
following its passage.

ARTICLE II. DEFINITIONS

When used in this ordinance, the following terms shall have the meanings defined below:

5. Affinity signifies the connection existing in consequence of marriage between each of
the married persons and the blood relatives of the other.

6. Agent means the person designated by an owner to represent the owner in matters
pertaining to the assignment of recreation privileges.
7. **Assignment** means the naming of persons to receive recreation privileges.

8. **Beach Pass** means a daily pass, good for one day only, sold by the District allowing entry onto the District-owned beaches.

9. **Board** means the Board of Trustees of the Incline Village General improvement District.

10. **Card Holder** means the person who is in possession of a Recreation Punch Card.

11. **Commercial Tenant** means an individual or corporation who rents, or leases, a commercial property for the purposes of conducting business or commercial activity.

12. **Consanguinity** means a blood relationship.

13. **County** means the County of Washoe, Nevada.

14. **Director of Parks and Recreation** means the person appointed as the department head of the Parks and Recreation Department.

15. **District** means the Incline Village General Improvement District (acting through its duly authorized officers or employees within the scope of their respective duties).

16. **Family** means a social unit consisting of people related to the property owner by marriage and to the extent of the first and second degrees of consanguinity and affinity, including parents, children, grandparents, grandchildren, brothers and sisters, and their spouses. *(See attached Exhibit A.)*

17. **General Manager** means the person appointed by the Board of Trustees as the General Manager of the District.

18. **Owner** means any person owning fee title to the property, or portion thereof, or any person in whose name the legal title to the property appears, in whole or in part, by deed duly recorded in the County Recorder's office, or any person exercising acts of ownership over same for himself, or as executor, administrator, guardian or trustee of the Owner.

19. **Parcel** means a single plot of land with or without a dwelling on it, or a single unit within a multi-unit residence as defined by the District Recreation Roll.

20. **Pass Holder** means an individual who has been issued a Recreation Pass.

21. **Recreation** means any leisure or sports facility, program, or service owned, operated or provided by the District, including, but not limited to, beaches, parks, playgrounds, athletic fields, trails, Nordic and alpine ski areas, golf courses, recreation centers, tennis courts, swimming pools, sports leagues, contests, events, classes, and special events.
22. **Recreation Punch Card** means the transferable punch card issued by the District to eligible parcel owners and/or their assignees that can be used to pay the difference between the resident rate and the retail or nonresident rate for access to various District recreation facilities and bears a face value established by the Board. The District can sell additional Recreation Punch Cards to eligible parcel owners or assignees for their personal use as provided in Article VIII, Item 69 herein.

23. **Recreation Fee** means the annual Recreation Standby and Service Charge assessed by the District to finance recreation programs and facilities.

24. **Recreation Pass** means the non-transferable photo identification pass issued by the District for free access to District beaches and for hourly, daily, and seasonal discounts at District-owned recreation facilities. Subject to the familial limitations described herein, the District can sell additional Recreation Passes to eligible parcel owners, residents or assignees for their personal use as provided in Article VIII, Item 69 herein. Additional Recreation Passes sold cannot be used to obtain a resident discount at the District-owned golf facilities.

25. **Recreation Privilege** means any privileges of recreation access or special rates afforded to pass holders or card holders, including the privilege to provide admission for guests.

26. **Resident** means any individual maintaining residence within the boundaries of the District as constituted by law.

**ARTICLE III. RECREATION PRIVILEGE ELIGIBILITY**

27. **Eligible Parcels.** Each District parcel which is assessed a recreation fee, is eligible to receive recreation privileges so long as the assessment on that parcel is current.

28. **Fees Kept Current.** All property taxes, special assessments and recreation fees on a parcel must be paid for the current and prior years to maintain the parcel's eligibility for recreation privileges. The District Recreation Fee must be paid by October 1 of the year billed in order to continue receiving recreation privileges.

29. **Resident Eligibility.** All residents are eligible for an assignment of recreation privileges, provided that they have proof of residency.

30. **Available Privileges.** Every eligible parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards.

**ARTICLE IV. APPLICATION PROCEDURES**

31. **Application.** Application for recreation privileges must pertain to a specific, eligible parcel. An application will be accepted when filed on the Application Form provided by the District; when accompanied by proof of ownership as set forth in Section 32; and when signed by any owner of the parcel. The form must be filed with the District's Parks and Recreation office, in person, by fax, or by mail, prior to any issue of recreation privileges as provided by this ordinance.
32. **Proof of Ownership.** Proof of ownership shall be made in one of the following forms:

(a) Written copy of legal deed of title.

(b) Confirmation of ownership by the District from the County Assessor's office.

(c) Confirmation of ownership by the District from a local title company.

33. **Proof of Residence.** Proof of residence shall be made in one, or more, of the following forms:

(a) Written copy of legal lease signed by parcel owner, or authorized agent.

(b) Valid Nevada Driver's License indicating current street address.

(c) Verifiable copies of current utility (phone, electric, water and sewer, etc.) bills in assignee's name.

(d) Valid Washoe County, Nevada, voter's registration card.

34. **Proof of Commercial Tenancy.** Proof of commercial tenancy shall be made with the submittal of a written copy of legal lease signed by the parcel owner, or authorized agent.

Confirmation must be by written document. Written documents need not be certified; however, the District may require further confirmation of uncertified documents.

35. **Application Acceptance.** Application will not be accepted on any parcel if another valid parcel owner or resident application already exists on that parcel. Any application will expire with a change of ownership, residency or tenancy where no party listed on the application continues ownership, residency or tenancy.

36. **Application Approval.** Upon review and verification of the application by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the application. It is the applicant's responsibility to provide the District with all information required for approval.

37. **Application Amendment.** To update information on the application, an approved application may be amended by any verified owner of the parcel, whether or not that owner signed or submitted the original application form.

**ARTICLE V. ASSIGNMENT OF PRIVILEGES**

38. **Assignment Procedures.** Assignment of recreation privileges will be accepted when filed on the Assignment Form and when accompanied by an approved application, or when an approved application is already on file, and when signed by any owner listed on the application.
or any listed owner's designated agent. The assignment form must be filed with the District's Recreation office, in person, by fax, or by mail.

When there is an assignment of recreation privileges, the property owner and assignor shall be jointly and severally liable with assignee(s) respecting any sums of money assignee(s) owes the District related to the use of recreation facilities, including the use of all District-owned meeting facilities.

39. **Agent Designation**. Any Owner listed on an approved application may designate an agent by filing and executing an Agent Authorization Form. An owner may only designate one agent. The agent form must be filed with the District's Parks and Recreation office, in person, by fax, or by mail. Upon review and verification of the agent form by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the form. It is the owner's responsibility to provide the District with all information required for approval.

40. **Multi-P关怀 Agent Designation**. If one agent is to serve as a representative of all units in a multi-parcel complex, an Agent Authorization Form signed by the president of the appropriate homeowners' association and a petition signed by owners representing at least two-thirds (2/3) of the affected parcels must be filed with the District's Parks and Recreation office, in person, by fax, or by mail.

41. **Assignment Acceptance**. Assignment will not be accepted, on any parcel, if another valid assignment already exists on that parcel. Assignment will expire with a change of ownership, where no party listed on the application continues ownership.

42. **Privileges Assignable - Residential Parcels**. Every eligible residential parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards. A Recreation Pass may be assigned to any property owner's eligible family member, or resident, or resident's eligible family member.

43. **Privileges Assignable - Commercial Parcels**. Every eligible commercial parcel may receive any combination of up to five (5) Recreation Passes or Recreation Punch Cards. A Recreation Pass may be assigned to any property owner's family member, commercial tenant principal, or commercial tenant corporate officer.

44. **Assignment Approval**. Upon review and verification of the assignment by the District, the Director of Parks and Recreation, or the Director's designee, shall approve the assignment. It is the owner's or agent's responsibility to provide the District with all information required for approval.

45. **Assignment Amendments**. To update information, the assignment may be amended, and may only be amended, by the person signing the original assignment form. Provided, however, that any owner listed on the approved application or a designated agent of any listed owner may add names of persons to be assigned recreation privileges, to the extent additional privileges are available.
ARTICLE VI. RECREATION PASS

46. A Recreation Pass, subject to the other conditions and restrictions of this recreation pass ordinance, provides the pass holder:

a. free admission to all District-owned beaches; and

b. reduced season pass rates, at District-owned ski and tennis facilities; and

c. reduced daily rates at District-owned golf, ski and tennis facilities; and

d. reduced yearly, quarterly, monthly, or weekly membership rates at District-owned Recreation Center; and

e. reduced daily rates at the District-owned Recreation Center; and

f. reduced rates for the rental of the Chateau, Aspen Grove Community Building, Diamond Peak Ski Lodge, Recreation Center, and District-owned athletic fields; and

g. watercraft launching access at the District-owned boat ramp, for a fee; and

h. guest access to District-owned beaches for a fee; and

i. any other recreation privileges determined by the Board.

47. Term of Pass Issuance. The Recreation Pass of any person will be limited to a term of not less than six (6) months or more than five (5) years. If no term is specified, the minimum term shall apply.

48. Pass Expiration. A Recreation Pass expires when:

a. the stated expiration date has been exceeded; or

b. the parcel changes ownership; or

c. the pass is withdrawn or reassigned to another individual by the owner or his agent; or

d. payment of the District Recreation Fee is delinquent, or

e. the pass is voided pursuant to this ordinance.

49. Ability to Transfer. All Recreation Passes shall be issued for the sole use of the pass holder and are non-transferable.
50. **Responsibilities of Pass Holder.** It is the responsibility of the pass holder to:

a. renew his pass on or before the expiration date shown on the pass;

b. report lost, stolen, or destroyed passes;

c. return all valid passes when eligibility to use passes has expired or when asked by the District to surrender the passes;

d. be responsible for the conduct of his/her guests and for any liability resulting from the guests' use of the District's facilities, or the guests' presence in, or at, the facilities.

51. **Lost/Stolen Recreation Pass.** A charge of $15.00 per pass will be assessed to replace any Recreation Pass that is lost or stolen prior to its date of expiration.

52. **Reassignment Fee.** Reassignment will not be allowed within the initial six months of pass issuance except for the following conditions: (a) the parcel on which the pass is issued changes title; (b) the passholder is deceased; and (c) other circumstances that the Director of Parks & Recreation deems appropriate. In the event of a reassignment where the issued passes are not returned, there will be a charge of $15.00 per pass assessed to the parcel owner. New passes will not be issued for any other individuals unless this fee is paid or the passes are returned.

53. **Ownership Transfer Fee.** A charge of $25.00 per parcel will be assessed to the new owner of a parcel if the Recreation Passes issued on the parcel are not returned to the District when a property changes ownership.

**ARTICLE VII. RECREATION PUNCH CARD**

54. A **Recreation Punch Card** provides the cardholder with a face value of recreation privileges, determined by the Board, 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; and

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

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.

55. **Expiration Date.** Recreation Punch Cards shall have a term of one year beginning on May 1. All Recreation Punch Cards expire on the first April 30th following the date of issuance, regardless of when issued during the course of that year.

56. **Transferability.** Recreation Punch Cards are issued against the parcel and are transferable to anyone.
57. **Replacement.** Recreation Punch Cards will not be replaced if lost, stolen, destroyed or used up.

58. **Exchange for Recreation Pass.** Once the Recreation Punch Card is used, it can be exchanged for a Recreation Pass only if all amounts that appear to be punched are paid for by the card holder and a $15.00 invalidation fee is paid to the District.

59. **Refund.** The Recreation Punch Card has no monetary exchange value and therefore cannot be returned to the District for any form of refund or credit, except as provided in paragraph 58 hereof.

**ARTICLE VIII. GENERAL USE REQUIREMENTS**

60. **Use of Recreation Pass and/or Card at Golf.** A maximum of five (5) Recreation Passes per parcel can be used to obtain discounts for daily access for the District-owned golf courses. No other Recreation Passes can be used to obtain daily discounts at the District-owned golf courses, beyond the five.

61. **Recreation Pass or Card Ownership.** All Recreation Passes and Cards are the property of the District and must be returned upon request, and/or upon the loss of eligibility by the pass holder or card holder.

62. **Deed Restrictions.** Parcels annexed to the District after May 30, 1968, are not eligible for District beach access as per deed restrictions listed on the beach property.

63. **Assumption of Risk.** The pass holder or card holder assumes all risk of personal injury to himself and loss of, or damage to, his personal property resulting from use of the recreation facilities.

64. **Fraudulent Use.** False or misleading information to obtain a Recreation Punch Card or Recreation Pass, or any fraudulent use of such card or pass, will be grounds for voiding all recreation privileges issued against the parcel. The District reserves the right to pursue any other legal action.

65. **Selling of Recreation Privileges.** It is strictly forbidden for any individual to sell an assignment of Recreation Privileges, or to sell individual Recreation Passes or Recreation Punch Cards. Any such sales of privileges, passes, or cards is considered to be fraudulent use and will be grounds for voiding all recreation privileges issued against the parcel. The District reserves the right to pursue any other legal action.

66. **Misconduct.** Use of the District's facilities by any pass holder or card holder is a privilege. For misconduct, a pass holder or card holder may be removed from the facilities and/or his/her privileges, including the immediate confiscation of the Recreation Pass or Recreation Punch Card, may be suspended for any period deemed appropriate by the District or those privileges may be revoked, at the District's sole discretion. Misconduct includes but is not limited to:
a. failure to abide by any rule, policy, procedure, or regulation established by the District and all such supplemental rules, policies, procedures, or regulations established for each recreational facility; or

b. violation of any law or ordinance; or

c. disorderly and/or abusive behavior; or

d. excessive or improper use of alcohol and/or drugs; or

e. vandalism or any other form of property damage.

The parent(s), conservator, or guardian of a child who engages in willful misconduct may be jointly and severally liable for the resulting damage. (NRS 41.470, as amended.)

67. **Disciplinary Procedures for Misconduct.**

a. **Incident Report.** An employee may, in a timely fashion, submit a written incident report of facts within that employee's own, personal knowledge concerning the alleged misconduct of a user, regardless of whether that user was removed from the premises for that same alleged misconduct.

b. **Removal.** Under exigent circumstances, a District employee may remove a user from District property, with or without the assistance of the Washoe County Sheriff's Office. Exigent circumstances include but are not limited to a threat of bodily harm, to him/herself or others, a risk of property damage, and/or a persistent refusal to obey the law and/or policies and procedures, or regulations of the District.

   (1) Washoe County Sheriff Assistance. The District may request at any time the assistance of the Washoe County Sheriff's Office in maintaining order.

   (2) Incident Report. The employee(s) involved in the removal shall file an incident report with the department head of that facility within 24 hours of the occurrence.

c. **Suspension, Revocation, or Other Disposition.**

(1) **Department Head.** Within a reasonable time following receipt of an incident report, the Department Head may determine that sufficient evidence of serious misconduct exists, indicating adequate grounds for suspension or revocation of privileges. Upon such an assessment, the Department Head shall provide the user with written notice of the accusation(s) and the possible sanction/penalty which may result. The notice shall also provide the user with the date, time and place at which the user may appear before the Department Head and the accusing employee(s), to respond to the claims and to explain the user's position concerning the incident.
(a) Notice. The written notice shall be signed by the Department Head and mailed, certified return receipt requested, to the District's record address of the user. Attached to the notice shall be a copy of the incident report(s). If the user is a minor, an additional copy of the notice shall be mailed to the parent(s) or person(s) in loco parentis of the user-child.

(b) Hearing. Within five (5) business days of mailing the written notice, unless otherwise agreed by the Department Head and the user, the Department Head shall hold a hearing to determine the accuracy of the representations contained in the Incident Report and to determine what, if any, further action shall be taken by the District. At this hearing, the employee(s) bringing the charges shall provide testimony and the user shall have opportunity to respond and explain. At the close of the hearing, the Department Head may render his/her opinion orally or take the matter under submission. The Department Head shall deliver a written decision concerning the allegations and any resulting suspension or revocation within two (2) business days following the hearing.

(c) Decision. The Department Head shall include findings of facts, conclusions of misconduct, and sanction/penalty, if any imposed, in the decision; additionally, the Department Head shall inform the user in the decision of the user's right to appeal the decision to the District's General Manager. Such disposition shall include, but not be limited to, the following: suspension, revocation, reprimand (oral or written), or a determination of no action of no misconduct.

(d) Notice of Appeal. In order to avail him/herself of the right to appeal to the General Manager, the user must so inform the General Manager by letter delivered to the District's Administrative Building (located at 893 Southwood Boulevard, Incline Village, NV 89451) within two (2) business days of issuance of the written opinion.

(2) District General Manager. Within five (5) business days of the user's notice of appeal letter, the General Manager shall hear the user's appeal. Also at this hearing shall be the charging employee(s) and the deciding Department Head, to respond to the user's assertions. The General Manager shall render his/her written decision within two (2) business days of the appellate hearing. In the decision, the General Manager shall uphold, modify, or reverse, in whole or in part, the Department Head's decision. The General Manager shall advise the user in this written decision of the user's right to appeal the General Manager's decision to the District's Board of Trustees. In order to avail him/herself of the right of final appeal to the Board of Trustees, the user must so inform the Board by letter delivered to the District's Administrative Building (located at 893 Southwood Boulevard, Incline Village, NV 89451) within five (5) business days of issuance of the written opinion from the General Manager.

(3) Board of Trustees. The Board of Trustees shall hear the user's duly agendized appeal at the Board's next regularly scheduled public meeting. (NRS 241.030 (3) (d): nothing contained in the Chapter 241 shall require that any meeting be closed to the public.) Also at this hearing shall be the charging employee(s), the deciding Department Head, and General Manager, to respond to the user's assertions. The Board shall render its decision at this
hearing. By its decision, the Board shall uphold, modify, or overturn, in whole or in part, the General Manager's decision. The Board's decision is final.

d. **Right of Representation.** The user may enlist the assistance of legal counsel, of the user's choice and at his/her expense, at any and all stages of these proceedings.

e. **Reservation.** Nothing herein shall preclude the District from utilizing any and all legal and/or equitable remedies, in the stead of or in addition to the present procedure.

68. **Other Issuance.** Nothing in this ordinance shall prevent the District from issuing recreation privileges to employees, former Board members, or anyone else, in the past, present or future, as approved by the Board of Trustees.

69. **Purchase of Additional Recreation Passes or Cards.** If any owner wishes to purchase additional Recreation Passes or Recreation Punch Cards, the owner may do so by paying an additional fee equal to one-fifth of the current District Recreation Fee for each Pass or Card for the parcel in question. Additional Recreation Passes are valid for a period of one (1) year from the date of purchase, unless they expire on an earlier date as provided in paragraph 48 hereof. Additional Recreation Passes can only be purchased for eligible family members of parcel owners or residents. Additional Recreation Punch Cards are valid from the date of purchase until the first April 30th following the date of purchase and can be used by any individual. Additional Recreation Passes or Cards cannot be purchased for commercial parcels and their tenants. An application for additional recreation passes or cards must be filed with the District's Parks and Recreation office.

70. **Personal Identification.** Prior to issuance of any recreation privilege, identification of the person receiving the privilege may be required in the form of a valid photo identification card, such as an automobile driver's license.

71. **Administration.** The General Manager may from time to time adopt, amend, or rescind rules consistent with this ordinance. The General Manager shall hold the final authority to interpret this ordinance and rules adopted thereunder. Such authority shall include the application of this ordinance and rules to specific people, parcels, and circumstances. The day-to-day administration of this ordinance is hereby delegated to the Director of Parks and Recreation.

**ARTICLE IX. AMENDMENTS**

72. **Modification of Privileges.** The recreation privileges issued under this ordinance shall be modified by the terms of any amendments to this ordinance subsequently adopted by the Board. Nothing in this ordinance shall be deemed to limit the Board's discretion to modify the terms of this ordinance or the application of any such modification to Recreation Passes, Recreation Punch Cards and other recreation privileges outstanding, including alterations in the terms or expiration dates thereof.

73. **Effective Date.** The effective date of this ordinance was January 1, 1988. The terms of this ordinance applied to all recreation privileges that were outstanding on that date.
Director of Parks and Recreation is empowered to determine how to administer the application of this ordinance to existing privileges. The effective date of this amendment shall be March 26, 1998.
<table>
<thead>
<tr>
<th>Relationship #</th>
<th>PROPERTY OWNER</th>
<th>Relationship #</th>
<th>SPOUSE OF PROPERTY OWNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>OWNER/CO-OWNER</td>
<td>00</td>
<td>OWNER/CO-OWNER</td>
</tr>
<tr>
<td>1</td>
<td>MOTHER</td>
<td>07</td>
<td>MOTHER</td>
</tr>
<tr>
<td>2</td>
<td>MOTHER'S SPOUSE</td>
<td>08</td>
<td>MOTHER'S SPOUSE</td>
</tr>
<tr>
<td>3</td>
<td>FATHER</td>
<td>09</td>
<td>FATHER</td>
</tr>
<tr>
<td>4</td>
<td>FATHER'S SPOUSE</td>
<td>10</td>
<td>FATHER'S SPOUSE</td>
</tr>
<tr>
<td>5</td>
<td>CHILDREN</td>
<td>11</td>
<td>CHILDREN</td>
</tr>
<tr>
<td>6</td>
<td>CHILD'S SPOUSE</td>
<td>12</td>
<td>CHILD'S SPOUSE</td>
</tr>
<tr>
<td>13</td>
<td>GRANDMOTHER</td>
<td>23</td>
<td>GRANDMOTHER</td>
</tr>
<tr>
<td>14</td>
<td>GRANDMOTHER'S SPOUSE</td>
<td>24</td>
<td>GRANDMOTHER'S SPOUSE</td>
</tr>
<tr>
<td>15</td>
<td>GRANDFATHER</td>
<td>25</td>
<td>GRANDFATHER</td>
</tr>
<tr>
<td>16</td>
<td>GRANDFATHER'S SPOUSE</td>
<td>26</td>
<td>GRANDFATHER'S SPOUSE</td>
</tr>
<tr>
<td>17</td>
<td>GRANDCHILDREN</td>
<td>27</td>
<td>GRANDCHILDREN</td>
</tr>
<tr>
<td>18</td>
<td>GRANDCHILD'S SPOUSE</td>
<td>28</td>
<td>GRANDCHILD'S SPOUSE</td>
</tr>
<tr>
<td>19</td>
<td>SISTER</td>
<td>29</td>
<td>SISTER</td>
</tr>
<tr>
<td>20</td>
<td>SISTER'S SPOUSE</td>
<td>30</td>
<td>SISTER'S SPOUSE</td>
</tr>
<tr>
<td>21</td>
<td>BROTHER</td>
<td>31</td>
<td>BROTHER</td>
</tr>
<tr>
<td>22</td>
<td>BROTHER'S SPOUSE</td>
<td>32</td>
<td>BROTHER'S SPOUSE</td>
</tr>
</tbody>
</table>
Steve, Steve, Steve - - -

If I hadn’t been down this road (meeting you, Steve, in person) before, I would most likely be responding differently. However, in as much as we have in fact previously met, and for that meeting you led me to believe you would share documents and failed to do so, why should I try that failed approach again??? Aren’t the questions / points presented in my 21 December 2016 exchange clear?

So, NO, I have no intention on meeting with you until you have forwarded the information I have requested in written format so we have something tangible to address. Once I have your response(s) in hand and have had an opportunity to review it (them), I will be more than willing to schedule a meeting with you.

And to remind you, I still have outstanding responses addressing what you refer to as ‘IVGID Branding’ quickly approaching the two year old mark as recorded in the 29 April 2015 BOT meeting where you provided the following verbal report (according to your email to me of 10 June 2015):

I recently formed a General Manager’s Branding Advisory Team consisting of Trustee Jim Hammerel, Trustee Jim Smith, IVGID Marketing Manager Kayla Anderson, IVGID Diamond Peak Ski Resort General Manager Brad Wilson, and IVGID General Manager Steve Pinkerton. I am doing this because I received an inquiry from an interested Crystal Bay resident as to why and how all of the IVGID venues were branded. It was felt, after consideration and discussion with the Chairman of the Board of Trustees, that putting together a small Advisory Team might be a good use of time to have informed discussions as to the history of how facilities were branded and what possible changes should be considered for the future. It will take Staff time to hold these meetings and there will be no facility fees. It is anticipated that a Staff member will be designated to take minutes. Therefore, no budget is necessary for these meetings. This is an exploratory process and I anticipate that I will provide regular updates, during Board meetings, on the progress of this Advisory Team.

We will be holding a meeting next week. I will be sure to discuss the Monument Sign issue as part of the discussion as well.

I will keep you informed of the process.

You may recall that we scheduled a meeting, which was finally held on 19 October 2015, that you were ‘to provide’ copies of the minutes of the ‘Advisory Team’ meeting minutes - - - which I am STILL waiting to receive. And for the benefit of those on copy, over time I have repeatedly requested Steve to address the ‘branding’ topic as well to no avail.

So, meet with you Steve, I think not at this time. However, once you have provided written information pertinent to the questions / points I have raised (summarized in my below 21 December 2016 message), and / or are prepared to share with me copies of your ‘General Manager’s Branding Advisory Team’ meeting minutes which you assured the BOT you would conduct and address, I will agree to meet with you to discuss same.
And lastly and once again for those on copy that may have missed our exchange with County Commissioner Marsha Berkbigler concerning these matters, our exchange follows:

Marsha Berkbigler (12/12/16):

Good Afternoon Mark and Steve.

I would be happy to work with you both on a park facility for Crystal Bay. It has been my understanding from past discussions that there is no land available in Crystal Bay that can be used for a park. As I understand it most of the land in Crystal Bay is private so not available for a public park location. Additionally remember the funds have certain restrictions placed on them and cannot be used for any purpose that would not meet the definition of a public park.

Mark Alexander response to Marsha Berkbigler (12/12/16):

Marsha,

Thank you for your engagement. To assist your recollection of events that previously occurred, when presented with an opportunity to address the lack of a public park the county (you were present at the meeting), the County elected to defer the matter as some residents from the Somers Loop area (near the Cal Neva) indicated that they wanted the County to divert the funds to build a set of stairs down to a small cove via a County easement on the Tahoe coast line instead of considering collaborating with Boulder Bay in the build out of Crystal Bay's community park (e.g., the installation of playground equipment, walking paths, etc. as the land, approximately 4 acres, was dedicated as a park through the developments permitting process with the TRPA). You may recall that I didn't encourage this concept [the construction of steps down to the cove] as it was at variance to the use criteria as set forth in the applicable NRS. To the best of my knowledge, there has been no involvement by either the County or IVGID in the parks construction by Boulder Bay project. For this reason, I am enquiring as to what the County and IVGID's plans are to utilize the available County funding as well as the current status of IVGID's active involvement in support of the community within the Crystal Bay geographic boundary. Please keep in mind, IVGID's recreational department is named the 'Incline Village Parks & Recreation' department (an example of its branding: http://tahoe.com/business/ivgid-park-rec-tennis), not the IVGID Recreation department - and therefore its focus is Incline Village, not the step children located in Crystal Bay. And yes, this goes to the point that you have raised in the past that Crystal Bay residents are a bunch of whiners - - - but the County and IVGID love to assess us taxes and recreational fees, with no recreational venue to show for it.

As far as available land to construct a park, there are numerous private, state and federal lots within Crystal Bay geographic boundary and clearly the county has the right to pursue one or more that it deems would suit the needs of constructing a public park. By way of County and IVGID inactivity, you may recall that several years ago I personally laid out a route to construct the bike path between Incline Village and Crystal Bay. It like other proposals was placed in the 'too difficult' drawer and we still to my knowledge don't have even a preliminary alignment nor definitive plan for a pathway between Incline Village and Crystal Bay.

Bottom line, I have no problem working with either or both the County and IVGID staff in identifying possible locations for the Crystal Bay park(s). Some sites will lend themselves more easily than others.
to a park than others, but I believe there is unoccupied land that would lend itself to the development of a County / IVGID park here in Crystal Bay should someone truly be interested in pursuing a solution.

Susan,

Can you please confirm that entirety of this exchange has been recorded in the BOT board packet?

Thank you, Mark

From: Pinkerton, Steve J. [mailto:steve_pinkerton@ivgid.org]
Sent: Wednesday, January 4, 2017 9:33 AM
To: Mark Alexander Jr <markalexanderjr@att.net>
Cc: Moga, Misty A. <mab@ivgid.org>; Group - IVGID Trustees <Group-IVGIDTrustees@ivgid.org>
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop

Happy New Year!

I apologize for not touching base with you sooner. The end of the year is always one of the busiest times here at IVGID.

Regarding your questions, I don’t believe that an email conversation is the most productive way to answer your questions.

I would greatly prefer a face-to-face meeting where there is the opportunity for give-and-take, follow up questions and the ability to provide additional detail when necessary.

My available meeting times are as follows:
January 11: 9am, 10am or 3pm.
January 12: 4pm.
January 18: 2pm or 3pm.
January 24: 9am, 10am or 4pm.

If any of those work for you, please let know.

Regards,
Steve

Steven J. Pinkerton
General Manager
Incline Village General Improvement District
893 Southwood Boulevard, Incline Village, NV 89451
P: 775-832-1206
F: 775-832-1122
sip@ivgid.org
www.ivgid.org

From: Mark Alexander Jr [mailto:markalexanderjr@att.net]
Sent: Wednesday, December 21, 2016 12:13 PM
To: Pinkerton, Steve J.
Cc: Moga, Misty A.; Group - IVGID Trustees; Herron, Susan; ‘Marsha Berkbiger’; Heider, Sharon G.
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop
Importance: High

Hi again Steve,
It has been over a week since my below message to you with no response forthcoming. So, to be precise on the information I see concerning the Community Services Master Plan, below please find a brief exclamation/restatement of the details I seek from you:

1) Please confirm that 8 slides (i.e., IVGID Public Workshop Boards) posted on the Incline Village Parks and Rec site represent the total number of slides shared with the community;

2) Please confirm that, based on the 8 posted slides that not one slide contained trigger questions with respect to the consideration of existing or proposed venues within the physical boundary of Crystal Bay;

3) A convenient day for me to visit your office and view and preferably collect a copy of IVGID’s source document for the inclusion of the proposed pathway between Incline Village and Crystal Bay as illustrated by IVGID on slide number 7;

4) Your personal explanation as IVGID’s General Manager as to IVGID’s intent when stated in the presentation that "Together, we will develop a long-range community services master plan to identify and plan for the future of community driven recreation activities and facilities in Incline Village and Crystal Bay." For clarity and the avoidance of doubt, I am referring to the use of the word 'in', when IVGID states it will develop a "master plan ... for ... recreation activities and facilities in ... Crystal Bay"; and

5) And in closing, when you state: “Regarding the investment of funds in Crystal Bay, I will touch base with you when we’ve made progress on that front.”, can you please share with me when I can expect you to reach out to me during the first quarter of 2017 with a status update on the progress you have made with the County?

Thank you, Mark

From: Mark Alexander Jr [mailto:markalexanderjr@att.net]
Sent: Tuesday, December 13, 2016 2:14 PM
To: 'Pinkerton, Steve J.' <steve_pinkerton@ivgid.org>
Cc: 'Moga, Misty A.' <mab@ivgid.org>; 'Group - IVGID Trustees' <Group-IVGIDTrustees@ivgid.org>; 'Herron, Susan' <Susan_Herron@ivgid.org>; 'Marsha Berkbiger' <mberkbiger@washoeCounty.us>; 'Heider, Sharon G.' <SGH@ivgid.org>
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop
Importance: High

Hi Steve,

So, to sum it up (I accessed and viewed each of the 8 slides [are there more that I may have missed?]), there are no current IVGID venues within the physical boundary of Crystal Bay - you may recall I have asked for your validation of this observation on several occasions - which to date have gone unanswered. Second, having viewed the posted slides and note that there were no trigger questions concerning the consideration of venues within, again, the physical boundary of Crystal Bay - please advise if I have errored in this observation. I did note however the inclusion of a ‘Proposed Shared-use Paths’ mark-up between Incline Village and Crystal Bay. I will be interested to hear more about its status from an IVGID perspective. I should mention that the mark-up doesn’t reflect previous discussions with the County on the alignment and I would therefore like to drop by your office and view and preferably collect a copy of IVGID’s source document for the inclusion of the proposed pathway. Please let me know a time convenient for you for me to do so. The illustration I am
referring to can be found through the attached link: https://www.yourtahoeplace.com/uploads/pdf-ivgid/161130_IVGID_Public_Workshop_Boards_7.pdf

So, given the above observations, perhaps you can help me understand how IVGID expects to deliver on its expressed commitment of: "Together, we will develop a long-range community services master plan to identify and plan for the future of community driven recreation activities and facilities in Incline Village and Crystal Bay." For clarity and the avoidance of doubt, I am referring to the use of the word 'in', when IVGID states it will develop a "master plan ... for ... recreation activities and facilities in ... Crystal Bay".

And in closing, when you state: “Regarding the investment of funds in Crystal Bay, I will touch base with you when we've made progress on that front.”, can I anticipate you reaching out to me during the first quarter of 2017 with a status update?

Thank you and looking forward to your informed responses.

Regards, Mark
Mark Alexander, Jr
M – 775 772-9128
H – 775 831-5047

-----Original Message-----
From: Pinkerton, Steve J. [mailto:steve_pinkerton@ivgid.org]
Sent: Tuesday, December 13, 2016 10:54 AM
To: Mark Alexander Jr <markalexanderjr@att.net>
Cc: Moga, Misty A. <mab@ivgid.org>; Group - IVGID Trustees <Group:IVGIDTrustees@ivgid.org>; Herron, Susan <Susan_Herron@ivgid.org>; 'Marsha Berkbigler' <mberkbigler@washoecounty.us>; Heider, Sharon G. <SGH@ivgid.org>
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop

Good Morning:
Thank you so much for your response.

We had great attendance at the November 30 Community Interactive Workshop on the Master Plan.

You can see the materials from that workshop at the following link:

https://www.yourtahoeplace.com/ivgid/resources/community-services-master-plan

As more material becomes available to the public, it will also be available at this link.

Regarding the investment of funds in Crystal Bay, I will touch base with you when we've made progress on that front.

I appreciate your interest and look forward to further dialogue.

Thanks,
Steve
From: Mark Alexander Jr [markalexanderjr@att.net]
Sent: Monday, December 12, 2016 12:53 PM
To: Pinkerton, Steve J.
Cc: Moga, Misty A.; Group - IVGID Trustees; Herron, Susan; 'Marsha Berkbigler'
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop

Hi Steve,

We arrived back in Tahoe this weekend and I wanted to reach out to you and respond to your below message. I am encouraged to see you acknowledge an understanding that Washoe County has funding to support the establishment of a park in Crystal Bay and that you will be reaching out to Marsha "... in the very near future to discuss the opportunities available for application of these funds." I am also encouraged that you are "... very anxious to see those funds invested in Crystal Bay as soon as possible."

Given IVGID's past track record as it pertains to its investment in the Crystal Bay community with respect to its use of our rec fee's, and as it has been going on two weeks since you indicated you would be taking action, perhaps you can provide a brief update on your progress on this matter?
Also as the community meeting is now a past event, can you please forward a copy of the draft compiling of input as it pertains to the Community Services Master Plan? I will be more than happy to drop by your Southwood office this week and collect a copy at your convenience.

Awaiting your timely response, Mark
Mark Alexander, Jr
M - 775 772-9128
H - 775 831-5047

-----Original Message-----
From: Pinkerton, Steve J. [mailto:steve_pinkerton@ivgid.org]
Sent: Thursday, December 1, 2016 11:26 PM
To: Mark Alexander Jr <markalexanderjr@att.net>
Cc: Moga, Misty A. <mab@ivgid.org>; Group - IVGID Trustees <Group-IVGIDTrustees@ivgid.org>
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop

Good Evening:
I am sorry you were not able to attend the meeting last night.

It was very well attended and we received lots of good feedback.

I will be sure to keep you informed when there are more opportunities for participation.

Regarding the funds available for parks in Crystal Bay, I am aware of these funds.

As part of our Master Plan process, I will be reaching out to Commissioner Berkbigler in the very near future to discuss the opportunities available for application of these funds.

I will certainly keep you apprised of those discussions.
I am also very anxious to see those funds invested in Crystal Bay as soon as possible.

Thanks,
Steve Pinkerton
General Manager

From: Mark Alexander Jr [markalexanderjr@att.net]
Sent: Wednesday, November 30, 2016 1:34 PM
To: Pinkerton, Steve J.
Cc: 'Marsha Berkbiger'; Kendra Wong; Horan, Phil; Hammerel, Jim; Tim Callicrate; Matthew Dent; Herron, Susan; Heider, Sharon G.; Moga, Misty A.
Subject: RE: Event Invitation: Community Services Master Plan Interactive Workshop

Hi Steve, 

Well, my below exchange requesting a simple yes or no has once again gone un-responded to, the kind of response that I have unfortunately expect to be the norm from IVGID’s GM. So, with a non-response, and being a resident of Crystal Bay, I will be so bold to inform you that I am not aware of any facility within the geographic boundary of Crystal Bay. I am unaware of any IVGID venue within the physical boundary of Crystal Bay for our grandchildren to play or picnic at. Our only option is bundle everyone up and drive over to an Incline Village venue - but heaven forbid do not even think about using the beaches unless it is the off season! As you are undoubtedly aware (an assumption on my part), we can't safely walk or ride our bikes between Crystal Bay and Incline as there is no trail to do so on.
And of course, the IVGID bus service which we also pay for doesn't service Crystal Bay as it is primarily in place to service IVGID's private beaches.

So, my next question which I fully expect you to ignore and not respond to is: Are you aware that Washoe County, when I last asked the question, has roughly $500,000 in funds reserved in an escrow (my term) account exclusively for building a 'park' in Crystal Bay? Can I be so bold to ask you personally to reach out to Marsha Berkbiger to see how IVGID and Washoe County can collaborate to finally take on the initiative to utilize the funds to build a community (public) park in Crystal Bay - hopefully before our young grandchildren are too old to enjoy it??!

We are departing for a few days in an hour so I won't be able to attend this evening's workshop, but will hopefully read that the Community Services Master Plan will include going forward a deliverable of building an IVGID recreation venue within the physical boundary of Crystal Bay, sooner rather than later.

Regards, Mark
Mark Alexander, Jr
M - 775 772-9128
H - 775 831-5047
Herron, Susan <Susan_Herron@ivgid.org>; Marsha Berktigler <mberktigler@washoeCounty.us>; Heider, Sharon G. <SGH@ivgid.org>; Moga, Misty A. <mab@ivgid.org>
Subject: Re: Event Invitation: Community Services Master Plan Interactive Workshop

Steve,

Without you having said so, and as a start, can you please confirm that to date IVGID has NO recreational (to include community / public parks) venues within the physical boundaries of the Crystal Bay community?

Thank you, Mark

Sent from Mark's iPad
E markalexanderjr@att.net<mailto:markalexanderjr@att.net>
M (775) 772-9128

On Nov 26, 2016, at 12:48 AM, Pinkerton, Steve J. <steve_pinkerton@ivgid.org><mailto:steve_pinkerton@ivgid.org>> wrote:
Good Evening Mark:

Thank you for your response. I apologize for not not responding sooner.

I understand your frustration with lack of programs and activities hosted in Crystal Bay.

As you know, we continually struggle with lack of space and resources in our community. We are always interesting in seeing what we can do to expand our current services.

We don't know what that looks like yet. That's why we are hosting this meeting and going through this 18-month master plan process to evaluate the needs of everyone. I strongly encourage you to attend and provide feedback on what services you feel we can host in Crystal Bay. It's community members like you who give direction and voice to the underserved, and I look forward to your participation.

Additionally, we are in the beginning stages of our IVGID Branding exercise. In this process, we will explore ways to better represent ourselves to include the entire District, which would address your concerns regarding the titles of our departments. I invite your thoughts and feedback on how we can better unify the branding of the District.

Thank you again, Mark for your feedback.

Have a great Thanksgiving holiday.

Please feel free to contact me anytime with questions or concerns,

Steve Pinkerton
General Manager

________________________
From: Mark Alexander Jr
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY OF THE WEEK</th>
<th>TIME</th>
<th>LOCATION</th>
<th>MEETING</th>
<th>ITEMS SLATED FOR CONSIDERATION</th>
</tr>
</thead>
</table>
| 02/15/2017   | Wednesday      | 5 to 8 p.m.   | Chateau  | 1st Quarter Community Meeting                         | Topic: Face-to-Face with IVGID Board of Trustees  
Format: Similar to Community Services Plan Event/Community Fair style                                                                                                                                                           |
| 02/22/2017   | Wednesday      | 5:30 to 6 p.m.| Chateau  | Meet and Greet                                         | 10-1-2016 to 12-30-16 Quarterly Dashboard Report  
Debrief on 1st Quarterly Community Meeting  
Beach/Parks Service Options (2017/2018 Budget)  
Set Date for Public Hearing for Ordinance 2 & 4 that includes the Utility Rates (could move to 3/8)  
Pump Track MOU                                                                                                                                                            |
| 02/22/2017   | Wednesday      | 6 p.m.        | Chateau  | Regular Board Meeting                                  |                                                                                                                                                                                                                             |
| 03/08/2017   | Wednesday      | 6 p.m.        | Chateau  | Regular Board Meeting                                  | Incline Beach House Project - Conceptual Design Presentation  
Operating Budget (2017/2018)  
Board Work Plan Action Item (?)                                                                                                                                                                                                 |
| 03/17/2017   | Friday         | 9 a.m. - 4 p.m.| Start at Public Works | Noticed Event                                         | Capital Improvement Program Tour                                                                                                                                                                                                  |
| 03/21/2017   | Tuesday        | 5:30 to 6 p.m.| Chateau  | Meet and Greet                                         |                                                                                                                                                                                                                             |
| 03/21/2017   | Tuesday        | 6 p.m.        | Chateau  | Regular Board Meeting                                  | First exposure to 2017/2018 Capital Budget  
Washoe County School District and IVGID Joint Use Agreement Amendment  
Waterman Construction Award (Johnson)  
Set the public hearing dates for the Recreation Roll and 2017/2018 budget                                                                                                                                                     |

*LONG RANGE DRAFT CALENDAR*  
Tuesday, January 31, 2017
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY OF THE WEEK</th>
<th>TIME</th>
<th>LOCATION</th>
<th>MEETING</th>
<th>ITEMS SLATED FOR CONSIDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>04/12/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>Approve preliminary Fiscal Year 2017-2018 budget&lt;br&gt;Public Works Storage Building Award (Johnson)&lt;br&gt;Preliminary Recreation Roll approval</td>
</tr>
<tr>
<td>04/26/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>Approval of RWTB Memo of Understanding for 2017 Event(s)&lt;br&gt;WRRF Access Contract Award&lt;br&gt;Ordinances 2 and 4 Public Hearing</td>
</tr>
<tr>
<td>04/26/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>05/10/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>District Strategic Plan</td>
</tr>
<tr>
<td>05/24/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
</tr>
<tr>
<td>05/24/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>1-1-2017 to 3-31-2017 Quarterly Dashboard Report&lt;br&gt;Final approval of 2017/2018 District budgets</td>
</tr>
<tr>
<td>06/14/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>06/17/2017</td>
<td>Saturday</td>
<td></td>
<td></td>
<td>2nd Quarter Community Meeting</td>
<td>Topic: Community Services Master Plan Community Workshop&lt;br&gt;(2 of 2) - First one was held Nov 30, 2016</td>
</tr>
<tr>
<td>06/28/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
</tr>
<tr>
<td>06/28/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>07/12/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>07/26/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
</tr>
<tr>
<td>07/26/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>Approval of Indebtedness Report as required by the State of Nevada&lt;br&gt;SPS#8 Improvement Contract Award</td>
</tr>
<tr>
<td>DATE</td>
<td>DAY OF THE WEEK</td>
<td>TIME</td>
<td>LOCATION</td>
<td>MEETING</td>
<td>ITEMS SLATED FOR CONSIDERATION</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------------</td>
<td>--------------</td>
<td>----------</td>
<td>----------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>08/09/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>08/23/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
</tr>
<tr>
<td>08/23/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>4-1-2017 to 6-30-17 Quarterly Dashboard Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3rd Quarter Community Meeting</td>
<td>Topic:</td>
</tr>
<tr>
<td>SEPTEMBER 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>09/13/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>09/27/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
</tr>
<tr>
<td>09/27/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>OCTOBER 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/11/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>10/25/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td></td>
</tr>
<tr>
<td>10/25/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>NOVEMBER 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/08/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>11/22/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>This meeting is typically cancelled due to the Thanksgiving holiday</td>
</tr>
<tr>
<td>11/22/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>This meeting is typically cancelled due to the Thanksgiving holiday</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4th Quarter Community Meeting</td>
<td>Topic:</td>
</tr>
<tr>
<td>DECEMBER 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/13/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td></td>
</tr>
<tr>
<td>12/27/2017</td>
<td>Wednesday</td>
<td>5:30 to 6 p.m.</td>
<td>Chateau</td>
<td>Meet and Greet</td>
<td>This meeting is typically cancelled due to the Christmas holiday</td>
</tr>
<tr>
<td>12/27/2017</td>
<td>Wednesday</td>
<td>6 p.m.</td>
<td>Chateau</td>
<td>Regular Board Meeting</td>
<td>This meeting is typically cancelled due to the Christmas holiday</td>
</tr>
</tbody>
</table>

_LONG RANGE DRAFT CALENDAR_
<table>
<thead>
<tr>
<th>DATE</th>
<th>DAY OF THE WEEK</th>
<th>TIME</th>
<th>LOCATION</th>
<th>MEETING</th>
<th>ITEMS SLATED FOR CONSIDERATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Items sitting in the parking lot (to be discussed but (a) not yet scheduled for a specific Regular Board Meeting) or (b) a future Board not on this calendar</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>RFID Picture Passes – Item for next Strategic Plan or three years from now – software not available nor is infrastructure/hardware</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Revision to Memorandum of Understanding with Incline-Tahoe Parks and Recreation Vision Foundation (ITF)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Commercial Boat Operators</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>TRPA EIS Contract at Diamond Peak</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non-alcoholic beverage contract award (tentative)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Capital Projects Update: Status of current projects and presentation of long term options for Mountain Course Clubhouse and Maintenance Facility</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>IVGID Code/Codification</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Land Policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Investment Policy Update ref: GFOA update</td>
</tr>
</tbody>
</table>

LONG RANGE DRAFT CALENDAR

Tuesday, January 31, 2017